



# Santee School District

**SCHOOLS:**

- Cajon Park
- Carlton Hills
- Carlton Oaks
- Chet F. Harritt STEAM
- Hill Creek
- Pepper Drive
- PRIDE Academy  
at Prospect Avenue
- Rio Seco
- Sycamore Canyon
- Alternative
- Success Program

*Please note: The June 20, July 18, and August 1, Board of Education meetings will be held at Cajon Park School, 10300 Magnolia Avenue, Santee, CA 92071. All meetings will begin at 7:00 p.m.*

Cajon Park School  
Multi-Purpose Room  
10300 Magnolia Avenue  
Santee, California

**BOARD OF EDUCATION  
REGULAR MEETING  
AGENDA  
June 6, 2017**

**District Mission**

*Santee School District assures a quality education, empowering students to achieve academic excellence and to develop life skills needed for success in a diverse and changing society.*

	<u>Page #:</u>
<b>A. OPENING PROCEDURES – 7:00 p.m.</b>	6
1. Call to Order and Welcome	
2. District Mission	
3. Pledge of Allegiance	
4. Approval of Agenda	
<b>B. REPORTS AND PRESENTATIONS</b>	7
1. Superintendent’s Report	
1.1. Developer Fees and Collection Report	8
1.2. Use of Facilities Report	9
1.3. Enrollment Report	10
1.4. Schedule of Upcoming Events	11
2. Spotlight on Education: Eighth Grade Student Academic Achievement Awards	12
<b><i>Following the Academic Achievement Awards, the Board will take a short break for a reception honoring all of the participating students.</i></b>	
<b>C. PUBLIC COMMUNICATION</b>	13
<i>During this time, citizens are invited to address the Board of Education about any item not on the agenda. Request-to-speak cards should be submitted in advance. The Board may not take action on any item presented. The Board has a policy limiting any speaker to five minutes. Meetings are recorded.</i>	
<b>D. PUBLIC HEARING</b>	14
1. <b><u>2017-18 Local Control Accountability Plan (LCAP) Annual Update</u></b>	15
2. <b><u>2017-18 Adopted Budget</u></b>	17
3. <b><u>Recycling of Obsolete Instructional Materials</u></b>	18

**E. CONSENT ITEMS**

20

*Items listed under Consent are considered to be routine and are acted on by the Board with a single motion. There is no discussion of these items prior to the Board vote unless a member of the Board, staff, or public requests specific items be considered separately. Request to speak cards should be submitted in advance.*

**Superintendent**

**1.1. Approval of Minutes**

21

It is recommended that the Board of Education approve meeting minutes with any necessary modifications.

**Business Services**

**2.1. Approval/Ratification of Travel Requests**

37

It is recommended that the Board of Education ratify the authorization granted to personnel requesting out-of-district travel as listed in the item.

**2.2. Acceptance of Donations**

39

It is recommended that the Board of Education accept donations listed in the item and authorize letters of appreciation to be sent on behalf of the Board.

**2.3. Approval of Consultants and General Service Providers**

40

It is recommended that the Board of Education approve agreements with Consultants and General Service Providers as presented.

**2.4. Approval/Ratification of Expenditure Transactions Charged to District Issued Purchasing Cards (P-Cards)**

42

It is recommended that the Board of Education approve/ratify expenditure transactions charged to District P-Cards for the month of April 2017.

**2.5. Adoption of Resolution No. 1617-44, to Establish Temporary Interfund Transfers**

47

It is recommended that the Board of Education adopt Resolution No. 1617-44, as required for the 2016-17 year-end closing process and 2017-18 fiscal year.

**2.6. Approval of Agreement with City of Santee for Transportation Services**

50

It is recommended that the Board of Education approve the transportation agreement with the City of Santee to increase fees for District-provided transportation services to the Santee Teen Center.

**2.7. Approval of Agreements for Mileage Reimbursement In Lieu of District Transportation**

55

It is recommended that the Board of Education approve/ratify the Parent/Guardian agreements for mileage reimbursement in lieu of District transportation.

**2.8. Approval of Extension of Memorandum of Understanding with Reinterpret for Use of Cajon Park Annex**

56

It is recommended that the Board of Education approve the Memorandum of Understanding with Reinterpret for Use of Facilities at Cajon Park Annex for the 2017-18 fiscal year.

**2.9. Approval/Ratification of Annual Agreements for 2017-18**

59

It is recommended that the Board of Education provide approval/ratification of the attached listed annual agreements for 2017-18.

**2.10. Authorization to Sell/Dispose of Surplus Items**

63

It is recommended that the Board of Education declare the described items as surplus with an estimated value of \$0 and authorize the sale or disposal of them in accordance with the recommended terms.

- 2.11. Adoption of Resolution No. 1617-46 Authorizing the Execution of Documents with Wells Fargo Equipment Finance, Inc. and Delivery of Equipment Under a Master Governmental Lease-Purchase Agreement and Supplement No. 81952-401 for the Purchase of Three 76 Passenger Buses** 67  
It is recommended that the Board of Education adopt Resolution No. 1617-46 authorizing the execution of documents with Wells Fargo Equipment Finance, Inc. and delivery of equipment under a Master Governmental Lease-Purchase Agreement and Supplement No. 81952-401 for the purchase of three 76 passenger buses.
- 2.12. Approval of System Data Agreement with County of San Diego Health and Human Services Agency for CALWIN Data Extract of Confidential Files** 89  
It is recommended that the Board of Education approve the System Data Agreement with the County of San Diego Health and Human Services Agency for CALWIN Data Extract of Confidential Files.
- 2.13. Approval of Agreement with Air Pollution Control District County of San Diego for a 2017 Carl Moyer Program State Reserve Fund Grant** 107  
It is recommended that the Board of Education approve the Agreement with Air Pollution Control District County of San Diego for a 2017 Carl Moyer Program State Reserve Fund Grant.
- 2.14. Adoption of Resolution No. 1617-47 to Authorize Piggyback on South County Support Services Agency Bid #14005 School Bus for Purchase of One 76 Passenger School Bus Using 2017 Carl Moyer Grant Funds** 138  
It is recommended that the Board of Education adopt Resolution No. 1617-47 to Authorize Piggyback on South County Support Services Agency Bid #14005 School Bus for Purchase of One 76 Passenger School Bus Using 2017 Carl Moyer Grant Funds.

### **Educational Services**

- 3.1. Approval of Nonpublic Master Contract Appendix A with Devereux Advanced Behavior Health for Speech Therapy and Occupational Therapy Services** 140  
It is recommended that the Board of Education approve the Nonpublic Master Contract Appendix A with Devereux Advanced Behavior Health for speech therapy and occupational therapy services.

### **Human Resource/Pupil Services**

- 4.1. Personnel, Regular** 141  
It is recommended that the Board of Education approve the listed personnel appointments, change of status, leave requests, resignations, and dismissals.
- 4.2. Approval of Short Term Positions** 143  
It is recommended that the Board of Education approve the short term positions.
- 4.3. Approval of Medi-Cal Administrative Activities (SMAA) Agreement with Orange County Department of Education** 144  
It is recommended that the Board of Education approve the Medi-cal Administrative Activities (SMAA) agreement with Orange County Department of Education.
- 4.4. Approval to Submit a Kaiser Permanente Southern California Regional San Diego Medical Center Grant Application** 174  
It is recommended that the Board of Education approve the submission of a Kaiser Permanente Southern California Regional San Diego Medical Center grant application.

**F. DISCUSSION AND/OR ACTION ITEMS**

179

*Members of the audience wishing to address the Board about any of the following items should submit a request to speak card in advance.*

**Business Services**

**1.1. Projects on Office of Public School Construction (OPSC) Unfunded Approvals List** 180  
This is an information item. Action, if any, is at the discretion of the Board of Education.

**1.2. Approval of YALE Preschool Program Fee Increase** 182  
It is recommended that the Board of Education approve an approximate 18% increase to the full-time program rates and an approximate 22% increase to the part-time program rates effective August 21, 2017.

**1.3. Drinking Water Lead Testing Results** 185  
This is an information item. Action, if any, is at the discretion of the Board of Education.

**1.4. Adoption of Resolution No. 1617-45 of the Board of Education of the Santee School District Authorizing the Sale and Issuance of Not To Exceed \$14,000,000 Aggregate Principal Amount of Santee School District General Obligation Refunding Bonds, in One or More Series, Approving the Forms of and Authorizing the Execution and Delivery of One or More Escrow Agreements Bond Purchase Agreements and Continuing Disclosure Certificates, Approving the Form, and Authorizing a Method for Review and Approval by Members of Said Board, of One or More Official Statements, and Authorizing the Execution of Necessary Documents and Certificates and Related Actions in Connection Therewith** 188  
It is recommended that the Board of Education Adopt Resolution No. 1617-45 of the Board of Education of the Santee School District Authorizing the Sale and Issuance of Not To Exceed \$14,000,000 Aggregate Principal Amount of Santee School District General Obligation Refunding Bonds, in One or More Series, Approving the Forms of and Authorizing the Execution and Delivery of One or More Escrow Agreements, Bond Purchase Agreements and Continuing Disclosure Certificates, Approving the Form, and Authorizing a Method for Review and Approval by Members of Said Board, of One or More Official Statements, and Authorizing the Execution of Necessary Documents and Certificates and Related Actions in Connection Therewith.

**Educational Services**

**2.1. Approval of English Language Arts/English Language Development Instructional Materials, Kindergarten – Grade 5** 343  
It is recommended that the Board of Education approve the purchase of Kindergarten – grade 5 Common Core-aligned instructional materials, McGraw-Hill Reading Windows.

**2.2. Approval of English Language Arts/English Language Development Instructional Materials, Grades 6 – 8** 345  
It is recommended that the Board of Education approve the purchase of grades 6 – 8 Common Core-aligned instructional materials, Amplify Education.

**Human Resource/Pupil Services**

**3.1. Approval of Agreement with PeopleAdmin for Online Automation of Personnel Actions and Electronic Retention of Employee Information** 347  
It is recommended that the Board of Education approve the agreement with PeopleAdmin for online automation of personnel actions and electronic retention of employee information.

<b>G.</b>	<b>BOARD POLICIES AND BYLAWS</b>	366
1.1.	<b><u>Second Reading: New Board Policy 3515.7 Firearms on School Grounds</u></b> It is recommended that the Board of Education approve New Board Policy 3515.7 Firearms on School Grounds.	367
1.2.	<b><u>First Reading: Revised Board Policy and New Administrative Regulation 5145.3, Nondiscrimination/Harassment</u></b> This is a First Reading of Revised BP 5145.3 and New Administrative Regulation 5145.3, Nondiscrimination/Harassment. Action, if any, is at the discretion of the Board.	370
<b>H.</b>	<b>BOARD COMMUNICATION AND ORGANIZATIONAL BUSINESS</b>	383
<b>I.</b>	<b>CLOSED SESSION</b>	383
1.	<b><u>Conference with Labor Negotiator</u></b> (Gov't. Code § 54956.8) <i>Purpose: Negotiations</i> <i>Agency Negotiators: Tim Larson, Assistant Superintendent</i> <i>Employee Organization: Santee Teachers Association (STA)</i>	
2.	<b><u>Conference with Labor Negotiator</u></b> (Gov't. Code § 54956.8) <i>Purpose: Negotiations</i> <i>Agency Negotiators: Tim Larson, Assistant Superintendent</i> <i>Employee Organization: Classified School Employees Association (CSEA)</i>	
3.	<b><u>Conference with Legal Counsel – Anticipated Litigation</u></b> (Gov't. Code § 54956.9)	
4.	<b><u>Public Employee Performance Evaluation</u></b> (Gov't. Code § 54957) <i>Superintendent</i>	
<b>J.</b>	<b>RECONVENE TO PUBLIC SESSION</b>	383
<b>K.</b>	<b>ADJOURNMENT</b>	383

**Please note:** Per SB 343, the supporting documents for this meeting agenda are available in the lobby at the Santee School District Office, located at 9625 Cuyamaca St., Santee, CA 92071 and will be available for viewing at the meeting. The next regular meeting of the Board of Education is scheduled for April 4, 2017 at 7:00 p.m., in the Douglas E. Giles Educational Resource Center. Santee School District complies with the Americans with Disabilities Act. If you require reasonable accommodations including alternate formats for this meeting, contact the Superintendent's Office at (619) 258-2304 at least two (2) days before the meeting date. **Please note: Due to construction, the June 20, July 18, and August 1 Board of Education meetings will be held at Cajon Park School, 10300 Magnolia Avenue, Santee, CA 92071. All meetings will begin at 7:00 p.m.**

Members present:

\_\_\_ Levens-Craig

\_\_\_ El-Hajj

\_\_\_ Fox

\_\_\_ Burns

\_\_\_ Ryan

**ITEM A. OPENING PROCEDURES – 7:00 P.M.**

1. Call to Order and Welcome

2. District Mission

*Santee School District assures a quality education empowering students to achieve academic excellence and to develop life skills needed for success in a diverse and changing society.*

3. Pledge of Allegiance

4. Approval of Agenda for the June 6, 2017, regular meeting

Agenda Item A.

## **Item B. REPORTS AND PRESENTATIONS**

The following items are presented for Board information:

1. Superintendent's Report
  - 1.1. Developer Fees and Collection Report
  - 1.2. Use of Facilities Report
  - 1.3. Enrollment Report
  - 1.4. Schedule of Upcoming Events
  
2. Spotlight on Education: Eighth Grade Student Academic Achievement Awards

Agenda Item B.

**DEVELOPER FEES COLLECTION REPORT  
2016-17  
CUMULATIVE THROUGH MAY 23, 2017**

Residential Rate: \$2.08 per square foot - effective 5/5/14 - 6/19/16; \$2.16 per square foot effective 6/20/16  
Commercial Rate: \$0.33 per square foot - effective 5/5/14 - 6/19/16; \$0.35 per square foot - effective 6/20/16  
Self Storage Rate: \$0.14 per square foot - effective 4/20/10-6/19/16; \$0.15 per square foot - effective 6/20/16

COM	RES	ADDRESS	DATE OF COLLECT.	SQUARE FEET	AMOUNT	SCHOOL OF ATTENDANCE
	X	10130 Woodpark Dr.	08/05/16	952	\$2,056.32	CP
	X	10140 Strathmore Dr.	08/09/16	766	\$1,654.66	SC
	X	Braverman Dr. (model home)	08/16/16	2,210	\$4,773.60	HC
	X	Braverman Dr. (model home)	08/16/16	2,554	\$5,516.64	HC
	X	Braverman Dr. (model home)	08/16/16	2,853	\$6,162.48	HC
	X	8746 Bushy Hill	08/24/16	16,982	\$36,681.12	CFH
	X	3943-3953 Magnolia Ave.	09/28/16	22,590	\$48,794.40	PD
	X	8931 Sunwood Dr.	11/08/16	1,068	\$2,306.88	CH
X		9480 Cuyamaca St.	11/09/16	5,079	\$1,777.65	RS
	X	1309 Rex Lane	01/04/17	640	\$1,382.40	PD
	X	9465 Mandeville Rd.	02/06/17	906	\$1,956.96	CH
	X	9233 Willowgrove	02/09/17	624	\$1,347.84	CH
	X	10647,10653,10655,10659,10671,10677 Braverman Dr	02/10/17	15,876	\$34,292.16	HC
X		9331 Mission Gorge Rd.	02/23/17	95	\$14.25	PA
	X	8600, 8604, 8608 Camden Drive	03/03/17	6,232	\$13,461.12	HC
	X	9208 Maranda	03/17/17	670	\$1,447.20	CH
	X	9015 Willowgrove Circle	03/22/17	637	\$1,375.92	CH
X		501-589 Lantern Crest Way	03/29/17	14,322	\$5,012.70	HC
	X	9544-9580 Coolwater Way	04/04/17	17,098	\$36,931.68	HC
X		9300 Fanita Parkway	04/06/17	212	\$74.20	CO
	X	9908 Cleary Street	04/18/17	729	\$1,574.64	HC
	X	8601,8605,8609,8613,8617,8621,8625 Camden Drive	04/24/17	14,913	\$32,212.08	CFH
	X	9940 Seymour Street	04/24/17	636	\$1,373.76	HC
X		8867 Cuyamaca Street	05/02/17	4,086	\$1,430.10	RS
	X	9437 & 9445 Pryor Dr/8575,8581,8582,8588 Shanes Way	05/09/17	12,359	\$26,695.44	PA
X		1900 Weld Blvd	05/15/17	568	\$198.80	PA
	X	9502,9508,9514,9520,9526,9532,9538 Coolwater Way	05/17/17	17,446	\$37,683.36	HC
<b>TOTAL PAGE 1</b>					<b>\$308,188.36</b>	

\*Additional square footage (total is over 500 square feet)  
\*\* Fee Exempt - Senior / Elder Care Facility  
\*\*\* Fee Exempt - Less than 500 square feet  
\*\*\*\* Fee Exempt - Religious Facility



**Requests For Use Of Facilities - June 6, 2017**

<b>Group</b>	<b>Location</b>	<b>Date</b>	<b>Days</b>	<b>Time</b>	<b>Attend.</b>	<b>Fees Applied</b>
<b>Carlton Hills</b> PTA (Father/Son Night)	Multi-Purpose	5/31/17	Wednesday	4:00 pm - 8:30 pm	150	
<b>Carlton Oaks</b> Pickwick Players (Theatre Rehearsals)	Multi-Purpose & Classroom	4/6/17 - 5/31/17	Wednesday	6:00 pm - 10:00 pm	25	
Pickwick Players (Theatre Rehearsals)	Multi-Purpose & Classroom	4/6/17 - 5/31/17	Sunday	10:00 am - 3:00 pm	25	
PTA (Teacher/Staff Appreciation Luncheon)	Multi-Purpose	5/5/17	Friday	8:30 am - 2:30 pm	90	
<b>Hill Creek</b> Magnolia Trails S.U. Girl Scouts (Leader Meeting)	Multi-Purpose	5/11/17	Thursday	6:00 pm - 8:30 pm	35	
PTSA (Family Movie Night)	Front Lawn	6/2/17	Friday	6:00 pm - 10:00 pm	250	
<b>Pepper Drive</b> Cameron Family YMCA (Summer Camp)	Multi-Purpose	6/19/17 - 8/4/17	Mon - Fri	6:45 am - 6:15 pm	170	\$7,446.00
<b>Sycamore Canyon</b> PTA (Family Movie Night)	Front Lawn, Media Center	6/2/17	Friday	7:00 pm - 9:30 pm	70	

**\*\*\*NOTE: USE MAY BE LIMITED DUE TO MODERNIZATION AT VARIOUS SITES & ALL CARNIVALS TAKE PRECEDENCE OVER GROUPS.**

Santee School District  
 ENROLLMENT REPORT  
 5/26/2017  
 Month 11 Week 3  
 School Week 40

SCHOOL	REGULAR ED														SPECIAL ED										Total All								
	TK	EAK 5yo	K	Gr 1	Gr 2	Gr 3	Gr 4	Gr 5	Gr 6	Gr 7	Gr 8	05/26/17	06/03/16	# Diff	% Diff	TK	K	Gr 1	Gr 2	Gr 3	Gr 4	Gr 5	Gr 6	Gr 7	Gr 8	05/26/17	06/03/16	# Diff	% Diff	05/26/17	05/19/17	# Diff	
Cajon Park			111	99	90	105	121	114	94	108	93	935	939	-4	-0.4%	1	13	4	6	3	11	7	15	8	8	76	59	17	28.8%	1011	1011	0	
Carlton Hills	23	24	76	70	76	58	45	47	42	64	52	577	565	12	2.1%	3	2	3	3	5	2	7	3	3	31	33	-2	-6.1%	608	609	-1		
Carlton Oaks			75	82	75	65	87	75	97	88	118	762	783	-21	-2.7%	6	4	6	4	6	11	9	6	8	60	52	8	15.4%	822	825	-3		
Chet F. Harritt	25	25	79	82	82	74	55	54	62	60	64	662	648	14	2.2%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Hill Creek	24	25	83	85	78	83	75	71	74	64	92	755	770	-15	-1.9%	2	2	1	2	4	6	1	0	0	0	18	17	1	5.6%	773	775	-2	
Pepper Drive	25		111	111	89	141	116	102	113	92	71	971	903	68	7.5%	0	0	0	0	0	0	2	2	4	2	10	5	5	100.0%	981	982	-1	
Pride Academy	21	24	72	68	60	60	75	55	51	55	43	584	576	8	1.4%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rio Seco			103	101	109	111	124	120	84	101	93	946	934	12	1.3%	5	1	1	5	7	13	7	7	8	54	60	-6	-10.0%	1000	1000	0		
Sycamore Canyon		24	72	46	46	48	42	48	49	0	0	375	349	26	7.4%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-1
<b>SUBTOTAL</b>	<b>116</b>	<b>122</b>	<b>782</b>	<b>744</b>	<b>706</b>	<b>745</b>	<b>740</b>	<b>688</b>	<b>666</b>	<b>832</b>	<b>626</b>	<b>6567</b>	<b>6467</b>	<b>100</b>	<b>1.5%</b>	<b>3</b>	<b>29</b>	<b>12</b>	<b>18</b>	<b>19</b>	<b>35</b>	<b>38</b>	<b>40</b>	<b>28</b>	<b>29</b>	<b>249</b>	<b>226</b>	<b>23</b>	<b>10.2%</b>	<b>6816</b>	<b>6,823</b>	<b>-7</b>	
Alternative School			3	4	3	2	4	6	5	9	2	38	33	5	15.2%																		0
Santee Success									3	4	6	13	10	3	30.0%											0	0	0	0	0.0%	13	14	-1
NPS												0	0							3	2			2	1	8	4	4	100.0%	8	8	0	
<b>SUBTOTAL</b>			<b>3</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>6</b>	<b>8</b>	<b>13</b>	<b>8</b>	<b>51</b>	<b>43</b>	<b>6</b>	<b>18.6%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>8</b>	<b>4</b>	<b>4</b>	<b>100.0%</b>	<b>59</b>	<b>60</b>	<b>-1</b>	
<b>TOTAL</b>	<b>116</b>	<b>122</b>	<b>785</b>	<b>748</b>	<b>709</b>	<b>747</b>	<b>744</b>	<b>692</b>	<b>674</b>	<b>645</b>	<b>634</b>	<b>6618</b>	<b>6,510</b>	<b>106</b>	<b>1.7%</b>	<b>3</b>	<b>29</b>	<b>12</b>	<b>18</b>	<b>22</b>	<b>36</b>	<b>38</b>	<b>40</b>	<b>30</b>	<b>30</b>	<b>257</b>	<b>230</b>	<b>27</b>	<b>11.7%</b>	<b>6875</b>	<b>6883</b>	<b>-8</b>	

Please note: Special Ed. PK & EAK 4 yr olds listed below are not reflected in the total count above because they do not receive ADA.

	PK	EAK 4yo	Total All
Cajon Park	1	0	1012
Carlton Hills	0	0	608
Chet F. Harritt	0	0	662
Hill Creek	0	0	773
Prospect Ave	0	0	584
Sycamore Canyon	68	0	443
<b>Total PK/EAK</b>	<b>69</b>	<b>0</b>	

<b>Total Enrollment Including PK</b>
<b>6944</b>

## Schedule of Upcoming Events

Date	Event
June 6	Board Meeting; 7:00 p.m., at Cajon Park School MPR, 10300 Magnolia Avenue <b><i>(please note location change)</i></b>
June 7	Safety/Facilities Committee Meeting; 3:30 pm, at Cajon Park School MPR, 10300 Magnolia Avenue <b><i>(please note location change)</i></b>
June 9	District English Learner Advisory Committee (DELAC); 9:00 a.m., at Rio Seco School MPR, 9545 Cuyamaca <b><i>(please note location change)</i></b>
June 13	Last Day of School
June 15	Foundation Golf Classic, Carlton Oaks Country Club
June 20	Board Meeting; 7:00 p.m., at Cajon Park School Multi-purpose Room, 10300 Magnolia Avenue <b><i>(please note location change)</i></b>
July 4	Independence Day – District Office Closed
July 18	Board Meeting; 7:00 p.m., at Cajon Park School Multi-purpose Room, 10300 Magnolia Avenue <b><i>(please note location change)</i></b>
August 1	Board Meeting; 7:00 p.m., at Cajon Park School Multi-purpose Room, 10300 Magnolia Avenue <b><i>(please note location change)</i></b>
August 21	First Day of School

Reports and Presentations Item B.2. Spotlight on Education: Eighth Grade Student Academic Achievement Awards

Prepared by Dr. Stephanie Pierce  
June 6, 2017

**BACKGROUND:**

Tonight we are honoring students who were selected to compete in the Academic Achievement Award competition for the 2016-17 school year.

Dr. Stephanie Pierce, Assistant Superintendent of Educational Services, will introduce students from each school in Santee School District who achieved academic excellence during the current school year and were chosen to participate in this competition by their 8<sup>th</sup> grade teachers in collaboration with the school principal.

The Academic Student Achievement Award is provided to 8<sup>th</sup> grade students who participate in an annual end of the year competition. This year the Academic Achievement Award Competition focused on the areas of writing, speech and mathematics. Students were required to write a literature response essay, give a speech, and take a comprehensive algebra test. For the essay, students had to read and analyze a number of short pieces of literature, develop a thematic thesis statement, and support their thesis. In the speech competition, students were provided a topic and given time to prepare a focused two minute speech. The algebra test required the students to use their math skills and problem solving techniques learned throughout their elementary and junior high school experiences.

This evening the Board of Education and Assistant Superintendent of Educational Services, Dr. Stephanie Pierce, will honor the students selected by their school who participated in this year's 2016-17 competition. The City of Santee and the Santee Chamber of Commerce will both be represented to present the top recipient awards. The names of the award winners will be announced at the Board meeting.

**Academic Achievement Participants**

Cajon Park <b>Shaye Blackburn</b> <b>Andrew Delacruz</b>	Chet F. Harritt <b>Melia Parravano</b> <b>Madison Wyatt</b>	PRIDE Academy <b>Ashton Avestro</b> <b>Kaitlyn Helbig</b>
Carlton Hills <b>Abigail Bailey</b> <b>Andrew Schroeder</b>	Hill Creek <b>Carly Elliott</b> <b>Harmony Golden</b>	Rio Seco <b>Nichole Molitor</b> <b>Maysen Seile</b>
Carlton Oaks <b>Andrew Gallagher</b> <b>Merci Hassin</b>	Pepper Drive <b>Sabrina Brown</b> <b>Aiden Klinefelter</b>	

Agenda Item B.2.

## **Item C. PUBLIC COMMUNICATION**

*During Public Communication, citizens are invited to address the Board of Education about any item not on the agenda. Request-to-speak cards should be submitted in advance. The Board may not take action on any item presented. The Board has a policy limiting any speaker to five minutes. Meetings are recorded.*

Agenda Item C.

**Item D. PUBLIC HEARINGS**

1. 2017-18 Local Control Accountability Plan (LCAP) Annual Update
2. 2017-18 Adopted Budget
3. Recycling of Obsolete Instructional Materials

Public Hearing Item D.1. 2017-18 Local Control Accountability Plan (LCAP)  
Prepared by Dr. Stephanie Pierce  
June 6, 2017

**BACKGROUND:**

In accordance with Education Code 52062 (b) (1), the Board of Education shall hold at least one public hearing to review the District's proposed Local Control Accountability Plan (LCAP) and solicit the recommendations and comments of members of the public regarding the specific actions and expenditures proposed to be included in the Local Control Accountability Plan or the annual update to the Local Control Accountability Plan. Additionally, the agenda for the public hearing shall be posted at least 72 hours before the public hearing and shall include the location where the local control and accountability plan or annual update to the local control and accountability plan will be available for public inspection.

The Santee School District's proposed Local Control Accountability Plan is available for public inspection on the District's website: [www.santeesd.net](http://www.santeesd.net). The Board of Education of Santee School District will consider the Local Control Accountability Plan for approval at the June 20, 2017 regular Board of Education meeting to be held at:

Cajon Park School  
10300 N. Magnolia Avenue  
Santee, CA 92071

The public hearing should convene and permit any interested citizens to raise questions or to provide input about the proposed Local Control Accountability Plan of the District.

Agenda Item D.1.

**PLEASE POST  
Until June 6, 2017**

NOTICE OF PUBLIC HEARING  
FROM THE  
SANTEE SCHOOL DISTRICT  
FOR  
PROPOSED LOCAL CONTROL ACCOUNTABILITY PLAN (LCAP)

The Santee School District Board of Education will conduct a public hearing to review the District's proposed Local Control Accountability Plan (LCAP).

**DATE:** Tuesday, June 6, 2017

**TIME:** 7:00 p.m.

**PLACE:** Cajon Park School  
10300 N. Magnolia Avenue  
Santee, CA 92071

NOTICE IS FURTHER GIVEN that the Santee School Board of Education will consider the LCAP for approval at the June 20, 2017 regular Board of Education meeting to be held at Cajon Park School, 10300 N. Magnolia Avenue, Santee, CA 92071.

The proposed LCAP is available for public inspection on the District's website: [www.santeesd.net](http://www.santeesd.net).

Posted 05/24/17  
Santee City Clerk's Office  
Santee Library  
Educational Resource Center  
Santee Chamber of Commerce  
Santee Schools



Public Hearings D.2.  
Prepared by Karl Christensen  
June 6, 2017

2017-18 Adopted Budget

**BACKGROUND:**

The Board of Education is required by law to hold an official public hearing prior to discussion of the Adopted Budget. The budget document has been available for public review at:

Santee School District  
Douglas E. Giles Educational Resource Center  
9619 Cuyamaca Street  
Santee, CA 92071

The public hearing should convene and permit any interested citizens to raise questions or to provide input about the proposed adopted Budget of the District.

Agenda Item D.2.

Public Hearing Item D.3. Recycling of Obsolete Instructional Materials  
Prepared by Dr. Stephanie Pierce  
June 6, 2017

**BACKGROUND:**

In accordance with Education Code 60510, the governing board of the school district may dispose of surplus or undistributed obsolete instructional materials that are usable for educational purposes by donating them to children or adults in the State of California or foreign countries for the purpose of increasing the general literacy of the people.

Due to the new English/language arts adoptions, obsolete instructional materials will be donated and/or recycled through the Rotary Clubs of La Mesa and El Cajon. Materials in usable conditions will be distributed overseas by Compassion for African Villages. Any obsolete materials that Compassion for African Villages deems unusable will be recycled.

The public hearing should convene and permit any interested citizens to raise questions or to provide input on the recycling of obsolete textbook materials.

Agenda Item D.3.

**PLEASE POST  
Until June 6, 2017**

NOTICE OF PUBLIC HEARING  
FROM THE  
SANTEE SCHOOL DISTRICT  
FOR  
RECYCLING OF OBSOLETE TEXTBOOK MATERIALS

The Santee School District Board of Education shall hold a public hearing regarding recycling of obsolete instructional materials.

**DATE:** Tuesday, June 6, 2017

**TIME:** 7:00 p.m.

**PLACE:** Cajon Park School  
10300 N. Magnolia Avenue  
Santee, CA 92071

Posted 05/22/17  
Santee City Clerk's Office  
Santee Library  
Educational Resource Center  
Santee Chamber of Commerce  
Santee Schools

## **Item E. CONSENT ITEMS**

*Items listed under Consent are considered to be routine and are acted on by the Board with a single motion. There is no Board discussion of these items prior to the vote unless a member of the Board, staff, or public requests specific items be considered separately. Citizens are invited at this time to address the Board about any item listed under Consent.*

Agenda Item E.

Consent Item E.1.1.  
Prepared by Kristin Baranski  
June 6, 2017

Approval of Minutes

**BACKGROUND:**

Presented for Board approval –

- May 16, 2017, regular meeting minutes
- May 30, 2017, special meeting minutes

**RECOMMENDATION:**

It is recommended that the Board of Education approve the attached minutes with any necessary modifications.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_ Item E.1.1.

**SANTEE SCHOOL DISTRICT  
REGULAR MEETING  
OF THE BOARD OF EDUCATION**

May 16, 2017  
**MINUTES**

Douglas E. Giles  
Educational Resource Center  
9619 Cuyamaca Street  
Santee, California

**A. OPENING PROCEDURES – 7:00**

**1. Call to Order and Welcome**

President Levens-Craig called the meeting to order at 7:00 p.m.

Members present:

Elana Levens-Craig, President  
Dianne El-Hajj, Vice President  
Ken Fox, Clerk  
Dustin Burns, Member  
Barbara Ryan, Member

Administration present:

Kristin Baranski, Superintendent and Secretary to the Board  
Karl Christensen, Assistant Superintendent, Business Services  
Tim Larson, Assistant Superintendent, Human Resources/Pupil Services  
Dr. Stephanie Pierce, Assistant Superintendent, Educational Services  
Lisa Arreola, Executive Assistant and Recording Secretary

**2. District Mission**

President Levens-Craig invited the audience to recite the District Mission.

**3. Pledge of Allegiance**

President Levens-Craig invited, Karen Fleck, Business Development Officer at East County Schools Federal Credit Union, to lead the members, staff, and audience in the Pledge of Allegiance.

**4. Approval of Agenda**

Member Burns moved approval.

<i>Motion:</i>	<u>Burns</u>		<u>Ryan</u>	<u>Aye</u>		<u>Fox</u>	<u>Aye</u>
<i>Second</i>	<u>Fox</u>		<u>Levens-Craig</u>	<u>Aye</u>		<u>Burns</u>	<u>Aye</u>
<i>Vote:</i>	<u>5-0</u>		<u>El-Hajj</u>	<u>Aye</u>			

**B. REPORTS AND PRESENTATIONS**

**1. Superintendent's Report**

- 1.1. Developer Fees and Collection Report
- 1.2. Use of Facilities Report
- 1.3. Enrollment Report
- 1.4. Schedule of Upcoming Events

**2. Spotlight: PT(S)A Presidents**

Superintendent Baranski expressed the District's gratitude towards the PTA Presidents for their service, leadership, and advocacy for the children and parents. President Levens Craig presented each PTA President with a certificate, and a rose, as a token of appreciation.

Cajon Park: Kim Stacks  
Carlton Hills: Andie Reyes-Pupero  
Carlton Oaks: Shelly Kowalsky  
Chet F. Harritt: Chris Ebert  
Hill Creek: Cara Cadwell

Pepper Drive: Melissa Jarvis  
PRIDE Academy: Robyn Sarvis  
Rio Seco: April Stuart  
Sycamore Canyon: Trish Malone  
Tierra del Sol Council President: Jean Brittain

### **3. Spotlight: Student Recognitions**

Dr. Stephanie Pierce introduced students being recognized in County-level programs: 2017 San Diego County Spelling Bee, PTA 2017 Reflections, Young American Poetry Digest Published Authors, Spring Sprint Triathlon, Greater San Diego Regional Botball Tournament, and the Science Field Day.

#### **2017 Greater San Diego Science and Engineering Fair**

The Board of Education recognized two Carlton Hills' students for receiving a 2nd Place Ribbon and the Micky Award trophy for best sports related project.

- Shala Malone
- Jasmine Lopez

#### **San Diego County Spelling Bee**

The Board of Education recognized a Hill Creek 8<sup>th</sup> grader for participating in this year's San Diego County Spelling Bee.

- Rose Terrill

#### **PTA 2017 Reflections**

The Board of Education recognized three students for being the PTA 2017 Reflections school winners.

- Zoey Ebert - 2<sup>nd</sup> grade - Chet F. Harritt
- Stephen Cox - 5<sup>th</sup> grade - Carlton Hills
- Alazain Angotti - 7<sup>th</sup> grade - Rio Seco

#### **2016 Young American Poetry Digest**

The Board of Education recognized four 4<sup>th</sup> graders from Chet F. Harritt for being 2016 Young American Poetry Digest published authors.

- Aron Guidroz
- Amber Froehlich
- Aubrey Laue
- Kaydence Millender

#### **Spring Sprint Triathlon**

The Board of Education recognized Carlton Oaks students from Ms. Panfili's class for participating in the Spring Sprint Triathlon.

- |                   |                        |
|-------------------|------------------------|
| • Keira Baranski  | • Jayden Musbach       |
| • Nate Buechner   | • Raegen Musbach       |
| • Liberty Bloom   | • Thomas Simpson       |
| • Aydin Heth      | • Riley Smith          |
| • Sydney Hodge    | • Taylor Spletstoesser |
| • Carson Kowalsky | • Caleb Van Hoy        |

#### **Greater San Diego Regional Botball Tournament**

The Board of Education recognized Carlton Oaks and PRIDE Academy students for their outstanding achievement in the Greater San Diego Regional Botball Tournament. Dr. Pierce shared the Carlton Oaks students received the Judge's choice award for Critical Thinking Skills.

##### Carlton Oaks

- Jacob Southwick
- Alex Marquardt
- Amy Manahan
- Andrew Gallagher
- Alayla Reese

##### PRIDE Academy

- Dominic Fionda
- Kaylee Burns
- Seth Crook
- Elijah Gipson
- Leo Gonzales
- Cameron Reyes
- Mathew Rogers
- Jacob Tingle
- Kris Yepez
- Jesse Saucedo

**Science Field Day**

The Board of Education recognized the following Rio Seco students for competing in a variety of events at the Science Field Day.

- Kristen Bressler
- Sophia Pineiro
- Nolan Goetz
- Jordyn Bugg
- Larissa Baker
- Kenadie Wisneski
- Chloe Nickerson
- Sarah Mitchell
- Hayden Miller
- Maddy Saul
- Aly Reiter

**C. PUBLIC COMMUNICATION**

President Levens-Craig invited members of the audience to address the Board about any item not on the agenda. There were no public comments.

**D. CONSENT ITEMS**

President Levens-Craig invited comments from the public on any item listed under Consent.

- 1.1. Approval of Minutes
- 2.1. Approval/Ratification of Travel Requests
- 2.2. Approval/Ratification of Expenditure Warrants
- 2.3. Approval/Ratification of Purchase Orders
- 2.4. Approval/Ratification of Revolving Cash Report
- 2.5. Acceptance of Donations
- 2.6. Approval of Consultants and General Service Providers
- 2.7. Approval of Agreement for Mileage Reimbursement In Lieu of District Transportation
- 2.8. Award of Bid for Stucco Replacement Project at Carlton Hills School
- 2.9. Award of Bid #1718-90-01: Commodities, Non-Commodities, and Grocery/Snack
- 2.10. Authorization to Solicit Informal Bids through the CUPCCAC Process for Reseeding and Irrigation System Improvement of Grass Fields at Pepper Drive and Sycamore Canyon Schools
- 2.11. Authorization to Sell/Dispose of Surplus Items
- 2.12. Approval of Agreement with DECISIONINSITE LLC for Professional Services and Software Related to Demographic Analysis and Enrollment Projections
- 3.1. Approval of State Preschool Program Annual Report to California Department of Education
- 3.2. Approval of Personnel Agreement with Grossmont Union High School District for the 2017-18 Santee School District Spanish I Program
- 4.1. Personnel, Regular
- 4.2. Approval of Services Agreement with San Joaquin County Office of Education (SJC OE) to Provide Claims Administration Services for the Medi-Cal Billing Option Program
- 4.3. Approval of Agreement with Kontraband Interdiction and Detection Services, Inc. (K.I.D.S.) for the 2017-2018 School Year
- 4.4. Approval to Renew Agreement with Frontline Technologies (Aesop) Automated Substitute Calling/Attendance System
- 4.5. Approval of Teacher Induction Program Agreement with San Diego County Office of Education for 2017-2018
- 4.6. Approval of Influenza Vaccine Administration Program Agreement
- 4.7. Approval of Short Term Positions
- 4.8. Approval of Revisions to Direction, Curriculum & Assessment Job Description
- 4.9. Adoption of Resolution No. 1617-43 to Eliminate/Layoff Classified Non-Management Position

Member Ryan moved approval.

<i>Motion:</i> <u>Ryan</u>	<i>Levens-Craig</i> <u>Aye</u>	<i>Burns</i> <u>Aye</u>
<i>Second</i> <u>EI-Hajj</u>	<i>EI-Hajj</i> <u>Aye</u>	<i>Ryan</i> _____
<i>Vote:</i> <u>5-0</u>	<i>Fox</i> <u>Aye</u>	



## E. DISCUSSION AND/OR ACTION ITEMS

### Educational Services

#### 1.1. Middle School Elective Application: Hill Creek School

Dr. Pierce shared Interim Principal Jim Rosa and Vice Principal Kristen Bonser, representing Hill Creek, were present to share their middle school elective application; which was part of the LCAP Action/Service steps.

Interim Principal Rosa shared how the middle school electives vision correlated with the school's mission. Vice Principal Bonser mentioned this year's offerings for 7<sup>th</sup> and 8<sup>th</sup> grade students. She shared that with the current schedule, with the academic lab structure, students are only able to access electives one day a week. Vice Principal Bonser shared with the proposed electives, the school would be shifting to a more balanced elective wheel that incorporates grades 6 – 8<sup>th</sup>.

Interim Principal Rosa explained input was received from various stakeholders (i.e., PTA, SSC, Staff, Students, and Parents) on the proposed electives. He explained it was Administration's intent to place every 6-8<sup>th</sup> grade student in a middle school atmosphere to experience three electives throughout the school year. Interim Principal Rosa and Vice Principal Bonser shared the proposed electives were:

#### *Robotics & Coding*

- Students will learn computer science skills through a variety of programs and formats, starting with coding, scratch, and etc. They will also learn robotics.

#### *Arts Media & Entertainment*

- Student News Broadcast
- School Newsletter
- Yearbook

#### *Makerspace*

- Applied Design
- Manufacturing
- Product Development

#### *Introduction to Language*

- Cultural Appreciation
- Conversational Spanish

#### *Farm to Table*

- Gardening (Agriculture)
  - Design
- Cooking (Hospitality)
  - Menu Planning
  - Food Prep

#### *Cross Age Tutoring*

- Students will interact with younger grades and tutor them in areas of need.
- Education and Child Development

Interim Principal Rosa presented the following budget and shared site support includes ongoing site funding of \$4,000 for equipment repairs, garden, perishable materials, and software/licenses. He mentioned electives will begin in the Fall of the 2017-18 school year and next steps include monitoring and evaluating for continuous improvements.

<b>Robotics/Coding</b>	
Apps	\$2,000
Software	\$4,000
Kits	\$6,000
<b>Subtotal</b>	<b>\$12,000</b>
<b>Media Arts</b>	
Laptop	\$1,000
Green Room	\$800
Furniture	\$1,600
<b>Subtotal</b>	<b>\$3,400</b>
<b>Makerspace</b>	
3D Printer	\$500
Service Current Equipment	\$1,000
Drafting Supplies	\$1,000
<b>Subtotal</b>	<b>\$2,500</b>
<b>Intro. To Language</b>	
Curriculum	\$5,000
<b>Subtotal</b>	<b>\$5,000</b>
<b>Farm to Table</b>	
Garden Fencing	\$8,000
Garden Beds	\$2,000
Garden Equipment	\$2,000
Ovens	\$6,000
Cooking Utensils	\$1,000
Dishwasher and Garbage Disposal	\$2,000
Refrigerator/Freezer	\$1,000
<b>Subtotal</b>	<b>\$22,000</b>
<b>Cross Age Tutoring</b>	
Notebooks	\$100
<b>Subtotal</b>	<b>\$100</b>
<b>Total Cost</b>	<b>\$45,000</b>

The Board expressed their gratitude to Hill Creek Administration. Member Ryan moved approval.

**Motion:** Ryan  
**Second** Fox  
**Vote:** 5-0

**Levens-Craig** Aye  
**El-Hajj** Aye  
**Fox** Aye

**Burns** Aye  
**Ryan** Aye

**Business Services**

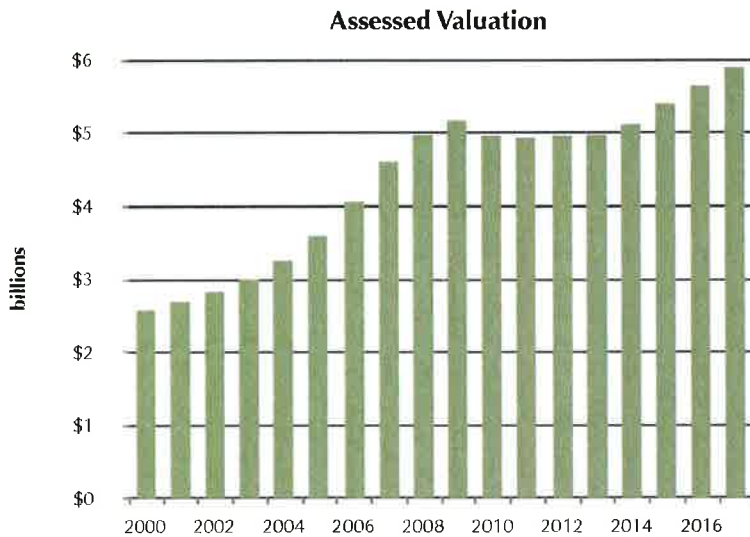
**2.1. Series B General Obligation Bond Refunding Update**

Karl Christensen, Assistant Superintendent of Business Services reminded the Board that back in October, the District was moving forward with refunding a portion of the Series B General Obligation bonds when interest rates began to rise, thereby partially eroding potential savings. He mentioned Dale Scott, the District's financial advisor pulled the plug on the transaction since the amount of savings for taxpayers to be generated from a bond sale fell significantly below the Board's threshold of fifteen percent (15%) of the refunding bonds principal amount. Mr. Christensen explained that since then, market conditions have improved a bit and a sale in late June could produce significant taxpayer savings. He shared Mr. Scott was present to update the Board on market conditions and a timeline for a June bond sale. Mr. Christensen mentioned this item was for information only and Administration planned to bring a revised resolution for Board action at the June 6<sup>th</sup> meeting.

Dale Scott, the District's financial advisor, reported interest rates had increased after the elections and since then the interest rates had moved downward. Mr. Scott shared the District's assessed valuation (AV) has grown by 14% over the past three years. He presented the current Debt Service and Tax Rate Projections; and reviewed the GO Bond and the Debt Service and Tax Rate projections.

Santee School District: **Assessed Valuation**

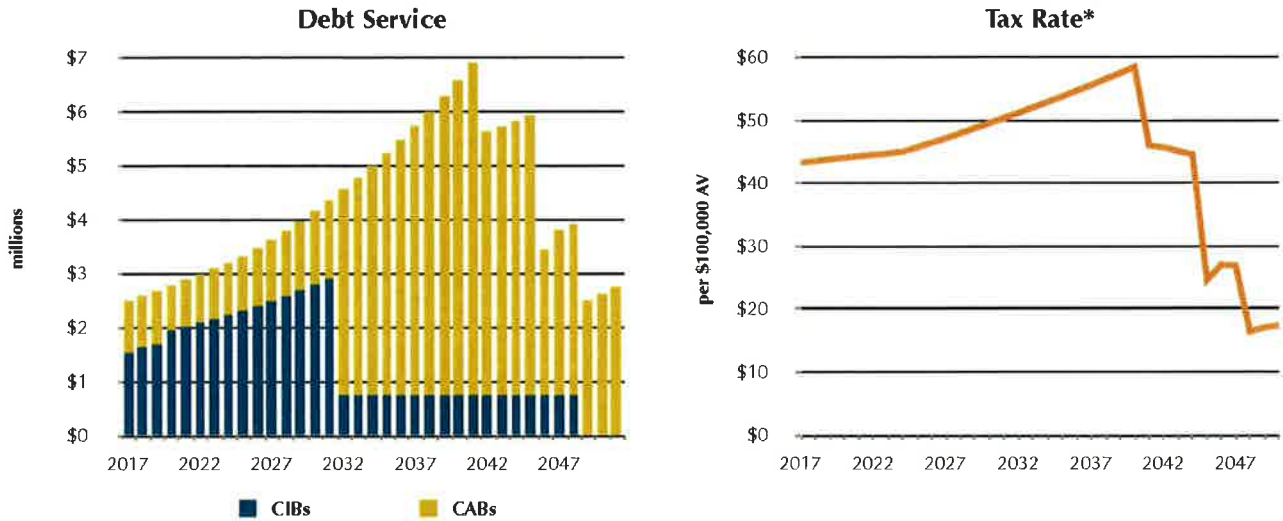
**District AV Has Grown by 14% Over the Past Three Years**



Assessed Valuation: 2000 to 2017		
FY ending	(billions)	% change
2000	\$2.57	
2001	\$2.69	4.4%
2002	\$2.83	5.2%
2003	\$2.99	5.9%
2004	\$3.26	8.8%
2005	\$3.59	10.2%
2006	\$4.06	13.2%
2007	\$4.60	13.2%
2008	\$4.97	8.1%
2009	\$5.17	3.9%
2010	\$4.96	-4.0%
2011	\$4.93	-0.6%
2012	\$4.96	0.5%
2013	\$4.97	0.2%
2014	\$5.11	2.8%
2015	\$5.39	5.6%
2016	\$5.64	4.6%
2017	\$5.88	4.2%
<b>5 Year Average</b>		<b>3.5%</b>
<b>10 Year Average</b>		<b>2.5%</b>

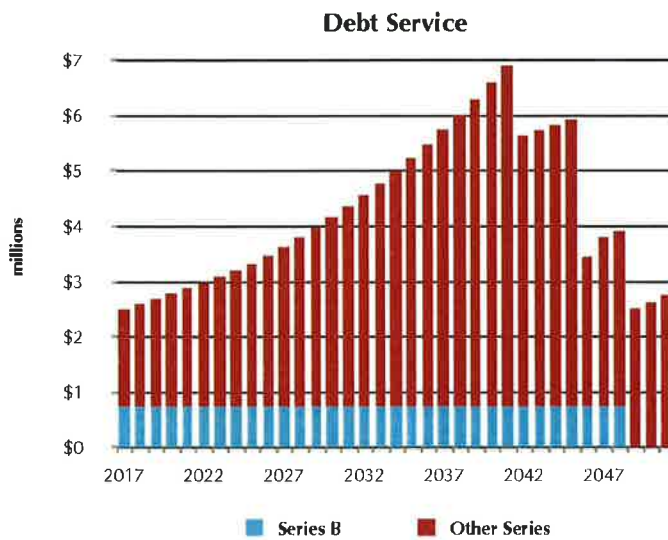
## Santee School District: GO Bond Review

### Debt Service and Tax Rate Projections



## Santee School District: GO Bond Review

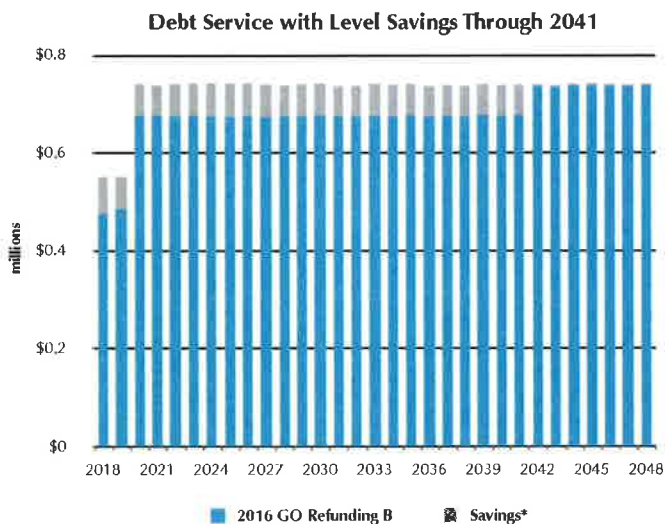
### GO 2006 Election, Series B Bonds



He shared two alternatives to the 2016 Refunding of 2006, Series B bonds. He explained Alternative A has almost no effect; and Alternative B offered more “wiggle room” in tax rates in the later years. Mr. Scott recommended going with Alternative B. He mentioned if the Board decided to move forward, a resolution would be brought forth at the June 6 meeting for the Board’s consideration and adoption. It was the Board’s consensus to have the resolution brought forth at the next meeting.

## Santee School District: 2016 Refunding of 2006, Series B

### Alternative A Refunding Can Save Taxpayers Up to \$1.58 Million



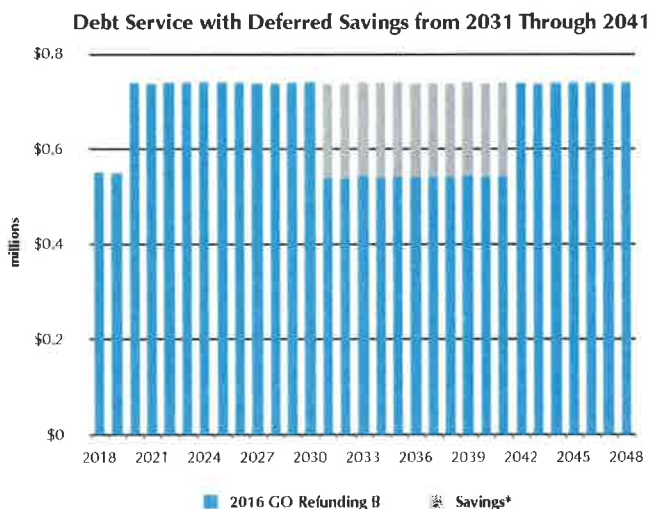
Refunded Principal	\$11,240,000
Prior Refunded Bond Maturity Dates	2020 - 2048
New Refunding Bond Maturity Dates	2018 - 2048
Average Interest Rate of Refunded Bonds	4.96%
Average Interest Rate of Refunding Bonds	2.78%
Estimated Issuance Costs	\$247,861
Escrow Fund Negative Arbitrage	\$311,091
Net Debt Service Savings	\$1,582,575
Present Value of Debt Service Savings	\$1,036,722
Savings as % of Refunded Principal	14.08%

\*Based on market rates as of May 11, 2017



## Santee School District: 2016 Refunding of 2006, Series B

### Alternative B Refunding Can Save Taxpayers Up to \$2.24 Million



Refunded Principal	\$11,240,000
Prior Refunded Bond Maturity Dates	2020 - 2048
New Refunding Bond Maturity Dates	2018 - 2048
Average Interest Rate of Refunded Bonds	4.96%
Average Interest Rate of Refunding Bonds	2.62%
Estimated Issuance Costs	\$244,081
Escrow Fund Negative Arbitrage	\$304,565
Net Debt Service Savings	\$2,244,723
Present Value of Debt Service Savings	\$1,143,576
Savings as % of Refunded Principal	19.97%

\*Based on market rates as of May 11, 2017



**2.2. Authorization to Solicit Informal Bids through the CUPCCAC Process for Installation of a Driveway at the Lower Parking Lot at Pepper Drive School**

Mr. Christensen mentioned the school bus drop off and pickup at Pepper Drive is challenging given the fact that there is only one street into- and out-of-the school. He explained that currently, the busses drop off and pick up at the upper parking lot where parents also drop off and pick up their students. Mr. Christensen mentioned it is not uncommon for busses to be ten (10) minutes late to the school for pickup in the afternoon, due to the heavy traffic congestion on Marinda Way. For years, the idea of having the busses drop off and pick up at the lower parking lot has been discussed but this requires installation of a second driveway to provide separate ingress and egress points. Until recently, Administration understood that the County of San Diego would not approve a driveway there given the close proximity of the adjacent property driveway on Pepper Drive. Christina Becker, Director of Maintenance & Operations, and Charlie Myers, Director of Transportation, have been having discussions with the County and now have preliminary approval to install a second driveway for the lower parking lot. Administration recommends moving forward with this project and is asking for authorization to solicit informal bids through the CUPCCAC process. It is estimated that this project could cost \$40,000, but the exact amount will not be known until an action item is brought back at a subsequent board meeting for consideration of bid award.

Member Ryan inquired on a path for the students to access the lower parking lot. Mr. Christensen explained the school's Principal, Mr. Hooks, already had a plan for the students to access the lower parking lot safely. Member Burns moved for approval with Member Ryan's stipulation to make sure the students are provided a safe path to the proposed lower parking lot.

<i>Motion:</i>	<u>Burns</u>	<u>Levens-Craig</u>	<u>Aye</u>	<u>Burns</u>	<u>Aye</u>
<i>Second</i>	<u>Ryan</u>	<u>El-Hajj</u>	<u>Aye</u>	<u>Ryan</u>	<u>Aye</u>
<i>Vote:</i>	<u>5-0</u>	<u>Fox</u>	<u>Aye</u>		

**2.3. Yale Preschool Program Fee Increase**

Mr. Christensen shared that over the last year, Administration discussed the revenue and expenditure patterns of YALE preschool with Hope Baker, Coordinator, and Pam Brasher, Director, of the Out of School Time Program. Mr. Christensen explained that with adoption of the 2016-17 budget, it became evident that YALE was beginning to experience a structural deficit with on-going expenditures exceeding on-going revenues. With YALE being a self-sufficient program, the impacts of significant cost pressures must be addressed. He shared Ms. Baker and Ms. Brasher have identified some expenditure reductions but they are not enough to overcome the structural deficit. Consequently, Administration believes a fee increase is necessary. Mr. Christensen mentioned the item was being brought forth for information only; and action was at the discretion of the Board. He shared Administration plans to bring back an action item at the June 6<sup>th</sup> meeting for Board consideration, unless the Board would take action tonight. Mr. Christensen walked through the rationale and opened it up for the Board's discussion and/or questions. He shared Ms. Baker and Ms. Brasher were present to answer questions. He provided an overview of the program's current standing. Mr. Christensen shared the summary of revenues and expenditures for 2015-16; 2016-17 2<sup>nd</sup> Interim, and the most recent estimates for 2016-17 as follows:

Description	2015-16	2016-17 2nd Interim	2016-17 Revised Estimate
Total Revenue	\$873,755	\$780,074	\$865,501
Salary & Benefit Expenditures	\$686,761	\$779,172	\$779,172
Non-Salary Expenditures	\$92,319	\$139,534	\$139,534
<b>Total Expenditures</b>	<b>\$779,080</b>	<b>\$918,706</b>	<b>\$918,706</b>
<b>Operating Surplus(Deficit)</b>	<b>\$94,675</b>	<b>(\$138,632)</b>	<b>(\$53,205)</b>
Salaries and Benefits as a % of Revenue	78.60%	99.88%	90.03%
One-Time Revenue Adjustment	\$12,362	\$5,332	\$5,332
One-Time Expenditure Adjustment	\$11,789	\$940	\$940
<b>Estimated Structural Surplus(Deficit)</b>	<b>\$94,102</b>	<b>(\$143,024)</b>	<b>(\$57,597)</b>

He shared the YALE Preschool Administration surveyed programs in Santee to determine market rates. Based on the information that was gathered, Administration recommends an increase of 15% for full-time participants and 20% for part-time participants. Mr. Christensen shared the increase still keeps the YALE Preschool program fees comparable with other preschool providers.

(Current Rates)											
Full-Time		PT 5-Day		PT 3-Day		PT 2-Day					
	Hrly. Rate		Hrly. Rate		Hrly. Rate		Hrly. Rate				
1	Children's Choice	\$3.04	1	Children's Choice	\$5.09	1	YALE	\$6.36	1	YALE	\$6.92
2	YALE	\$3.20	2	Little Learners	\$5.83	2	Little Learners	\$8.33	2	Little Learners	\$10.42
3	Kindercare	\$3.84	3	YALE	\$6.22	3	Kindercare	\$11.25	3	Kindercare	\$13.50
4	Little Learners	\$3.91	4	Tutor Time	\$8.40	4	Tutor Time	\$12.00	4	Tutor Time	\$14.60
5	Tutor Time	\$4.12	5	Kindercare	\$9.00	5	*		5	*	

(15% & 20%)											
Full-Time		PT 5-Day		PT 3-Day		PT 2-Day					
	Hrly. Rate		Hrly. Rate		Hrly. Rate		Hrly. Rate				
1	Children's Choice	\$3.04	1	Children's Choice	\$5.09	1	YALE	\$7.69	1	YALE	\$8.31
2	YALE	\$3.65	2	Little Learners	\$5.83	2	Little Learners	\$8.33	2	Little Learners	\$10.42
3	Kindercare	\$3.84	3	YALE	\$7.54	3	Kindercare	\$11.25	3	Kindercare	\$13.50
4	Little Learners	\$3.91	4	Tutor Time	\$8.40	4	Tutor Time	\$12.00	4	Tutor Time	\$14.60
5	Tutor Time	\$4.12	5	Kindercare	\$9.00	5	*		5	*	

He explained the following projection of revenue and expenditures for 2017-18 through 2019-20 with the proposed fee increase and expenditure reductions. Mr. Christensen clarified this analysis did not include the impact of any future negotiated compensation increases or minimum wage increases.

Fee Increase	Description	2017-18	2018-19	2019-20
<b>15% Full-Time, 20% Part-Time Effective 8-21-17</b>	Total Revenue	\$991,232	\$991,232	\$991,232
	Salary & Benefit Expenditures	\$803,379	\$827,586	\$851,793
	Non-Salary Expenditures	\$118,929	\$121,308	\$123,734
	Total Estimated Expenditures	\$922,308	\$948,894	\$975,527
	<b>Operating Surplus(Deficit)</b>	<b>\$68,924</b>	<b>\$42,338</b>	<b>\$15,705</b>
	Salaries and Benefits as a % of Revenue	81.05%	83.49%	85.93%
	One-Time Revenue Adjustment	\$0	\$0	\$0
	One-Time Expenditure Adjustment	\$0	\$0	\$0
	<b>Estimated Structural Surplus(Deficit)</b>	<b>\$68,924</b>	<b>\$42,338</b>	<b>\$15,705</b>

Member Fox inquired on programs for low-income families. Ms. Brasher shared the District works with various subsidy agencies in San Diego County. Member El-Hajj inquired on the number of students in the State preschool program. Ms. Brasher shared there were over 200 students currently enrolled. Member Burns asked how much it cost a parent to have a child attend YALE full-time. Ms. Brasher shared it was approximately \$737. The proposed rate would increase to approximately \$847.

Member Burns expressed his concern on the low-wages that cause employee turnover. As a parent, he shared some might not like the lack of employee stability. He suggested a slightly higher increase to the part-time fees to provide more revenue to subsidize higher salaries to avoid employee turnover. Member Ryan inquired on the parent advisory group's perspective. Ms. Brasher shared the advisory group was supportive and understanding of the need for an increase; and they are appreciative that the District's increases are not annually.

Member Burns mentioned he was supportive of the increase and asked that his concern for staff turnover be noted. Mr. Christian shared the item would return for the Board's consideration at the June 6<sup>th</sup> meeting.

**2.4. Paid Meal Price Increase**

Mr. Christensen explained that each year, the United States Department of Agriculture (USDA) requires the District to calculate Paid Lunch Equity to determine if, in their estimation, Federal revenue for free and reduced price meals is subsidizing paid meals; using a calculator provided by the California Department of Education (CDE). He explained this year's calculation indicates that the District must increase the cost of the paid meal price from \$2.75 to at least \$2.85. In order to not create additional change making complexity, Administration recommends increasing to \$3.00. Mr. Christensen explained it was important to note that the Paid Lunch Equity requirement has been a discussion at the Federal level in talks regarding reauthorization and there has been some talk about eliminating this regulation. However, until the law is changed, we are still required to be in compliance with the existing regulation. It is also important to note that the District is scheduled to be audited next year. Prior to the audit, the District is sent a questionnaire and is asked to answer "yes" or "no" for various compliance items, including Paid Lunch Equity. "No" answers trigger a more extensive audit. He shared this was for information only and action was at the discretion of the Board. Mr. Christian shared the item would return for the Board's consideration at the June 6<sup>th</sup> meeting, unless the Board took action tonight.

Upon discussion, Member Ryan moved approval to increase the paid meal price to \$3.00, effective August 21, 2017.

<b>Motion:</b> <u>Ryan</u>	<b>Levens-Craig</b> <u>Aye</u>	<b>Burns</b> <u>Aye</u>
<b>Second</b> <u>Fox</u>	<b>El-Hajj</b> <u>Aye</u>	<b>Ryan</b> <u>Aye</u>
<b>Vote:</b> <u>5-0</u>	<b>Fox</b> <u>Aye</u>	



**2.5. May Revise and State Budget Update**

Mr. Christensen mentioned the Governor issued his May Revise for the 2017-18 proposed State Budget and he would be providing some highlights. He went on to provide an overview of the economy and shared a comparison between the January budget proposal and the May Revise. Mr. Christensen explained State Revenues for 2017-18 were \$125.19 billion; an increase of \$1.88 billion from the January Proposal. He provided a three-year comparison of State Revenues. Mr. Christensen explained the 2015-16 State Revenue was \$115.66 billion; an increase of \$.16 billion from January. The 2016-17 State Revenues were \$118.54 billion; a decrease of \$.0225 billion from January's Proposal. The 2017-18 State Revenues were \$125.19 billion; an increase of \$1.88 billion from January. He explained this was due to a 7.0% annual increase for Personal Income Tax; .1% decrease for Sales and Use Tax; and a 6.7% annual increase for Corporation Tax.

Mr. Christensen shared a comparison of the Guaranteed Calculations in Prop 98 from 2015-16 to 2017-18. Over the three-year period, the comparisons showed an increase of roughly 4.5% increase from prior year revised. The changes to the distribution in K-12 from the January proposal include a \$1.4 billion to LCFF; \$661 million higher than the January proposal. It funds 1.56% COLA plus some progress to closing the GAP (97% of full implementation). He shared it was important to note that the Governor included an additional \$750 million in the May Revise for one-time discretionary funding. However, the payment of these funds is not scheduled until May 2019 in the 2018-19 fiscal year and is contingent upon a State revenue accounting for 2017-18. Mr. Christensen noted that due to the tenuous nature of the appropriation, School Services is recommending not including this in the 2017-18 District budget or in the multi-year projection. He shared no deferral was proposed in January. However, in order to increase Prop 98 funding and eliminate the deferral in this economic climate, the Governor proposes to suspend the statutory Prop 98 Test 3B supplemental appropriation in 2016-17, in addition to the 2018-19 through 2020-21 fiscal years. There is a \$376.2 million for Prop 39 Energy Efficiency; a \$46.7 decrease from the January proposal. In addition to a 1.56% COLA for categorical programs outside LCFF.

Mr. Christensen mentioned the budget continues to examine issues related to Special Education funding to chart a path forward that will maximize resources to serve students while increase transparency and accountability.

**F. BOARD POLICIES AND BYLAWS**

**1.1. Second Reading: New Board Policy and Revised Administrative Regulation 5111.1, District Residency**

New Board Policy and Revised Administrative Regulation 5111.1, District Residency was presented for a second reading and approval. Member Burns moved approval.

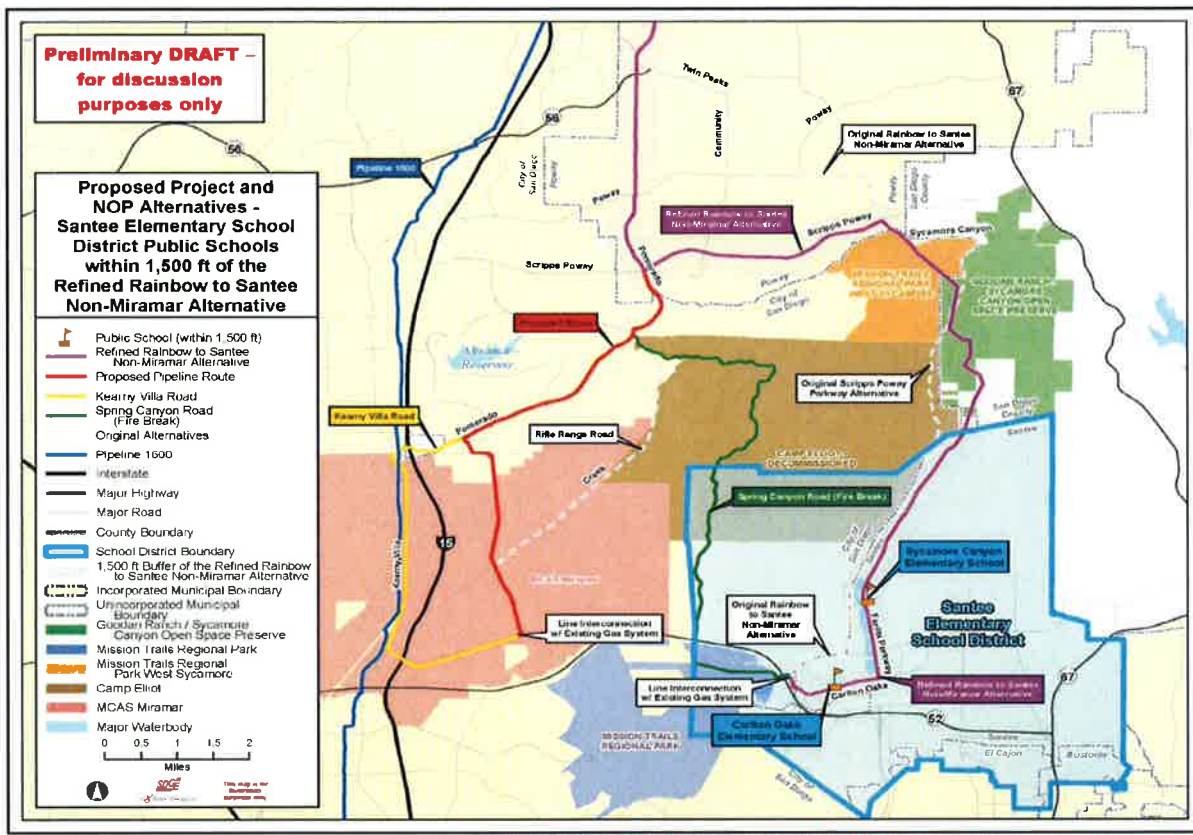
<i>Motion:</i>	<u>Burns</u>	<i>Levens-Craig</i>	<u>Aye</u>	<i>Burns</i>	<u>Aye</u>
<i>Second</i>	<u>El-Hajj</u>	<i>El-Hajj</i>	<u>Aye</u>	<i>Ryan</i>	<u>Aye</u>
<i>Vote:</i>	<u>5-0</u>	<i>Fox</i>	<u>Aye</u>		

**1.2. First Reading: New Board Policy 3515.7 Firearms on School Grounds**

New Board Policy 3515.7 Firearms on School Grounds was presented for a first reading. BP 3515.7 will return to the next meeting for a second reading and request for approval.

**G. BOARD COMMUNICATION AND ORGANIZATIONAL BUSINESS**

Superintendent Baranski mentioned holding a phone conference with Kevin O'Beirne from Sempra Utilities. She explained Mr. O'Beirne was overseeing the communications with local agencies regarding the proposed natural gas pipeline construction in San Diego County. Superintendent Baranski shared San Diego is currently served by two natural gas pipelines, one constructed in 1949 and the other constructed in 1960. She explained that since the ruptured gas line in San Bruno, in 2010, laws were changed requiring the testing or replacement of old pipeline infrastructures. SDG&E filed an application in September 2015 to replace the natural gas line created in 1949 but they may not see a decision until 2019. She shared the following map of the proposed gas line.



**PIPELINE Safety & Reliability PROJECT** 16

The proposed, newly constructed gas line would begin in Rainbow, where the current connection is made to natural gas from the north, and would end at Marine Corps Air Station Miramar. This new line would not require any imposition on private residences or business properties, as in the acquisition of property to complete the gas line replacement. She shared that with infrastructure proposals, alternate routes are considered and public comment opportunities are provided. One alternate route runs through Santee School District boundaries; specifically, near Sycamore Canyon and Carlton Oaks schools. Area residents were sent mailings so they would know about the alternate route and be able to provide public comment. Superintendent Baranski shared that if the alternate route was selected, SDG&E would work with the District on timelines to reduce the inconvenience of construction. The total construction of the gas line will be 47 miles and 3-4 of those miles will be in Santee. It would take approximately 9-12 weeks to complete in Santee. Upon discussion, the Board asked that Administration attend one of public comment sessions; notify the Carlton Oaks and Sycamore Canyon residents via school messenger about the mailer and the public scoping meetings. Member Burns suggested contacting Supervisor Dianne Jacob.

The Board and Superintendent held a discussion on holding a planning meeting regarding the Santee Success Program (SSP). The Board asked Administration to look for a date when SSP staff is available to attend the meeting.

Member Burns suggested working with the County to see if there are any interns interested in participating in the YALE Program.

President Levens-Craig shared attending the Biliteracy Awards and commended Terry Johnson on the recognition.

#### H. CLOSED SESSION

President Levens-Craig announced that the Board would meet in closed session for:

1. **Conference with Legal Counsel – Anticipated Litigation**
2. **Public Employee Discipline/Dismissal/Release** (Govt. Code § 54957)
3. **Conference with Labor Negotiator** (Govt. Code § 54957.6)  
*Purpose: Negotiations*  
*Agency Negotiator: Tim Larson, Assistant Superintendent*  
*Employee Organization: Santee Teachers Association (STA)*
4. **Conference with Labor Negotiator** (Govt. Code § 54957.6)  
*Purpose: Negotiations*  
*Agency Negotiator: Tim Larson, Assistant Superintendent*  
*Employee Organization: Classified School Employees Association (CSEA)*
5. **Public Employee Performance Evaluation** (Gov't. Code § 54957)  
*Superintendent*

The Board entered closed session at 8:44 p.m.

#### I. RECONVENE TO PUBLIC SESSION

The Board reconvened to public session at 10:35 p.m. and reported no action had been taken.

#### J. ADJOURNMENT

With no further business, the regular meeting of May 16, 2017 was adjourned.

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Ken Fox, Clerk

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Kristin Baranski, Secretary

**SANTEE SCHOOL DISTRICT  
SPECIAL MEETING  
OF THE BOARD OF EDUCATION**

May 30, 2017  
**MINUTES**

Rio Seco School  
Multi-Purpose Room  
9545 Cuyamaca Street  
Santee, California

**A. OPENING PROCEDURES**

The meeting was called to order at 6:00 p.m. by President Levens-Craig.

**B. PUBLIC COMMUNICATION**

There was no public communication.

**C. CLOSED SESSION**

1. Consideration of Student Matter (Ed. Code § 48918) Student #: 6-1617

The Board entered closed session at 6:40 p.m. to discuss student discipline hearings for student # 6-1617. This matter was heard by the Santee School Board Members, Elana Levens-Craig, Dianne El-Hajj, Ken Fox, Dustin Burns, and Barbara Ryan, in closed session. Oral and documentary evidence was received. Following the presentation of evidence, President Levens-Craig announced the Board members would deliberate and all other persons were asked to leave the room.

**D. RECONVENE TO PUBLIC SESSION AND ADJOURNMENT**

The Board reconvened to public session at 8:56 p.m.

**ACTION TAKEN BY BOARD**

It was motioned by Member Burns to expel student # 6 -1617 from the Santee School District for violation of California Education Code Sections §48900(n) Attempted/Committed sexual assault and/or battery, 48900 (i) Committed an obscene act, 48900 (.2) Engaged in sexual harassment; and Santee School District Board Policy 5144.1: Students: Suspension and Expulsion/Due Process and Administrative Regulations 5144.1. The period of expulsion is May 30, 2017 through August 15, 2017.

The expulsion shall be immediately suspended herewith, and the student shall complete the following elements in a Rehabilitation Plan:

- Remain at the Santee Success School through June 13, 2017.
- Maintain a 3.5 (or better) GPA for scholarship, effort and citizenship performance.
- Receive no new suspensions.
- Attend school regularly with no unexcused absences or tardies.
- Provide official proof of enrollment in a counseling program for intimidation and harassment by June 13, 2017. If student does not attend counseling regularly, parent shall immediately notify the Coordinator of Pupil Services.
- Complete all elements of this Rehabilitation Plan by August 15, 2017 and present documentation to verify completion.

A parent must meet with the Coordinator of Pupil Services by June 2, 2017, to review and sign the Rehabilitation Plan. If the parent fails to meet within the designated time and/or does not sign the Rehabilitation Plan, the student may be expelled without further Board action.

*Motion: Burns*

*Second: Ryan*

*Vote: 5-0*

**E. ADJOURNMENT**

The May 30, 2017 special meeting was adjourned at 9:05 p.m.

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Ken Fox, Clerk

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Kristin Baranski, Secretary

**BACKGROUND:**

In accordance with BP 3350 of the Board of Education, an employee may attend conventions, conferences, or meetings of boards, committees, and commissions; to travel for the purpose of recruiting personnel; to visit other school districts; to appear before legislative committees; and to perform other out-of-district travel which is in the best interests of the school district and which assists employees to perform their jobs successfully.

In accordance with Sections 35044, 35172, and 35173 of the Education Code, the Board of Education shall provide for payment of travel expenses for any representative of the Board when performing services on behalf of the District. In the summer of 2008, following implementation of the Formatta Software, a network-based paperless forms travel processing solution was introduced District-wide in accordance with BP 3350 and AR 3350.

A list of travel and professional staff events is presented for the Board's review and approval/ratification. Included on the report are dates, names of meetings and locations, and either categorical, grant, or general funding sources that support such travel.

A list of requests for travel which require air travel, and/or an overnight stay and/or are out of the State will be reviewed and approved by the Executive Council or Superintendent and submitted for Board of Education approval **prior** to the travel date.

**RECOMMENDATION:**

It is recommended that the Board of Education approve/ratify the Travel Report for personnel requesting travel on the attached schedule.

This recommendation supports the following District goal:

**Staff Development**

- Implement a staff development plan as the cornerstone of employee performance and growth.

**FISCAL IMPACT:**

The estimated travel expenses are \$1,208, and substitute costs of \$0, as disclosed on the following page.

**STUDENT ACHIEVEMENT IMPACT:**

This is a fiscal item. All fiscal resources impact student achievement.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item E.2.1.

**Board Travel Report - June 6, 2017**

Travel Dates	Attendees	Site or Dept.	Conference or Workshop	Location	Sub Cost	Estimated Expenses	Budget	Purpose of Travel
Wednesday, 05/31/17	Carrie Thompson Mia Morales	Chet F. Harritt PRIDE Academy	Will Big Tobacco Become Big Marijuana	San Diego	\$0 \$0	\$76 \$76	TUPE TUPE	This workshop will focus on the nexus between tobacco and marijuana, the changing landscape, and its impact on the community.
Thursday, 06/08/17	Tiffani Brown Kristen Eveland Stacy Roberts Jennifer Rolf	Educational Services Educational Services Educational Services Educational Services	Introduction to the New History-Social Science Framework	National City	\$0 \$0 \$0 \$0	\$71 \$71 \$71 \$71	Professional Development Professional Development Professional Development Professional Development	This workshop will provide an overview of the new framework for history and social science standards.
Friday, 06/16/17	Lori Zurmuhle	Chet F. Harritt	Specialized Academic Instructors Training	El Cajon	\$0	\$43	Special Education	This workshop will provide an overview of the Patterns, Strengths, and Weaknesses model adopted by East County SELPA.
Thursday, 06/22/17	Terry Heck Jeri Billick Angelo Benedetto Suzie Martin Leah Saunders John Schweller	PRIDE Academy Sycamore Canyon Carlton Hills Chet F. Harritt Carlton Oaks Pupil Services	Options-Based Responses for Schools in Active Shooter/Armed Assailant Situations	SDCOE	\$0 \$0 \$0 \$0 \$0 \$0	\$72 \$72 \$72 \$72 \$72 \$72	Professional Development Professional Development Professional Development Professional Development Professional Development Professional Development	This workshop will provide information on the planning process needed for options-based responses for armed assailant situations.
Thursday, 08/03/17	Stacy Roberts Bonnie Jackson Kamrie Credille	Educational Services PRIDE Academy Rio Seco	Getting to Know the English Language Proficiency Assessments for CA (ELPAC)	SDCOE	\$0 \$0 \$0	\$99 \$99 \$99	Professional Development Professional Development Professional Development	This workshop will focus on CELDT/ELPAC Comparison/Contrast and implications for integrated and designated ELD instruction.
Travel Requests That Require Airfare, Overnight Stay, and/or Travel Outside of the State of California								
NONE								

Consent Item E.2.2.  
 Prepared by Karl Christensen  
 June 7, 2017

Acceptance of Donations

**BACKGROUND:**

Board of Education policy #3290 specifies that gifts and donations, with a value over \$50, must be officially received by the Board of Education. The following donations have been offered to the District:

<i>Item</i>	<i>Approximate Value</i>	<i>Donated By</i>	<i>Designated For Use At</i>
Funds to Support the 4 <sup>th</sup> Grade Fishing Trip to Lake Cuyamaca	\$1,000.00	JNG Pharmaceutical	Carlton Hills School
Funds to Support the Farmers' Market	\$850.00	Carlton Hills PTA	Carlton Hills School
One 6 <sup>th</sup> Grade Campership	\$170.00	Kristi Sheen	Chet F. Harritt School
Funds to Support the Instructional Program and Supplement Classroom Supplies	\$412.40	Target – Take Charge of Education	Sycamore Canyon School
Funds to Purchase Attendance Tags	\$607.72	Sycamore Canyon PTA	Sycamore Canyon School
<b>TOTAL DONATIONS RECEIVED</b>	<b>\$3,040.12</b>		

**RECOMMENDATION:**

Administration recommends acceptance of the donations listed above for the District and authorization to send a letter of appreciation on behalf of the governing Board.

This recommendation supports the following District goals:

**Educational Achievement**

- Assure the highest level of educational achievement for all students.

**Fiscal Accountability**

- Financially support the vision, mission, and goals of the District by maximizing resources, controlling expenses, and managing assets to ensure fiscal solvency and flexibility.

**FISCAL IMPACT:**

The donations listed above are valued at \$3,040.12.

**STUDENT ACHIEVEMENT IMPACT:**

This is a fiscal item. All fiscal resources impact student achievement.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item E.2.2.

**BACKGROUND:**

From time to time, the District contracts with individuals, companies, or organizations to provide various types of services within the following scopes:

- Consultants: Those providing professional advice or specialized technical or training services
- General Service Providers: Those providing general services not fitting the description of a consultant

The Internal Revenue Service requires an analysis of the nature and type of work performed to determine whether the service provider qualifies as an independent contractor to be paid by commercial warrant or an employee to be paid by payroll warrant for withholding and payment of appropriate payroll taxes. This analysis generally involves an assessment of the degree of control the District will have over the service provider's schedule and work methods.

The attached table presents requests for Consultants and General Service Providers. (NOTE: Those providing services on an annual, on-going basis are approved separately by the Board as Annual Contract Renewals)

**RECOMMENDATION:**

It is recommended that the Board of Education approve agreements with Consultants and General Service Providers as presented.

This recommendation supports the following District goals:

**Educational Achievement**

- Assure the highest level of educational achievement for all students.

**Fiscal Accountability**

- Financially support the vision, mission, and goals of the District by maximizing resources, controlling expenses, and managing assets to ensure fiscal solvency and flexibility.

**FISCAL IMPACT:**

The fiscal impact is disclosed on the attached page.

**STUDENT ACHIEVEMENT IMPACT:**

This is a fiscal item. All fiscal resources impact student achievement.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item E.2.3.



**Consultant / General Service Provider Report  
June 6, 2017**

Vendor Name	Type (Consultant or General Service Provider)	Description of Services	Date(s) of Service	Amount	Funding	Payment Type (Independent Contractor or Employee)
Silvia Taraz	Consultant	Bilingual Evaluations to Determine Special Education Eligibility	7/1/17 - 6/30/18	\$80.00/hour (not to exceed \$3,000.00)	Special Education	Employee
Best Bubble Learning	General Service Provider	Bubble Entertainment Assembly	06/07/17	\$625.00 (not to exceed)	Carlton Hills School	Independent Contractor
Jon Moffat	General Service Provider	Cyber Safety Assemblies	05/24/17	\$1,000.00 (not to exceed)	PRIDE Academy	Independent Contractor
Melinda Everett	General Service Provider	Summer Camp Assemblies	6/27/17 - 7/25/17	\$1,200.00 (not to exceed)	Project Safe	Independent Contractor
Art Flores	General Service Provider	DJ for Spring Festival	6/8/17 & 6/9/17	\$350.00 (not to exceed)	Pepper Drive School	Independent Contractor
Food 4 Thought, LLC	General Service Provider	Farmers' Market	05/30/17	\$1,700.00/site (not to exceed \$3,400.00)	Carlton Hills / PRIDE Academy	Independent Contractor
Kimberly Whitacre	Consultant	Arts Attack Coordinator	9/1/16 - 6/20/17	\$825.00 (not to exceed)	Pepper Drive School	Employee
Christine Hartpence	Consultant	Arts Attack Coordinator	9/1/16 - 6/20/17	\$825.00 (not to exceed)	Rio Seco School	Employee
DeAnna Trithart	Consultant	Arts Attack Coordinator	9/1/16 - 6/20/17	\$825.00 (not to exceed)	Carlton Oaks School	Employee
Christina Knight	Consultant	Arts Attack Coordinator	9/1/16 - 6/20/17	\$490.00 (not to exceed)	Carlton Hills School	Employee
Abby Fazekas	Consultant	Arts Attack Coordinator	9/1/16 - 6/20/17	\$490.00 (not to exceed)	Sycamore Canyon School	Employee
Amanda Nelson	Consultant	Arts Attack Coordinator	9/1/16 - 6/20/17	\$825.00 (not to exceed)	Hill Creek School	Employee
Monique Resendez	Consultant	Arts Attack Coordinator	9/1/16 - 6/20/17	\$825.00 (not to exceed)	Cajon Park School	Employee
Julie Scarborough	Consultant	Arts Attack Coordinator	9/1/16 - 6/20/17	\$650.00 (not to exceed)	Chet F. Harritt School	Employee

Consent Item E.2.4. Approval/Ratification of Expenditure Transactions  
Prepared by Karl Christensen Charged to District Issued Purchasing Cards (P-Cards)  
June 6, 2017

**BACKGROUND:**

The District has issued Purchasing Cards (P-Cards) to certain management, supervisory, or confidential employees to expedite and streamline purchases of goods and services. P-Card transactions are tracked and monitored to ensure they are properly accounted for and supported by documentation. P-Card transactions are limited to a specified amount each month and approval of the Superintendent is required to exceed these limits.

**RECOMMENDATION:**

It is recommended that the Board of Education approve/ratify expenditure transactions charged to District P-Cards for the period April 1, 2017 through April 30, 2017.

This recommendation supports the following District goal:

**Fiscal Accountability**

- Financially support the vision, mission, and goals of the District by maximizing resources, controlling expenses, and managing assets to ensure fiscal solvency and flexibility.

**FISCAL IMPACT:**

There were 168 transactions totaling \$19,393.48 charged to various funds.

**STUDENT ACHIEVEMENT IMPACT:**

This is a fiscal item. All fiscal resources impact student achievement.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item E.2.4.

PURCHASE DATE	CARDHOLDER	DEPARTMENT	MERCHANT NAME	PURCHASE AMOUNT	PURCHASE DESCRIPTION
20170405	ABEL,CATHY	CHILD NUTRITION	SPROUTS FARMERS MARK	20.94	Almond & Lactose Free Milk
20170406	ABEL,CATHY	CHILD NUTRITION	AMAZON MKTPLACE PMTS	78.07	Counter Sign Holders for Share Tables
20170406	ABEL,CATHY	CHILD NUTRITION	DELL SALES & SERVICE	228.41	Printer Cartridges/Ink
20170406	ABEL,CATHY	CHILD NUTRITION	DELL SALES & SERVICE	290.90	Printer Cartridges/Ink
20170406	ABEL,CATHY	CHILD NUTRITION	DELL SALES & SERVICE	71.10	Printer Cartridges/Ink
20170406	ABEL,CATHY	CHILD NUTRITION	DELL SALES & SERVICE	228.41	Printer Cartridges/Ink
20170419	ABEL,CATHY	CHILD NUTRITION	PROEDGE KNIFE	70.00	Knife Sharpening Service
20170423	ABEL,CATHY	CHILD NUTRITION	SMARTNFINAL92910809291	101.82	Gluten Free Food
20170426	ABEL,CATHY	CHILD NUTRITION	SPROUTS FARMERS MARK	17.45	Almond & Lactose Free Milk
20170427	ABEL,CATHY	CHILD NUTRITION	THE WEBSTAUANT STORE	182.65	Stainless Steel Hood Filters for the Central Kitchen
20170430	ABEL,CATHY	CHILD NUTRITION	THE HOME DEPOT #0673	15.05	Measuring Tape Central Kitchen
				<b>1304.80</b>	
20170404	ALBERT,DIANN L	PRIDE ACADEMY	UTC ICE	897.00	8th Grade Incentive Field Trip Admission
				<b>897.00</b>	
20170402	ARREOLA,LISA	SUPERINTENDENT'S OFFICE	AMAZON MKTPLACE PMTS	18.49	Miscellaneous Board meeting supplies
20170404	ARREOLA,LISA	SUPERINTENDENT'S OFFICE	USPS PO 0570200071	25.70	Certified mailing and postage
20170406	ARREOLA,LISA	SUPERINTENDENT'S OFFICE	VONS STORE00018978	39.98	Board meeting supplies
20170409	ARREOLA,LISA	SUPERINTENDENT'S OFFICE	VONS STORE00018978	14.00	Supplies for PLT Meeting
20170416	ARREOLA,LISA	SUPERINTENDENT'S OFFICE	AMAZON MKTPLACE PMTS	10.67	Board meeting supplies
20170427	ARREOLA,LISA	SUPERINTENDENT'S OFFICE	ALS SPORT SHOP	15.06	PLT Name badges
20170428	ARREOLA,LISA	SUPERINTENDENT'S OFFICE	SOUTHWEST AIRLINES	130.98	Delegate Assembly airfare for Member Ryan
20170428	ARREOLA,LISA	SUPERINTENDENT'S OFFICE	SUNRISE SHUTTLE	172.50	Delegate Assembly transportation for Member Ryan
20170428	ARREOLA,LISA	SUPERINTENDENT'S OFFICE	SOUTHWEST AIRLINES	172.98	Delegate Assembly airfare for Member Ryan
				<b>600.36</b>	
20170413	AVILA,EVONN	BUSINESS SERVICES	AMAZONPRIME MEMBERSHIP	106.67	Amazon Prime for Districtwide Purchasing Orders
20170428	AVILA,EVONN	BUSINESS SERVICES	DOLLAR TREE	17.24	Misc Office Supplies
				<b>123.91</b>	
20170404	BAKER,HOPE	OST PROGRAMS	WAL-MART #1917	279.94	CLASSROOM SUPPLIES-BOOKS, BUBBLES, TRUCKS, WATERCOLORS
20170404	BAKER,HOPE	OST PROGRAMS	MICHAELS STORES 3256	42.73	CLASSROOM SUPPLIES-CRAFTS FOR SPRING BREAK
20170405	BAKER,HOPE	OST PROGRAMS	MICHAELS STORES 5711	23.58	CRAFT SUPPLIES PAPER MACHE STUFF
20170406	BAKER,HOPE	OST PROGRAMS	DOLLAR TREE	57.95	OTHER/INSTRUCTIONAL-CLASSROOM SUPPLIES-SHOVEL, RAKE, BRACELETS, COOKIE CUTTERS
20170406	BAKER,HOPE	OST PROGRAMS	TARGET 00014852	91.58	OTHER/INSTRUCTIONAL-CLASSROOM TOYS, GAMES
20170407	BAKER,HOPE	OST PROGRAMS	OFFICE DEPOT #908	124.32	OFFICE SUPPLIES- INK FOR PRINTERS
20170423	BAKER,HOPE	OST PROGRAMS	KID VENTURES	125.00	Admissions/Entrance Fees - Kid Venture Summer FT
20170427	BAKER,HOPE	OST PROGRAMS	KOHL'S #0756	26.94	OTHER/INSTUNCTIONAL-CLASSROOM BOOKS
20170428	BAKER,HOPE	OST PROGRAMS	WAL-MART #1917	7.41	Office Supplies - SIB MED CLAS
20170428	BAKER,HOPE	OST PROGRAMS	OFFICE DEPOT #908	16.96	Office Supplies- Steno Pads, PNCL, NTBK
				<b>796.41</b>	
20170411	BECKER,CHRISTINA	FACILITIES & MAINTENANCE	INT*IN *TEMPLACO TOOLS	37.58	Hardware/Door Lock Supplies, stock, Router Template special item needed
				<b>37.58</b>	
20170407	BENEDETTO,ANGELO	CARLTON HILLS	LOWES #01661*	53.83	Paint to stripe the PE field
20170409	BENEDETTO,ANGELO	CARLTON HILLS	YEARBOOKS	200.00	Yearbooks for staff members
				<b>253.83</b>	
20170409	BILLICK,JERI	SYCAMORE CANYON	SMARTNFINAL92910809291	36.97	Popcorn for perfect attendance popcorn recess
20170420	BILLICK,JERI	SYCAMORE CANYON	INT*IN *EAST COUNTY FE	18.49	Chicken Feed for school chickens
				<b>55.46</b>	
20170405	BONSER,KRISTEN	HILL CREEK	AMAZON MKTPLACE PMTS	45.00	Office Supplies
20170405	BONSER,KRISTEN	HILL CREEK	DISCOUNTMUGS.COM	181.20	Volunteer luncheon
20170406	BONSER,KRISTEN	HILL CREEK	AMAZON MKTPLACE PMTS	116.34	Teacher resource books
20170410	BONSER,KRISTEN	HILL CREEK	AMAZON MKTPLACE PMTS	59.39	Instructional book
20170428	BONSER,KRISTEN	HILL CREEK	SD ZOO EDUCATION	200.00	Field Trips
20170430	BONSER,KRISTEN	HILL CREEK	ILP*INSECT LORE	61.52	Kindergarten classroom supplies
				<b>663.45</b>	

PURCHASE DATE	CARDHOLDER	DEPARTMENT	MERCHANT NAME	PURCHASE AMOUNT	PURCHASE DESCRIPTION
20170402	BRASHER,PAMELA	OST PROGRAMS	THE HOME DEPOT #0673	93.94	Spring Break and Office Supplies, Storage Boxes
20170406	BRASHER,PAMELA	OST PROGRAMS	MICHAELS STORES 3256	23.03	Spring Break Supplies-Craft Material
20170406	BRASHER,PAMELA	OST PROGRAMS	OFFICE DEPOT #908	64.64	Office Supplies - Ink for HC
20170411	BRASHER,PAMELA	OST PROGRAMS	WAL-MART #3494	224.00	Spring Break STEM Supplies
20170419	BRASHER,PAMELA	OST PROGRAMS	THE HOME DEPOT #0673	48.28	Other/Instructional-Spring Break Activities
20170426	BRASHER,PAMELA	OST PROGRAMS	VISTAPR*VISTAPRINT.COM	195.82	Split - PS-Med. Postcards for Aloha 5K Run (50%)
20170426	BRASHER,PAMELA	OST PROGRAMS	VISTAPR*VISTAPRINT.COM	195.82	Split - YALE-Med. Postcards for Aloha 5K Run (50%)
20170428	BRASHER,PAMELA	OST PROGRAMS	WAL-MART #1917	27.62	Food Supplies-SC Snack
20170428	BRASHER,PAMELA	OST PROGRAMS	MICHAELS STORES 3851	21.55	Split - PS - Office Supplies-Crates (24.13%)
20170428	BRASHER,PAMELA	OST PROGRAMS	MICHAELS STORES 3851	67.77	Split - Fundraiser- T-Shirts for Kickball with the sites (75.87%)
				<b>962.47</b>	
20170404	EDMONSTON,ERICA	RIO SECO	DELL SALES & SERVICE	43.09	Printer Drum kits for classrooms
20170404	EDMONSTON,ERICA	RIO SECO	DELL SALES & SERVICE	43.09	Printer Drum kit for Room 28
20170405	EDMONSTON,ERICA	RIO SECO	DOLPHIN BLUE	103.95	Wall calendars for the office
				<b>190.13</b>	
20170405	HECK,TERRY	PRIDE ACADEMY	99 CENTS ONLY STORES #	13.18	Staff treats
				<b>13.18</b>	
20170403	HICKS,TYLENE	CHET F. HARRITT	SQ *SQ *SCIENCE NATURA	19.71	Book for professional development. Exemplary STEM Programs
20170405	HICKS,TYLENE	CHET F. HARRITT	IDENTAKID	101.05	Labels for the Ident-a-Kid printer.
20170406	HICKS,TYLENE	CHET F. HARRITT	NATIONAL SCIENCE TEACH	27.80	Books purchased to create weekly STEAM mysteries for students to solve.
20170412	HICKS,TYLENE	CHET F. HARRITT	ANTONELLI'S DELI	124.09	Food accidentally purchased on P-Card for the Maintenance team. Tylene to donate exact amount back to school.
				<b>272.65</b>	
20170404	HOHIMER,KAREN	PEPPER DRIVE	DISCOUNTMUGS.COM	794.06	Kindness Challenge Supplies
20170424	HOHIMER,KAREN	PEPPER DRIVE	DOLLAR TREE	28.02	Supplies for Pepper Drive Kindness Challenge
				<b>822.08</b>	
20170404	HOOKS,TED A	PEPPER DRIVE	BRANDERS.COM	535.84	Water bottle with logo (donations)
20170427	HOOKS,TED A	PEPPER DRIVE	AMAZON MKTPLACE PMTS	73.99	Replacement charger for radio
20170427	HOOKS,TED A	PEPPER DRIVE	AMAZON.COM AMZN.COM/BI	24.99	Cable for projector
				<b>634.82</b>	
20170402	JOHNSTON,ANDREW	CARLTON OAKS	AMAZON MKTPLACE PMTS	19.60	Art Materials
20170402	JOHNSTON,ANDREW	CARLTON OAKS	AMAZON MKTPLACE PMTS	33.88	Art Materials
20170402	JOHNSTON,ANDREW	CARLTON OAKS	AMAZON MKTPLACE PMTS	9.99	Art Materials
20170402	JOHNSTON,ANDREW	CARLTON OAKS	AMAZON MKTPLACE PMTS	17.67	Art Materials
20170402	JOHNSTON,ANDREW	CARLTON OAKS	AMAZON MKTPLACE PMTS	8.96	Art Materials
20170402	JOHNSTON,ANDREW	CARLTON OAKS	AMAZON MKTPLACE PMTS	12.98	Art Materials
20170402	JOHNSTON,ANDREW	CARLTON OAKS	AMAZON MKTPLACE PMTS	12.53	Art Materials
20170402	JOHNSTON,ANDREW	CARLTON OAKS	AMAZON MKTPLACE PMTS	5.04	Art Materials
20170403	JOHNSTON,ANDREW	CARLTON OAKS	AMAZON MKTPLACE PMTS	10.44	Art Materials
20170404	JOHNSTON,ANDREW	CARLTON OAKS	AMAZON MKTPLACE PMTS	35.93	Art Materials
20170404	JOHNSTON,ANDREW	CARLTON OAKS	AMAZON MKTPLACE PMTS	7.97	Art Materials
20170419	JOHNSTON,ANDREW	CARLTON OAKS	AMAZON MKTPLACE PMTS	6.16	Art Materials
20170430	JOHNSTON,ANDREW	CARLTON OAKS	SD FAIR EXHIBITS	105.00	San Diego County Fair Art Entry Fee
				<b>286.15</b>	
20170403	LINDSAY,JERELYN	CARLTON HILLS	SCHOLASTIC BOOK CLUB	110.00	Book for classroom Butler
20170404	LINDSAY,JERELYN	CARLTON HILLS	THRIFT BOOKS GLOBAL, L	100.96	Books for classroom Ropple
20170404	LINDSAY,JERELYN	CARLTON HILLS	SMARTFINAL93410609345	36.80	Arts Attack supplies
20170406	LINDSAY,JERELYN	CARLTON HILLS	SCHOLASTIC EDUCATION	176.19	Book for classroom
20170406	LINDSAY,JERELYN	CARLTON HILLS	SCHOLASTIC READING CLU	100.00	Books for classroom Filipponi
20170406	LINDSAY,JERELYN	CARLTON HILLS	AMAZON MKTPLACE PMTS	8.46	Books for classroom McCurdy
20170406	LINDSAY,JERELYN	CARLTON HILLS	AMAZON.COM AMZN.COM/BI	85.43	Books for classroom McCurdy
20170406	LINDSAY,JERELYN	CARLTON HILLS	AMAZON MKTPLACE PMTS	8.27	Books for classroom McCurdy
20170409	LINDSAY,JERELYN	CARLTON HILLS	SCHOLASTIC READING CLU	114.00	Classroom books for Rowan
20170411	LINDSAY,JERELYN	CARLTON HILLS	AMAZON.COM AMZN.COM/BI	10.82	Continued classroom books order for McCurdy
20170411	LINDSAY,JERELYN	CARLTON HILLS	SCHOLASTIC EDUCATION	121.79	Classroom books Coman
20170427	LINDSAY,JERELYN	CARLTON HILLS	SCHOLASTIC READING CLU	100.00	Classroom books for Butler
				<b>972.72</b>	

PURCHASE DATE	CARDHOLDER	DEPARTMENT	MERCHANT NAME	PURCHASE AMOUNT	PURCHASE DESCRIPTION
20170403	MARSMAN, MATTHEW	INFORMATION TECHNOLOGY	SIMPLISAFE.COM	24.99	Security System (March)
20170404	MARSMAN, MATTHEW	INFORMATION TECHNOLOGY	AMAZON MKTPLACE PMTS	109.00	Screen separator
20170406	MARSMAN, MATTHEW	INFORMATION TECHNOLOGY	WILLY'S ELECTRONICS	41.38	Display cables
20170419	MARSMAN, MATTHEW	INFORMATION TECHNOLOGY	WILLY'S ELECTRONICS	543.06	Cabling supplies
20170420	MARSMAN, MATTHEW	INFORMATION TECHNOLOGY	WAL-MART #1917	13.52	Office supplies
20170420	MARSMAN, MATTHEW	INFORMATION TECHNOLOGY	SIMPLISAFE.COM	24.99	Security System (April)
20170421	MARSMAN, MATTHEW	INFORMATION TECHNOLOGY	WILLY'S ELECTRONICS	93.42	Video cables and supplies
20170426	MARSMAN, MATTHEW	INFORMATION TECHNOLOGY	CRUCIAL.COM	275.75	Memory
20170427	MARSMAN, MATTHEW	INFORMATION TECHNOLOGY	AMAZON MKTPLACE PMTS	22.99	Replacement Laptop Charger
20170430	MARSMAN, MATTHEW	INFORMATION TECHNOLOGY	AMAZON MKTPLACE PMTS	84.99	Printer Toner Cartridge
				<b>1234.09</b>	
20170406	MARTIN, SUZANNE	CHET F. HARRITT	AMAZON MKTPLACE PMTS	21.80	Art/drawing paper, art supplies
20170407	MARTIN, SUZANNE	CHET F. HARRITT	EL CAJON BOOMERS	839.40	Gold/Silver key fieldtrip for middle school students
20170409	MARTIN, SUZANNE	CHET F. HARRITT	AMAZON.COM	36.26	Gold/Silver key certificate award paper
20170411	MARTIN, SUZANNE	CHET F. HARRITT	LOWES #01661*	15.80	PVC pipe supplies for PE cone/equipment storage
20170414	MARTIN, SUZANNE	CHET F. HARRITT	OFFICE DEPOT #2210	34.25	Campus Aide table signage supplies (Labeling tables for student use for alternative seating)
				<b>947.51</b>	
20170403	MCGINTY, MIRIAM	SPECIAL EDUCATION	AMAZON.COM AMZN.COM/BI	41.42	Basic Skills Checklist Assessments
20170407	MCGINTY, MIRIAM	SPECIAL EDUCATION	JUST WALKERS	145.95	Posterior Posture Walker (Low Incidence)
20170421	MCGINTY, MIRIAM	SPECIAL EDUCATION	AMAZON.COM	81.84	Noise cancelling Bluetooth Headphones (quantity 4)
20170427	MCGINTY, MIRIAM	SPECIAL EDUCATION	AMAZON MKTPLACE PMTS	262.67	High Yield Black Toner for SDC classroom
20170428	MCGINTY, MIRIAM	SPECIAL EDUCATION	CURRICULUM ASSOC	9.80	Assessment protocols (10%)
20170428	MCGINTY, MIRIAM	SPECIAL EDUCATION	CURRICULUM ASSOC	44.12	Assessment protocols (45%)
20170428	MCGINTY, MIRIAM	SPECIAL EDUCATION	CURRICULUM ASSOC	44.12	Assessment protocols (45%)
				<b>629.92</b>	
20170404	MCKINNON, KATHY	EDUCATIONAL SERVICES	DOLLAR TREE	8.62	ERC Admin. - Supplies
20170414	MCKINNON, KATHY	EDUCATIONAL SERVICES	OFFICE DEPOT #908	27.33	Spec. Ed - Supplies
20170428	MCKINNON, KATHY	EDUCATIONAL SERVICES	SMARTNFINAL92910809291	8.01	PD - Food - Instructional Leadership Team Meeting
				<b>43.96</b>	
20170406	OLANDER, MICHAEL	CAJON PARK	AMAZON.COM	15.03	Book for Library
20170430	OLANDER, MICHAEL	CAJON PARK	SP * WWW.GOBULK.COM	366.10	Headphones
				<b>381.13</b>	
20170404	ORTEGA, KAREN	HUMAN RESOURCES	PAYPAL *AALRR	75.00	Prof Dev Training for Tim Larson - AALRR 5/11/17
20170428	ORTEGA, KAREN	HUMAN RESOURCES	SMARTNFINAL92910809291	70.29	Supplies for special ed interviews
				<b>145.29</b>	
20170410	PROUTY, DANIEL J	INSTRUCTIONAL TECHNOLOGY	AMAZON.COM	78.88	Calculators for the Academic Achievement Bowl competitors to use for the math exam
				<b>78.88</b>	
20170419	RIFFEL, MEREDITH	PUPIL SERVICES	EB UNITED WAY OF SAN	225.00	3 United Way "Changing the Odds" breakfasts, Riffel, Bridges & Zirkle
				<b>225.00</b>	
20170402	ROSA, JIM	HILL CREEK	DISCOUNTMUGS.COM	284.75	Staff appreciation week
20170402	ROSA, JIM	HILL CREEK	VISTAPR*VISTAPRINT.COM	37.68	Volunteer luncheon
20170404	ROSA, JIM	HILL CREEK	SMARTNFINAL92910809291	15.37	Student incentives
20170405	ROSA, JIM	HILL CREEK	REI*GREENWOODHEINEMANN	34.43	Teacher books/materials
20170405	ROSA, JIM	HILL CREEK	THE HOME DEPOT #0673	79.20	Lost & Found supplies
20170406	ROSA, JIM	HILL CREEK	HOMEDEPOT.COM	57.99	Lost & Found supplies
20170407	ROSA, JIM	HILL CREEK	CHEAPTOTES.COM	32.24	Classroom supplies
20170407	ROSA, JIM	HILL CREEK	LINENTABLECLOTH.COM	36.14	Volunteer luncheon supplies
20170407	ROSA, JIM	HILL CREEK	LINENTABLECLOTH.COM	72.06	Volunteer luncheon supplies
20170425	ROSA, JIM	HILL CREEK	7-ELEVEN 13666	34.44	SDC Classrooms supplies
20170427	ROSA, JIM	HILL CREEK	AMAZON.COM	43.09	Office supplies
20170427	ROSA, JIM	HILL CREEK	AMAZON MKTPLACE PMTS	7.70	Volunteer Luncheon supplies
20170427	ROSA, JIM	HILL CREEK	AMAZON MKTPLACE PMTS	64.38	Volunteer luncheon supplies
20170428	ROSA, JIM	HILL CREEK	AMAZON MKTPLACE PMTS	47.94	Front office supplies
20170428	ROSA, JIM	HILL CREEK	AMAZON.COM AMZN.COM/BI	53.32	SDC Classroom supplies
				<b>900.73</b>	
20170416	SAUNDERS, LEAH	CARLTON OAKS	TEACHERS NOTEBOOK	9.50	Instructional Supplies
20170427	SAUNDERS, LEAH	CARLTON OAKS	ILP*INSECT LORE	61.52	Instructional Supplies
20170427	SAUNDERS, LEAH	CARLTON OAKS	TASSEL DEPOT ONLINE	182.95	Promotion Supplies
20170428	SAUNDERS, LEAH	CARLTON OAKS	MIXED BAG DESIGNS INC	43.43	Fundraising Supplies
				<b>297.40</b>	

PURCHASE DATE	CARDHOLDER	DEPARTMENT	MERCHANT NAME	PURCHASE AMOUNT	PURCHASE DESCRIPTION
20170405	SCHWELLER,JOHN	PUPIL SERVICES	TARGET 00014852	29.07	Wipes for SDC
20170407	SCHWELLER,JOHN	PUPIL SERVICES	TEACHERSPAYTEACHERS CO	101.50	Language progress monitoring tool for speech language therapy for D. Cartier
				<b>130.57</b>	
20170404	SHEEN,KRISTINA D	OST PROGRAMS	99 CENTS ONLY STORES #	10.72	Spring Break craft supplies, planting materials
20170404	SHEEN,KRISTINA D	OST PROGRAMS	MICHAELS STORES 3256	54.46	Spring Break Arts and Craft Supplies
20170404	SHEEN,KRISTINA D	OST PROGRAMS	OTC BRANDS, INC.	71.94	Instructional-Kickball intramural supplies
20170405	SHEEN,KRISTINA D	OST PROGRAMS	JACKSON HIRSH INC	154.67	Office Supplies-Name Badge Material for Subs and Staff
20170409	SHEEN,KRISTINA D	OST PROGRAMS	WAL-MART #1917	157.49	Spring Breaks toys and games
20170409	SHEEN,KRISTINA D	OST PROGRAMS	DOLLAR TREE	31.25	Spring Break Activity Supplies
20170410	SHEEN,KRISTINA D	OST PROGRAMS	ROSS STORES #1320	54.07	Other/Instructional-Toys for HC site
20170414	SHEEN,KRISTINA D	OST PROGRAMS	AMC MISSION VALLEY #02	935.25	Spring Break Admissions - Movies - Kids Pack Snacks
20170414	SHEEN,KRISTINA D	OST PROGRAMS	AMC MISSION VALLEY #02	1540.50	Spring Break - Admissions/Entrance Fees to Movies
20170414	SHEEN,KRISTINA D	OST PROGRAMS	DOLLAR TREE	23.62	Holiday Care Snack
20170420	SHEEN,KRISTINA D	OST PROGRAMS	JOHNS INCREDIBLE PIZZA	559.89	Admissions/Entrance Fees-Spring Break FT
20170425	SHEEN,KRISTINA D	OST PROGRAMS	OFFICE DEPOT #908	25.00	Split - PS - Office Supplies- (26.72%)
20170425	SHEEN,KRISTINA D	OST PROGRAMS	OFFICE DEPOT #908	68.56	Split - YALE - Office Supplies (73.28%)
20170426	SHEEN,KRISTINA D	OST PROGRAMS	OFFICE DEPOT #908	18.30	Other/Office-Amberg 10/PK
20170426	SHEEN,KRISTINA D	OST PROGRAMS	OFFICE DEPOT #908	-20.45	YALE - Office Refund
20170426	SHEEN,KRISTINA D	OST PROGRAMS	OFFICE DEPOT #908	-7.54	YALE - Office Depot-Return
				<b>3677.73</b>	
20170424	SIMKO,JOHANNA	CAJON PARK	ALBERTSONS #6710	16.92	Kindergarten activity - peeps babys for graduation activity
				<b>16.92</b>	
20170402	SIMPSON,DEBRA	RIO SECO	AMAZONPRIME MEMBERSHIP	106.67	Wall calendars
20170421	SIMPSON,DEBRA	RIO SECO	ALANS MUSIC CENTER INC	271.25	4 channel wireless system with hands-free mics for drama elective in junior high
				<b>377.92</b>	
20170424	SOUTHCOTT,STEPHANIE	PEPPER DRIVE AND RIO SECO	SAFETYPRODUCTS	72.47	JH Elective Program
20170426	SOUTHCOTT,STEPHANIE	PEPPER DRIVE AND RIO SECO	THE WEBSTAUANT STORE	746.44	JH Electives
				<b>818.91</b>	
20170405	STARKEY,MARK	INFORMATION TECHNOLOGY	WWW.NEWEGG.COM	-26.80	Refund for wrong Probook replacement keyboard
20170405	STARKEY,MARK	INFORMATION TECHNOLOGY	APL*APPLE ONLINE STORE	624.95	Proloquo2go license voucher for SpED
20170419	STARKEY,MARK	INFORMATION TECHNOLOGY	WAL-MART #1917	2.37	Lightbulb for Publications paper cutter
				<b>600.52</b>	
				<b>19393.48</b>	

**BACKGROUND:**

At certain times of the year, because of the State’s reliance on apportionment deferrals and other timing circumstances, it becomes necessary for some funds to temporarily borrow monies from other funds to pay bills. These temporary loans are known as “Due To/Due From” accounts. These account transfers must conform with Education Code Section 42603 which states “The governing board of any school district may direct that moneys held in any fund or account may be temporarily transferred to another fund or account of the district for payment of obligations.” In order to comply with adopted procedures by the San Diego County Office of Education, the Santee School District Board of Education must annually adopt a resolution to allow for Temporary Interfund Transfers of Special or Restricted Funds. This resolution approves all such transfers as needed to close the books for fiscal year 2016-17 and incorporates any transfers needed for the 2017-18 fiscal year.

**RECOMMENDATION:**

It is recommended that the Board of Education adopt Resolution No. 1617-44, “Resolution to Establish Temporary Interfund Transfers of Special or Restricted Fund Moneys” (Due To/Due From), as required for the 2016-17 year-end closing process and 2017-18 fiscal year.

This recommendation supports the following District goal:

**Fiscal Accountability**

- Financially support the vision, mission, and goals of the District by maximizing resources, controlling expenses, and managing assets to ensure fiscal solvency and flexibility.

**FISCAL IMPACT:**

Resolution No. 1617-44 will allow temporary interfund transfers of special or restricted fund moneys (due to/due from) as required for the 2016-17 year-end closing process and 2017-18 fiscal year. The anticipated fiscal amount of the transfers is not to exceed \$5,000,000.

**STUDENT ACHIEVEMENT IMPACT:**

This is a fiscal item. All fiscal resources impact student achievement.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item E.2.5.

**SANTEE SCHOOL DISTRICT** )  
 )  
**Resolution to Establish Temporary** )  
**Interfund Transfers of Special or** )  
**Restricted Fund Moneys (Due To/** )  
**Due From Accounts)** )  
 )  
**Resolution No. 1617-44** )

On Motion of Member \_\_\_\_\_, seconded by Member \_\_\_\_\_, the following resolution is hereby adopted:

WHEREAS, the Governing Board of any school district may direct that moneys held in any fund or account may be temporarily transferred to another fund or account of the district for payment of obligations as authorized by Education Code Section 42603, and

WHEREAS, the transfer shall be accounted for as temporary borrowing between funds or accounts and shall not be available for appropriation or be considered income to the borrowing fund or account, and

WHEREAS, amounts transferred shall be repaid either in the same fiscal year, or in the following fiscal year if the transfer takes place within the final one hundred twenty (120) calendar days of a fiscal year,

THEREFORE, BE IT RESOLVED that the Board of Education of the Santee School District in accordance with the provisions of the Education Code Section 42603 adopts the following authorization for fiscal year 2017-18 to temporarily transfer funds not to exceed \$5,000,000 between the following funds provided that all transfers are approved by the Superintendent or designee:

- General Fund (01)
- Child Development (12)
- Cafeteria (13)
- Deferred Maintenance (14)
- Special Reserve (17)
- Other Building Fund (21)
- Capital Facilities (25)
- State School Building (30)
- Other Enterprise Fund (63)



PASSED AND ADOPTED by the Board of the Santee School District at Santee, California, on the 6th day of June, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

STATE OF CALIFORNIA )  
                                          ) SS  
COUNTY OF SAN DIEGO )

I, Ken Fox, Clerk of the Board of the Santee School District of Santee, California, do hereby certify that the foregoing is a full, true, and correct copy of a resolution adopted by said board at the regular meeting thereof at the time and place of vote stated, which resolution is on file and of record in the office of said board.

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Clerk of the Board

Consent Item E.2.6.  
Prepared by Karl Christensen  
June 6, 2017

Approval of Agreement with the City of Santee  
for Transportation Services

**BACKGROUND:**

Santee School District has worked with the City of Santee to provide transportation services for the Santee Teen Center. The Santee Teen Center is a valuable place to engage teenage children in a positive environment. The District and the City are mutually interested in and concerned with the provision of adequate transportation services from schools to the Santee Teen Center. At its November 21, 2006 meeting, the Board of Education approved a Transportation Services Agreement and began providing transportation services in February 2007. Renewal requests have been approved each fiscal year since that time. Administration has received a renewal request for the transportation services agreement from the City of Santee for the 2017-18 year.

Due to the increase in transportation costs over the past year, the Santee Teen Center will pay the District \$12.75 per student, per week (an increase of approximately 5% from the previous amount of \$12.15. They will also pay for field trips at \$31.00 per hour plus \$4.50 per mile.

**RECOMMENDATION:**

It is recommended that the Board of Education approve the transportation agreement with the City of Santee to increase fees for District-provided transportation services to the Santee Teen Center.

This recommendation supports the following District goals:

**Learning Environment**

- Provide a safe, engaging environment that promotes creativity, innovation, and personalized learning.

**Fiscal Accountability**

- Financially support the vision, mission, and goals of the District by maximizing resources, controlling expenses, and managing assets to ensure fiscal solvency and flexibility.

**FISCAL IMPACT:**

The fiscal impact is estimated at \$90,000 in revenue. Actual revenue generated by the District will be determined by the number of students participating and the number of trips scheduled.

**STUDENT ACHIEVEMENT IMPACT:**

This is a safety item. Safe environments foster student character and personal well-being which could impact student achievement in a positive manner.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item E.2.6.

**TRANSPORTATION SERVICES BETWEEN THE  
SANTEE SCHOOL DISTRICT AND THE CITY OF SANTEE**

**AGREEMENT**

THIS AGREEMENT is entered into between the Santee School District of Santee, California, hereinafter called "District" and the City of Santee, California, hereinafter called "City."

**WITNESSETH**

**WHEREAS**, the District and the City are mutually interested in and concerned with the provision of adequate transportation services from schools to the Santee Teen Center, and

**WHEREAS**, the District and the City are mutually interested in providing transportation services for Santee recreation programs, and

**WHEREAS**, the District has personnel, equipment, and other required facilities under its jurisdiction suitable for transportation services within their resources,

**NOW THEREFORE**, it is hereby mutually agreed as follows:

**A. INSURANCE AND INDEMNITY:**

1. Insurance Required. The District shall take out and maintain, during the performance of all terms of this Agreement, the following types and amounts of insurance. The term "insurance" shall be understood and agreed to include any self insurance provided to the District as a member of the San Diego County Schools Risk Management Joint Powers Authority as an authorized self-insurer.

- a. Commercial General Liability insurance with limits no less than \$2,000,000 per occurrence / \$4,000,000 aggregate, for bodily injury, personal injury, and property damage;
- b. Commercial Automobile Liability insurance (any auto) with limits of \$1,000,000 per accident for bodily injury and property damage;
- c. Employer's Liability insurance with limits of \$1,000,000 per accident for injury or disease; and
- d. Workers' Compensation insurance as required by the State of California.

2. Evidence of Insurance. The District shall file with the City evidence of insurance certifying coverage as required above. Such evidence shall include original copies of acceptable additional insured endorsements, and a Certificate of Insurance (most recent version of Acord Form 25 or equivalent). All evidence of insurance shall be signed by a properly authorized officer, agent or qualified representative of the self-insured and/or insurer and shall certify the District as a named insured, and the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

3. Policy Provisions.

- a. The District will name the City and all of its officers, employees, volunteers, and agents as additional insured on all automobile liability policies required to meet the limits stated in section A.1. above, for the term of the agreement. As an additional insured, the City shall be expressly endorsed onto the policy as a cancellation notice recipient such that the City shall receive a copy of any cancellation notice in the event a policy is cancelled.
- b. Automobile Liability insurance policies shall contain a provision stating that the District's policies are primary insurance and that the insurance of the City or any named additional insureds shall not be called upon to contribute to any loss

4. Indemnity. The District shall indemnify, defend (with counsel acceptable to the City), and hold harmless the City, its officers, employees, volunteers, and agents against any and all claims, damages, liability, loss or injury to persons and property, cost or expenses, including attorney fees, resulting from the willful acts or sole negligence of the District or its officers, employees, or agents. This hold harmless agreement shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by the District.

5. District Liability. The District's liability for Transportation services shall begin upon entry to District vehicles and end upon exit from District vehicles.

#### B. DISPUTE RESOLUTION:

Any disputes concerning terms and conditions of this Agreement or performance thereunder shall be settled by mutual desire of both parties, through amicable negotiations within ninety (90) days. In the event that amicable negotiation does not produce mutually agreeable results, the parties agree to submit the dispute to nonbinding arbitration. The arbitrator will be selected by mutual agreement within thirty (30) days of written request for arbitration by either party. If there is no agreement, an arbitrator will be selected under the rules of the American Arbitration Association, upon written request of either party.

#### C. TERMS AND CONDITIONS REGARDING TRANSPORTATION SERVICES FOR THE CITY OF SANTEE:

1. The District shall provide transportation to the City of Santee as provided on Attachments A and B, in accordance with applicable State Laws and Regulation.
  - a. City shall provide District with reasonable prior notice of any change in the City's needs for transportation services under this Agreement, including any change in scheduling or pick-up locations. Notice shall be provided to:  
Charles Myers, Director  
Transportation Department.  
Santee School District  
9625 Cuyamaca Street  
Santee, CA 92071  
(619) 258-2337  
[Charles.myers@santeesd.net](mailto:Charles.myers@santeesd.net)

District shall make reasonable efforts to accommodate changes in the City's needs once it receives notice pursuant to this Subsection. Cancellation of

transportation services may be effected according to Subsection D of this Agreement.

- b. The District shall provide transportation to locations within County boundaries and locations mutually agreed to by the District and City.
2. The District shall submit to the City, a bill for the transportation service on a monthly basis.

Community Services Department  
Attn: Anne Morrison  
City of Santee  
10601 Magnolia Avenue  
Santee, CA 92071

3. The City shall pay the District on a monthly basis as follows:

**Teen Center:**

**\$12.75 per student per week.** The City shall provide the District with a weekly roster of students eligible to utilize the transportation program. The deadline for the City to submit weekly roster to the District will be agreed upon by both parties. The District shall provide the City with an invoice based on the roster submitted by the City.

**Recreation Programs:**

City shall pay the District on a per trip basis for field trips. Each trip will be at a mutually agreed upon cost not to exceed the published field trip price per Attachment D. The City shall submit payment to the District within 15 business days after receipt of the invoice.

4. District shall provide the same level of service and shall abide by all rules and regulations applicable to the District's normal operation of District school buses in the operation of the transportation services provided to the City under the terms of this Agreement.

**D. GENERAL PROVISIONS:**

This Agreement may be modified by the parties at any time by written agreement, executed by an authorized agent of each party. It is understood that all fees for service included in this agreement may be adjusted annually for inflation by written agreement of the parties.

The employees and other agents of the District are not the employees of the City. The term of this agreement shall be from July 1, 2017 through June 30, 2018; however, either party may terminate the same at any time upon thirty (30) days notice in writing.

**City of Santee**

\_\_\_\_\_  
Marlene Best                      Date  
City Manager

Approved As To Form

\_\_\_\_\_  
City Attorney

**Santee School District**

\_\_\_\_\_  
Karl Christensen                      Date  
Assistant Superintendent  
Business Services

Approved by the Board of Education

On the \_\_\_\_\_ day of \_\_\_\_\_ 2016.  
Santee School District  
9625 Cuyamaca Street  
Santee, CA 92071-2674

**BACKGROUND:**

The Santee School District is required to provide for transportation of Special Education students when their Individualized Education Plan (IEP) includes the need for this service. In lieu of the District providing transportation, the District offers parents/guardian the opportunity to transport their own children and receive reimbursement for their incurred mileage at the IRS-approved rate.

The Commercial Warrants Audit manual stipulates that an agreement is to be executed with the Parent/Guardian whenever mileage reimbursement is provided. Agreements with parents/guardians opting to receive mileage reimbursement for the 2017-18 school year for the transportation of their own child(ren) are listed below:

School of Attendance	Round Trip Miles Per Day	# of Days	Per Mile Rate	Total Estimated Annual Cost
Rio Seco School	16	19	\$0.5350	162.64
Carlton Oaks School	18.2	180	\$0.5350	\$1,752.66
Carlton Hills School	3	180	\$0.5350	\$288.90
<b>Total:</b>				<b>\$2,204.20</b>

**RECOMMENDATION:**

It is recommended that the Board of Education approve/ratify the Parent/Guardian agreements for mileage reimbursement in lieu of District transportation.

This recommendation supports the following District goals:

**Learning Environment**

- Provide a safe, engaging environment that promotes creativity, innovation, and personalized learning.

**Fiscal Accountability**

- Financially support the vision, mission, and goals of the District by maximizing resources, controlling expenses, and managing assets to ensure fiscal solvency and flexibility.

**FISCAL IMPACT:**

The fiscal impact of \$2,204.20 is paid in lieu of District provided transportation.

**STUDENT ACHIEVEMENT IMPACT:**

This is a fiscal item. All fiscal resources impact student achievement.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item E.2.7.

Consent Item E.2.8.  
Prepared by Karl Christensen  
June 6, 2017

Approval of Extension of Memorandum of  
Understanding with Reinterpret for Use of  
Cajon Park Annex

**BACKGROUND:**

Reinterpret is a non-profit entity organized for the purpose of collecting, organizing, and distributing discarded materials for use by teachers and students for art projects and conducting workshops for teachers on the uses of these resources. Reinterpret has been using Room 38 and the center meeting room at the Cajon Park Annex since 2011. In exchange for free use of District facilities, Reinterpret provides Santee School District teachers with membership in Reinterpret free of charge.

This Memorandum of Understanding extends the current arrangement with Reinterpret for the 2017-18 fiscal year.

**RECOMMENDATION:**

It is recommended that the Board of Education approve the Memorandum of Understanding with Reinterpret for Use of Facilities at Cajon Park Annex for the 2017-18 fiscal year.

This recommendation supports the following District goal:

**Learning Environment**

- Provide a safe, engaging environment that promotes creativity, innovation, and personalized learning.

**FISCAL IMPACT:**

Electricity and HVAC usage during non-school time is estimated at \$2,000 annually.

**STUDENT ACHIEVEMENT IMPACT:**

This is a fiscal item. All fiscal resources impact student achievement.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item E.2.8.



**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
SANTEE SCHOOL DISTRICT  
AND  
REINTERPRET**

This Memorandum of Understanding ("MOU") is entered into this 6th day of June, 2017, by and between SANTEE SCHOOL DISTRICT ("DISTRICT") and REINTERPRET ("ENTITY") (collectively referred to as "the Parties").

**RECITALS**

WHEREAS, ENTITY operates a non-profit organization under IRS code section 501(c)(3) for the purposes of collecting, organizing, and distributing discarded materials for use by teachers and students for art projects and conducting workshops for teachers on the uses of these resources; and

WHEREAS, ENTITY has been utilizing Room 38 and the center meeting room at the Cajon Park Annex ("Facilities") since August 2011 under a Use of Facilities Agreement and/or a Memorandum of Understanding in a partnership arrangement; and

WHEREAS, the Parties desire to continue the partnership arrangement.

**AGREEMENT**

The Parties, in consideration of the promises made herein, agree as follows:

- Recitals. The recitals set forth above are true and correct.
2. Term. This MOU shall be in effect for the period from July 1, 2017 through June 30, 2018, unless an extension is agreed to, in writing, by both Parties.
- Use of Facilities. ENTITY may use room 38 of the Facilities for storage and distribution of materials and have access to the room from 8am to 9pm, Monday through Saturday. ENTITY may periodically and temporarily use the center meeting room of the Facilities for conducting workshops for teachers at times when it does not conflict with use by other DISTRICT programs and services or other outside entities using the room under a Use of Facilities agreement with the DISTRICT. ENTITY may charge nominal fees or collect monetary donations for participation in workshops in accordance with their established fee schedule.
3. Other Terms and Conditions. DISTRICT shall waive any and all Use of Facilities fees that would normally be charged in exchange for the following:
- a. DISTRICT teachers shall be provided membership in ENTITY free of charge.
  - b. ENTITY shall maintain the Facilities in a neat, clean, and orderly fashion at all times.
4. Insurance. ENTITY shall maintain in full force and effect during the entire term of this MOU General Liability insurance with minimum coverage limits of \$1,000,000 per occurrence. ENTITY shall name DISTRICT as an additional insured on their policy and provide a copy of said policy to the DISTRICT upon request. ENTITY shall also maintain in full force and effect during the entire term of this MOU workers compensation insurance for all of its employees with the minimum coverage limits required by law.

5. Indemnification. ENTITY agrees to indemnify and hold harmless DISTRICT from any and all claims, damages, liabilities, or costs, including reasonable attorney's fees and defense costs, arising or allegedly arising from the acts, errors, or omissions of the officers, employees, or agents of ENTITY.
  
6. Termination for Convenience. Either party may terminate this MOU for convenience by providing written notice to the other party at least ten (10) working days prior to the termination date.

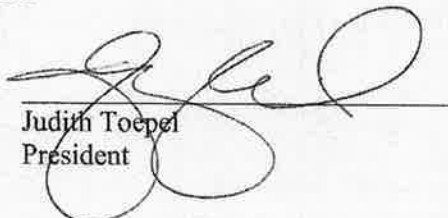
**AGREED:**

**SANTEE SCHOOL DISTRICT**

By: \_\_\_\_\_  
Karl Christensen  
Assistant Superintendent, Business Services

Date: \_\_\_\_\_

**ENTITY**

By:   
Judith Toepel  
President

Date: 5.24.17

**BACKGROUND:**

Attached is a list of annual agreements presented for the Board's information and approval. These agreements are put into place and purchase orders are issued to make ongoing payments to vendors as expenses are incurred throughout the fiscal year. Administration has reviewed each annual agreement and solicited quotes where applicable. Additional quotes were not solicited for those items that are on a continuing lease or lease/purchase because those items were received on a multi-year agreement.

**RECOMMENDATION:**

It is recommended that the Board of Education provide approval/ratification of the attached listed annual agreements for 2017-18.

This recommendation supports the following District goal:

**Fiscal Accountability**

- Financially support the vision, mission, and goals of the District by maximizing resources, controlling expenses, and managing assets to ensure fiscal solvency and flexibility.

**FISCAL IMPACT:**

The estimated annual cost of each annual agreement is attached and the total of all annual agreements listed is \$3,310,877.84.

**STUDENT ACHIEVEMENT IMPACT:**

This is a fiscal item. All fiscal resources impact student achievement.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item E.2.9.

## Annual and/or Continuous Agreements for 2017/18

The following list consists of annual and/or continuous agreements for the 2017/18 School Year

Updated 5/18/2017

Vendor	Description	Department	Approximate Cost
California School Boards Association	CSBA Membership Dues and Education Legal Alliance Membership Dues	Board	\$ 13,149.00
San Diego County School Boards Association	Membership Dues	Board	\$ 187.00
ACSA	Membership Dues	Business	\$ 1,382.00
Bowie, Arneson, Wiles	Legal Services	Business	\$ 15,000.00
CASBO Professional Developmt	Membership Dues	Business	\$ 650.00
CASH - Coalition for Adequate School Housing	CASH Membership Dues (Due April 2016)	Business	\$ 525.00
City of Santee	Crossing Guards	Business	\$ 20,396.00
Decision Insite	Enrollment Project Services	Business	\$ 8,796.00
DS Services of America, Inc. (DBA: Sparkletts)	Drinking Water for Departments located in District Office and ERC	Business	\$ 2,500.00
Helix Water District	Water Service-PD	Business	\$ 11,000.00
Padre Dam MWD	Water Service (For Entire District Except Pepper Drive	Business	\$ 380,008.00
Pitney Bowes Reserve Acct	Annual Postage for District	Business	\$ 40,000.00
San Diego Gas & Electric	District-wide Gas and Electric Services - except HC	Business	\$ 1,172,779.00
San Diego Gas & Electric	Gas & Electric Services - HC	Business	\$ 29,625.00
School Innovations & Advocacy	Mandated Cost Claim Service	Business	\$ 10,200.00
School Services of California, Inc.	Special Fiscal Services	Business	\$ 4,260.00
South Coast Copy Systems	Maintenance Agreements - All Sites	Business	\$ 16,350.00
Vavrinek, Trine, Day & Co LLP	Audit Services	Business	\$ 23,000.00
Waste Management	District-wide Refuse Removal	Business	\$ 47,000.00
Kyocera	Estimate for Annual Maint. Agmt/Supplies	Carlton Hills	\$ 945.30
Kyocera	Estimate for Annual Maint. Agmt	Carlton Oaks	\$ 2,750.00
Padre Dam MWD	Water Service for CNS	CNS	\$ 5,206.00
San Diego Gas & Electric	Gas & Electric Services - CNS	CNS	\$ 55,316.00
Achieve3000, Inc.	Software Licenses	Ed Services	\$ 165,542.35
Companion Corporation	On-Line Subscription Services for all nine site libraries	Ed Services	\$ 11,479.00
Document Tracking Services	Licenses for Annual Document Tracking Services	Ed Services	\$ 2,300.00
Dreambox (3-Yr Agreement) Renewal Due 2017/2018	3-Yr License Agreement for K-8 Students	Ed Services	\$ 162,000.00
ESGI	Licenses for teachers	Ed Services	\$ 5,250.00
ESGI	Licenses for students	Ed Services	\$ 500.00
Harland (Scantron) Due 2-1	Scanner Maintenance Agreement - Read-Head	Ed Services	\$ 1,500.00
Safari Montage	Software Licenses	Ed Services	\$ 26,597.56
Superintendent of Schools	Membership Dues for NCPDF	Ed Services	\$ 5,860.80
Typing Agent	Unlimited Access to Typing Agent for 5000 Users	Ed Services	\$ 5,750.00
USD Mobile Tech Learning Ctr	Service Agreement for USD's Mobile Technology Learning Ctr	Ed Services	\$ 8,500.00
DS Services of America, Inc. (DBA: Sparkletts)	Drinking Water for Hill Creek	Hill Creek	\$ 350.00
Atkinson, Andelson, AAL	Legal Services	Human Resources	\$ 35,000.00
City Treasurer	Defibrillator Maintenance	Human Resources	\$ 425.00
County Schools Svc Fund	Ed-Join	Human Resources	\$ 950.00
Discovery Benefits	Cobra/Retiree Administration	Human Resources	\$ 10,000.00
Frontline Placement (Aesop)	Aesop Substitute/Absence Svcs	Human Resources	\$ 10,460.88
Kontraband Interdiction	Inspection Services	Human Resources	\$ 7,500.00
San Diego City Schools	Fingerprinting Services	Human Resources	\$ 3,000.00
State of California DOJ	Fingerprinting Services	Human Resources	\$ 7,500.00
UPMC	ACA (E-Benefits)	Human Resources	\$ 15,000.00

24-Hour Elevator	Elevator Maintenance Agreements for CP, CH, CO, HC & RS 2-Story; PD 3-Story Bldgs, Incl. inspections	M&O	\$ 10,000.00
24-Hour Elevator	Bi-Annual Inspection of Wheelchair Lifts at CP, SC, CH, and PA	M&O	\$ 500.00
Aardvark Pest Control	Pest Control Services	M&O	\$ 25,000.00
Aire Filter Products	Air Filters - HVAC Supplies	M&O	\$ 4,000.00
All City Pest Control	Pest Control Services	M&O	\$ 1,000.00
American Messaging	Main Duty Pager	M&O	\$ 160.00
Backflow Services	Annual Testing (Backflow Svcs)	M&O	\$ 6,000.00
California Electric Supply (CED)	Electrical Supplies/Maint. Repairs/Pts	M&O	\$ 4,000.00
City Electric Supply (CES)	Electrical Supplies/Maint. Repairs/Pts	M&O	\$ 3,000.00
Clark Security	Hardware for Locks & Doors	M&O	\$ 15,500.00
Dave Bang Associates	Playground Safety Supplies	M&O	\$ 50,000.00
Drain Pros/USA Jetting	Drain Clearing Services	M&O	\$ 6,000.00
DS Services of America, Inc. (DBA: Sparkletts)	Drinking Water for M&O	M&O	\$ 400.00
Dunn Edwards	Paint Supplies	M&O	\$ 2,000.00
Ewing	Irrigation Supplies	M&O	\$ 20,000.00
Ferguson	Plumbing Supplies	M&O	\$ 5,000.00
Fire Etc.	Fire Extinguisher Services	M&O	\$ 8,000.00
G & K Services	Uniform Services for M&O	M&O	\$ 3,000.00
G & K Services	Uniform Services for Transportation	M&O	\$ 600.00
G & K Services	Uniform Services for Transportation	M&O	\$ 600.00
Greenbrier Lawn & Tree	Tree Trimming & Removal Svcs	M&O	\$ 10,000.00
Home Depot Comm Acct	Maintenance Supplies	M&O	\$ 50,000.00
Johnstone Supply	HVAC Supplies	M&O	\$ 6,000.00
Lakeside Equipment Sales	Equipment Rental	M&O	\$ 3,000.00
Lowe's	Maintenance Supplies	M&O	\$ 20,000.00
One Source Distributors	Electrical Supplies	M&O	\$ 12,000.00
Pacifica Glass	Vandalism Repairs - Window Glass	M&O	\$ 5,000.00
Pacwest Air Filter, LLC	Filters for HVAC Units	M&O	\$ 5,000.00
Safe-T-Lite	Signs & Sign Materials	M&O	\$ 2,000.00
SchoolDude.com	Work Order Software License	M&O	\$ 4,075.95
Standard Electronics	Fire Alarm Service Calls	M&O	\$ 12,000.00
State of California Dept. of Industrial Relations	Passenger Elevator Permit Costs - CP, CH, CO, HC, RS, & PD	M&O	\$ 1,650.00
State of California Dept. of Industrial Relations	Wheelchair Lift Permit Costs - SC, CP, CH, PA	M&O	\$ 900.00
Trane US Inc.	HVAC Supplies	M&O	\$ 4,000.00
Valley Industrial Specialties	Plumbing Supplies	M&O	\$ 2,000.00
DS Services of America, Inc. (DBA: Sparkletts)	Drinking Water for Pepper Drive	Pepper Drive	\$ 600.00
DS Services of America, Inc. (DBA: Sparkletts)	Drinking Water for Pride Academy	Pride Academy	\$ 400.00
Amazon.com	Misc. Purchases for ASES	Proj Safe	\$ 3,000.00
Amazon.com	Misc. Purchases for Project Safe	Proj Safe	\$ 3,000.00
Smart & Final	Food & Misc Purchases for Proj Safe	Proj Safe	\$ 6,000.00
Softerware	Support Program for Yale	Proj Safe	\$ 206.00
GTSOFT	EZ Child Tracking Software	Proj Safe/Yale	\$ 16,000.00
El Cajon Print & Copy	Special Printing Needs	Publications	\$ 600.00
Konica Minolta Business	Maint. Agreemt for Copiers Bizhub Pro1050	Publications	\$ 10,000.00
Konica Minolta Business	Maint. Agreemt for Copiers Bizhub Press 1250P	Publications	\$ 10,000.00
Konica Minolta Business	Maint. Agreemt for Copiers Bizhub Pro 1200	Publications	\$ 10,000.00
Konica Minolta Business	Maint. Agreemt for Copiers Bizhub C550 - Color Copier	Publications	\$ 5,000.00
Litho Equipment Services	Equipment Repairs	Publications	\$ 500.00
Perry Letterpress	Bindery Svcs for Publications	Publications	\$ 300.00
Reynolds Graphics	Printing Supplies	Publications	\$ 500.00

Southland Envelope	Envelope Printing	Publications	\$ 2,000.00
Spiral Binding Co. Inc.	Coil Binding Supplies	Publications	\$ 500.00
Superintendent of Schools	Business Cards	Publications	\$ 1,000.00
Veritiv	Paper Supplies	Publications	\$ 10,000.00
North County Educational Purchasing Consortium (NCEPC)	Annual Dues	Purchasing	\$ 400.00
Officia Imaging	Maintenance Agreement for VI Prog.	Special Ed	\$ 500.00
Pearson	Protocols	Special Ed	\$ 15,000.00
Pro-Ed Inc.	Protocols	Special Ed	\$ 7,500.00
Riverside (HMH)	Protocols	Special Ed	\$ 5,000.00
California School Boards Association	GAMUT Subscription	Superintendent	\$ 2,705.00
Communication Resources	Professional Svcs - Training	Superintendent	\$ 5,000.00
Globalstar USA	Satellite Svcs for Board Member	Superintendent	\$ 550.00
DS Services of America, Inc. (DBA: Sparkletts)	Drinking Water for Sycamore Canyon	Sycamore Cyn	\$ 250.00
AT&T / Calnet 2 – Access Line	Phone Service - Access Lines	Technology	\$ 14,400.00
AT&T / Calnet 2 – C60 Acct.	Phone Service - C60	Technology	\$ 60,000.00
Blackboard Inc. (Formerly Schoolwires) Begins 12/1/15	Power Pack - District-wide Software Licenses	Technology	\$ 15,000.00
Computer Protection Tech.	Equipment Maint. Agreement	Technology	\$ 2,600.00
Core Technology	CTC Bridge Software & Support	Technology	\$ 594.00
Cox Communications	Cox Data Network	Technology	\$ 113,400.00
Datel Systems (3-yr agreement) Due July 2017	Baracuda Systems Back-Up	Technology	\$ 13,000.00
Datel Systems	Ruckus Wireless Support	Technology	\$ 20,500.00
Edu Business Solutions	Print Shop Pro Softward Support	Technology	\$ 3,600.00
GTC Systems, Inc.	VMWare Academic Basic Support	Technology	\$ 2,850.00
NVLS Professional Svcs	Erate Services	Technology	\$ 6,750.00
Powerschool - Due on June 27	Power School	Technology	\$ 33,707.00
Protel Communications	Phone System Support Svcs	Technology	\$ 20,308.00
Software House Int'l (SHI)	Educational Software for District	Technology	\$ 28,391.00
Sprint	Cell Phone Service for District	Technology	\$ 37,000.00
West Interactive Services Corp; (School Messenger)	Parent Link Information 1-1-16 thru 12-31-16	Technology	\$ 17,500.00
GTC Systems, Inc.	Professional Svcs – Citrex	Technology	\$ 7,000.00
Day Wireless	Communication Device Maintenance Contracts for All Sites	Transportation	\$ 1,200.00
DS Services of America, Inc. (DBA: Sparkletts)	Drinking Water for Transportation	Transportation	\$ 225.00
Konica Minolta Business	Maintenance Agreement for Copier located in the Transportation Dept.	Transportation	\$ 100.00
Mason's Saw & Lawnmower	Small Equipment Repairs Split 4300 - 75%; 5600 - 25%	Transportation	\$ 5,000.00
Regional Communications	Radio Service Agreement (4 radios @ \$77.07 ea for 12 mo.)	Transportation	\$ 3,700.00
SoCo Group	Diesel Fuel	Transportation	\$ 40,000.00
SoCo Group	Unleaded Fuel	Transportation	\$ 40,000.00
SoCo Group	Fuel for M & O	Transportation	\$ 35,000.00
SoCo Group	Fuel for Technology	Transportation	\$ 2,200.00
Teamtalk Network	Radio Service Agreement (43 radios x \$18.50 per radio x 12 mo.)	Transportation	\$ 9,546.00
Thomas Industrial Water	Water Conditioning Services	Transportation	\$ 420.00
Pitney Bowes - Lease	Mailing Machine Rental	Warehouse	\$ 3,500.00
Amazon.com	Misc. Purchases for Yale	Yale	\$ 3,000.00
Smart & Final	Food & Misc. Purchases for Yale	Yale	\$ 5,000.00

TOTAL \$ 3,310,877.84

Authorization to Sell/Dispose of Surplus Items

**BACKGROUND:**

Board Policy (BP) and Administrative Regulation (AR) 3270 govern the sale or disposal of surplus books, equipment, and supplies in accordance with applicable Education Code provisions. AR 3270 provides the following options for sale or disposal of surplus items:

<b>Category</b>	<b>Value/Condition</b>	<b>Option</b>	<b>Requirements</b>
<b>Obsolete Instructional Materials</b>	<ul style="list-style-type: none"> <li>Usable for educational purposes</li> <li>Any value</li> </ul>	<ul style="list-style-type: none"> <li>Donate to any governing board, county free library or other state institution; any United States public agency or institution; any nonprofit charitable organization; or children or adults in California or foreign countries for the purpose of increasing literacy</li> <li>Sell to any organization that agrees to use the materials for educational purposes</li> </ul>	<ul style="list-style-type: none"> <li>Receiving entity shall certify to the Board that it agrees to use the materials for educational purposes and make no charge to any persons to whom the materials are given or lent</li> <li>Notify public of intent at least 60 days prior to disposition</li> </ul>
	<ul style="list-style-type: none"> <li>Unusable for educational purposes or cannot be disposed of as above</li> <li>Any value</li> </ul>	<ul style="list-style-type: none"> <li>Mutilate so as not to be salable and sold for scrap</li> <li>Destroy beyond any economical means</li> </ul>	<ul style="list-style-type: none"> <li>For destruction, provide at least 30 day prior notice to those requesting notice</li> </ul>
<b>All Other Personal Property</b>	<ul style="list-style-type: none"> <li>Value insufficient to defray costs of arranging a sale</li> </ul>	<ul style="list-style-type: none"> <li>Donate to charitable organization deemed appropriate by the Board</li> <li>Dispose of at local dump</li> </ul>	<ul style="list-style-type: none"> <li>Requires unanimous vote by Board</li> </ul>
	<ul style="list-style-type: none"> <li>\$2,500 or less (one or more items)</li> </ul>	<ul style="list-style-type: none"> <li>Sell without advertising</li> </ul>	<ul style="list-style-type: none"> <li>Requires unanimous vote by Board</li> </ul>
	<ul style="list-style-type: none"> <li>More than \$2,500 (one or more items)</li> </ul>	<ul style="list-style-type: none"> <li>Advertise for Bids or Conduct Public Auction</li> </ul>	<ul style="list-style-type: none"> <li>Post notices in 3 public places and advertise once a week for 2 weeks in general circulation newspaper</li> </ul>

<b>Category</b>	<b>Value/Condition</b>	<b>Option</b>	<b>Requirements</b>
			<ul style="list-style-type: none"> <li>• Accept highest bid or reject all bids</li> <li>• If no qualified bid received, may be sold to any individual or entity</li> </ul>
		<ul style="list-style-type: none"> <li>• Without advertising for bids, sell to agencies of federal, state or local government, to any other school district, or to any agency eligible under the federal surplus property law</li> </ul>	<ul style="list-style-type: none"> <li>• Sale price shall equal cost of property plus estimated cost of purchasing, storing, and handling</li> </ul>
		<ul style="list-style-type: none"> <li>• Without advertising for bids, sell or lease the property to agencies of federal, state or local government or to any other school district</li> </ul>	<ul style="list-style-type: none"> <li>• Price and terms of sale or lease fixed by the Board and approved by County Superintendent of Schools</li> </ul>

The District has the option of using the services of a vendor that uses an on-line bidding methodology to satisfy the advertising for bids and public auction requirements. If used, the vendor retains a portion of the sale proceeds for their fee.

The items to declare surplus are described below:

<b>Qty</b>	<b>UOM</b>	<b>Description</b>	<b>Location</b>	<b>Condition</b>	<b>Estimated Value/Price</b>
200		HM Reading CA Teacher's Edition (K-5)	District	2003 Edition Poor: Most annotated	\$0
4700		HM Reading CA Student Edition (K-5)	District	2003 Edition Poor: Many written in.	\$0
100		Holt Literature and Language Arts Teacher's Edition (6-8)	District	2003 Edition Poor: Most annotated	\$0
2300		Holt Literature and Language Arts Student Edition (6-8)	District	2003 Edition Poor: Many written in.	\$0
2300		Holt ELA Student Handbook	District	2003 Edition Poor: Many written in.	\$0



The recommended terms for sale or disposal of the aforementioned personal property is as follows:

Type	Method	Option? (X)
<p align="center"><b>Obsolete Instructional Materials</b></p>	Donate to any governing board, county free library or other state institution; any United States public agency or institution; any nonprofit charitable organization; or children or adults in California or foreign countries for the purpose of increasing literacy	<input checked="" type="checkbox"/>
	Sell to any organization that agrees to use the materials for educational purposes	
	Mutilate so as not to be salable and sold for scrap	
	Destroy beyond any economical means	
<p align="center"><b>Other Personal Property</b></p>	Value insufficient to defray costs of arranging a sale: Donate to charitable organization deemed appropriate by the Board	
	Value insufficient to defray costs of arranging a sale: Discard/Scrap	
	Value \$2,500 or less: Sell without advertising	
	Advertise for Bids (including on-line services)	
	Conduct Public Auction (including on-line services)	
	Without advertising for bids, sell to agencies of federal, state or local government, to any other school district, or to any agency eligible under the federal surplus property law with sale price to equal cost of property plus estimated cost of purchasing, storing, and handling	
	Without advertising for bids, sell or lease the property to agencies of federal, state or local government or to any other school district with price and terms of sale or lease fixed by the Board and approved by County Superintendent of Schools	

**RECOMMENDATION:**

It is recommended that the Board of Education declare the described items as surplus with an estimated value of \$0 and authorize the sale or disposal of them in accordance with the recommended terms.

This recommendation supports the following District goals:

**Fiscal Accountability**

- Financially support the vision, mission, and goals of the District by maximizing resources, controlling expenses, and managing assets to ensure fiscal solvency and flexibility.

**FISCAL IMPACT:**

Income estimated at \$0.

**STUDENT ACHIEVEMENT IMPACT:**

This is a fiscal item. All fiscal items impact student achievement.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item E.2.10.

We understand that In accordance with Education Code 60510, the Santee School District is donating obsolete instructional materials to us as a non-profit charitable organization. In accordance with Education Code 60511, we certify to the Board of Education of the Santee School District that we will make no charge to any persons or entities to whom we give or lend the materials.

A handwritten signature in black ink, appearing to read 'Alexandra Hart', written in a cursive style.

Signed by Alexandra Hart  
Secretary to Compassion for African Villages  
Non-Profit Organization EIN #26-0469607  
P.O. Box 151499  
San Diego CA 92175

Consent Item E.2.11.  
Prepared by Karl Christensen  
June 6, 2017

Adoption of Resolution No. 1617-46 Authorizing the Execution of Documents with Wells Fargo Equipment Finance, Inc. and Delivery of Equipment Under a Master Governmental Lease-Purchase Agreement and Supplement No. 81952-401 for the Purchase of Three 76 Passenger Buses

**BACKGROUND:**

At its April 4, 2017 meeting, the Board of Education adopted Resolution No. 1617-34 to authorize piggybacking onto the South County Support Services Agency Bid #14005, "School Bus" for the purchase of three 76 passenger buses from Creative Bus Sales. The Board authorized equipment purchase cost of \$439,296 with a \$95,000 down payment, annual lease payments of \$54,419 for 7 years, for total payments of \$475,930 including the down payment.

Adoption of this Resolution authorizes the execution of documents with Wells Fargo Equipment Finance, Inc. and the delivery of the buses under a Master Governmental Lease-Purchase agreement.

**RECOMMENDATION:**

It is recommended that the Board of Education adopt Resolution No. 1617-46 authorizing the execution of documents with Wells Fargo Equipment Finance, Inc. and delivery of equipment under a Master Governmental Lease-Purchase Agreement and Supplement No. 81952-401 for the purchase of three 76 passenger buses.

This recommendation supports the following District goal:

**Fiscal Accountability**

- Financially support the vision, mission, and goals of the District by maximizing resources, controlling expenses, and managing assets to ensure fiscal solvency and flexibility.

**FISCAL IMPACT:**

The fiscal impact is \$439,296 with a \$95,000 down payment, annual lease payments of \$54,419 for 7 years, for total payments of \$475,930 including the down payment.

**STUDENT ACHIEVEMENT IMPACT:**

This is a fiscal item. All fiscal resources impact student achievement.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item E.2.11.

Resolution No. 1617-46

**FORM OF AUTHORIZING RESOLUTION**

A RESOLUTION OF THE GOVERNING BODY OF SANTEE SCHOOL DISTRICT, AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER GOVERNMENTAL LEASE-PURCHASE AGREEMENT AND SUPPLEMENT NO. 81952-400 THERETO WITH RESPECT TO THE ACQUISITION, PURCHASE, FINANCING AND LEASING OF CERTAIN EQUIPMENT FOR THE PUBLIC BENEFIT; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

WHEREAS, Santee School District (the "Lessee"), a body politic and corporate duly organized and existing as a political subdivision, municipal corporation or similar public entity of the State of California is authorized by the laws of the State of California to purchase, acquire and lease personal property for the benefit of the Lessee and its inhabitants and to enter into contracts with respect thereto; and

WHEREAS, the Lessee desires to purchase, acquire and lease certain equipment constituting personal property necessary for the Lessee to perform essential governmental functions; and

WHEREAS, in order to acquire such equipment, the Lessee proposes to enter into that certain Master Governmental Lease-Purchase Agreement Number 81952 dated as of June 16, 2016 (the "Agreement"), and Supplement No. 81952-400 dated as of June 16, 2016 thereto (the "Supplement" and together with the Agreement, the "Lease"), each with Wells Fargo Equipment Finance, Inc. (the "Lessor"), the forms of which have been presented to the governing body of the Lessee at this meeting; and

WHEREAS, the governing body of the Lessee deems it for the benefit of the Lessee and for the efficient and effective administration thereof to enter into the Supplement as provided in the Agreement for the purchase, acquisition and leasing of the equipment to be therein described on the terms and conditions therein provided:

Now, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the governing body of Lessee as follows:

Section 1. Approval of Documents. The form, terms and provisions of the Agreement and the Supplement are hereby approved in substantially the forms presented at this meeting, with such insertions, omissions and changes as shall be approved by the Board of Education of the Lessee or other members of the governing body of the Lessee executing the same, the execution of such documents being conclusive evidence of such approval; and the Board of Education of the Lessee is hereby authorized and directed to execute, and the Board of Education of the Lessee is hereby authorized and directed to attest and countersign, the Agreement and the Supplement and any related Exhibits attached thereto and to deliver the Agreement and the Supplement (including such Exhibits) to the respective parties thereto and the Board of Education of the Lessee is hereby authorized to affix the seal of the Lessee to such documents.

Section 2. Other Actions Authorized. The officers and employees of the Lessee shall take all action necessary or reasonably required by the parties to the Agreement and the Supplement to carry out, give effect to and consummate the transactions contemplated thereby (including the execution and delivery of an acceptance certificate with respect to the Supplement, as contemplated in the Agreement) and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Agreement and the Supplement.

Section 3. No General Liability. Nothing contained in this Resolution, the Agreement, the Supplement nor any other instrument shall be construed with respect to the Lessee as incurring a pecuniary liability or charge upon the general credit of the Lessee or against its taxing power, nor shall the breach of any agreement contained in this Resolution, the Agreement, the Supplement or any other instrument or document executed in connection therewith impose any pecuniary liability upon the Lessee or any charge upon its general credit or against its taxing power, except to the extent that the rental payments payable under the Lease are special limited obligations of the Lessee as provided therein.

Section 4. Appointment of Authorized Lessee Representatives. The Superintendent and Asst. Superintendent, Business of the Lessee are each hereby designated to act as authorized representatives of the Lessee for purposes of the Agreement and the Supplement until such time as the governing body of the Lessee shall designate any other or different authorized representative for purposes of the Agreement and the Supplement.

Section 5. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 6. Repealer. All bylaws, orders and resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

Section 7. Effective Date. This Resolution shall be effective immediately upon its approval and adoption.

ADOPTED AND APPROVED by the governing body of the Lessee this 6th day of June, 2017.

Santee School District, as Lessee

ATTEST:

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

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

Name: Kristin Baranski

Name: Ken Fox

Title: Superintendent

Title: Clerk, Board of Education

# Supplement to Master Governmental Lease-Purchase Agreement

WELLS  
FARGO

Wells Fargo Bank, National Association | 600 South 4th Street | MAC N9300-100 | Minneapolis, MN 55415

Supplement Number 81952-401 dated as of May 9, 2017 to  
Master Governmental Lease-Purchase Agreement  
Number 81952 dated as of June 16, 2016

Name and Address of Lessee:

**Santee School District  
9625 Cuymaca Street  
Santee, CA 92071**

**Notice: Lessor reserves the right to withdraw the terms of this Supplement and issue a modified Supplement without notice to Lessee if Lessor is not in receipt of a fully executed original or facsimile of this document within five (5) business days of the date of this Supplement. However, in that event, no such modifications will be binding on Lessee unless and until Lessee executes the modified document containing all such modifications.**

This is a Supplement to the Master Governmental Lease-Purchase Agreement identified above between Lessor and Lessee (the "Master Lease"). Pursuant to the Master Lease (all the terms and conditions of which are incorporated herein by reference, except to the extent that they relate solely to other Supplements or Equipment listed on other Supplements) and this Supplement, Lessor is leasing to Lessee, and Lessee is leasing from Lessor, the Equipment described below. Lessee represents, warrants and covenants that its representations, warranties and covenants set forth in the Master Lease (including, without limitation, Section 6 thereof) are true and correct as though made on the date of execution of this Supplement.

**Equipment Description: Three (3) 2017 IC Integrated CE School Buses, Vin: 4DRBUC8N2HB479886, 4DRBUC8N4HB479887 and 4DRBUC8N6HB479888**

After Lessee signs this Lease, Lessee authorizes Lessor to insert any missing information or change any inaccurate information (such as the model year of the Equipment or its serial number or VIN) into this Equipment Description.

**Equipment Location: 9625 Cuymaca Street, Santee, CA 92071**

#### SUMMARY OF PAYMENT TERMS

Payment Term (Months): <b>84</b>	Finance Amount: <b>\$344,295.93</b>
Payment Frequency: <b>Annual</b>	Total Basic Rent: <b>\$380,933.00</b>
Basic Rental Payment: <b>\$54,419.00</b>	Interest Rate: <b>3.51%</b>
Number of Payments: <b>7</b>	Final Purchase Option Price: <b>\$1.00</b>
Payments in Arrears, See Additional Provisions	

**Additional Provisions:** Pursuant to paragraph 3 of the Master Lease, the schedule of basic rental payments is attached hereto as Exhibit A and incorporated herein by this reference. The Termination Balance referenced in the Master Lease shall be the amount set forth on Exhibit A opposite the date of determination of the Termination Balance. Notwithstanding anything in this Lease to the contrary, Lessee shall pay installments in arrears beginning twelve months from the Rent Commencement Date.

Notwithstanding anything to the contrary contained herein, if the rate of interest, late payment fee, prepayment premium or any other charges or fees due hereunder are determined by a court of competent jurisdiction to be usurious, then said interest rate, fees or charges shall be reduced to the maximum amount permissible under applicable law and any excess amounts shall be applied towards the Lessee's obligations hereunder.

**Modification to Master Lease:** To be consistent with this Supplement the Master Lease is amended as follows:

1. Clause (a) of the first sentence of paragraph 13 is amended to read as follows: "(a) liability insurance (including bodily injury and property damage) with a minimum **\$5,000,000.00** combined single limit per occurrence and".

#### THIS AGREEMENT INCLUDES THE TERMS ON THE ATTACHED PAGE(S).

Lessor: Wells Fargo Bank, National Association

Lessee: Santee School District

\_\_\_\_\_  
By  
\_\_\_\_\_  
Title

\_\_\_\_\_  
By  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Commencement Date

# Exhibit A

Wells Fargo Bank, National Association | 600 South 4th Street | MAC N9300-100 | Minneapolis, MN 55415

Supplement Number 81952-401 dated as of May 9, 2017 to  
Master Governmental Lease-Purchase Agreement Number 81952 dated as of June 16, 2016

Lessee: Santee School District

**Interest Rate: 3.51%**

Per	Payment	Principal	Interest	Termination	
					Balance
0	\$ 54,419.00	\$ 54,419.00	\$ -	\$	289,876.93
1	0	0	0	\$	289,876.93
2	0	0	0	\$	289,876.93
3	0	0	0	\$	289,876.93
4	0	0	0	\$	289,876.93
5	0	0	0	\$	289,876.93
6	0	0	0	\$	289,876.93
7	0	0	0	\$	289,876.93
8	0	0	0	\$	289,876.93
9	0	0	0	\$	289,876.93
10	0	0	0	\$	289,876.93
11	0	0	0	\$	289,876.93
12	\$ 54,419.00	\$ 44,243.60	\$ 10,175.40	\$	245,633.33
13	0	0	0	\$	245,633.33
14	0	0	0	\$	245,633.33
15	0	0	0	\$	245,633.33
16	0	0	0	\$	245,633.33
17	0	0	0	\$	245,633.33
18	0	0	0	\$	245,633.33
19	0	0	0	\$	245,633.33
20	0	0	0	\$	245,633.33
21	0	0	0	\$	245,633.33
22	0	0	0	\$	245,633.33
23	0	0	0	\$	245,633.33
24	\$ 54,419.00	\$ 45,796.66	\$ 8,622.34	\$	199,836.67
25	0	0	0	\$	199,836.67
26	0	0	0	\$	199,836.67
27	0	0	0	\$	199,836.67
28	0	0	0	\$	199,836.67
29	0	0	0	\$	199,836.67
30	0	0	0	\$	199,836.67
31	0	0	0	\$	199,836.67
32	0	0	0	\$	199,836.67
33	0	0	0	\$	199,836.67
34	0	0	0	\$	199,836.67
35	0	0	0	\$	199,836.67

36	\$ 54,419.00	\$ 47,404.24	\$ 7,014.76	\$ 152,432.44
37	0	0	0	\$ 152,432.44
38	0	0	0	\$ 152,432.44
39	0	0	0	\$ 152,432.44
40	0	0	0	\$ 152,432.44
41	0	0	0	\$ 152,432.44
42	0	0	0	\$ 152,432.44
43	0	0	0	\$ 152,432.44
44	0	0	0	\$ 152,432.44
45	0	0	0	\$ 152,432.44
46	0	0	0	\$ 152,432.44
47	0	0	0	\$ 152,432.44
48	\$ 54,419.00	\$ 49,068.24	\$ 5,350.76	\$ 103,364.20
49	0	0	0	\$ 103,364.20
50	0	0	0	\$ 103,364.20
51	0	0	0	\$ 103,364.20
52	0	0	0	\$ 103,364.20
53	0	0	0	\$ 103,364.20
54	0	0	0	\$ 103,364.20
55	0	0	0	\$ 103,364.20
56	0	0	0	\$ 103,364.20
57	0	0	0	\$ 103,364.20
58	0	0	0	\$ 103,364.20
59	0	0	0	\$ 103,364.20
60	\$ 54,419.00	\$ 50,790.66	\$ 3,628.34	\$ 52,573.54
61	0	0	0	\$ 52,573.54
62	0	0	0	\$ 52,573.54
63	0	0	0	\$ 52,573.54
64	0	0	0	\$ 52,573.54
65	0	0	0	\$ 52,573.54
66	0	0	0	\$ 52,573.54
67	0	0	0	\$ 52,573.54
68	0	0	0	\$ 52,573.54
69	0	0	0	\$ 52,573.54
70	0	0	0	\$ 52,573.54
71	0	0	0	\$ 52,573.54
72	\$ 54,419.00	\$ 52,573.54	\$ 1,845.46	\$ -

This amortization schedule is subject to change based on the final terms of the transaction. In the event the terms do change,

Lessor will provide a replacement amortization schedule to Lessee. This schedule does not include prepayment terms.

Dated as of: May 9, 2017

Lessee: Santee School District

\_\_\_\_\_  
By

\_\_\_\_\_  
Title



# Pay Proceeds

Wells Fargo Bank, National Association | 600 South 4th Street | MAC N9300-100 | Minneapolis, MN 55415

WELLS  
FARGO

In reference to Contract Number 81952-401 dated as of May 9, 2017, Wells Fargo Bank, National Association is irrevocably instructed to disburse payment as follows:

<b>Payee</b>	<b>Item</b>	<b>Amount</b>
Creative Bus Sales, Inc.	Invoice #	344,295.93
<b>TOTAL FINANCED</b>		<b>\$344,295.93</b>

Dated: May 9, 2017

Santee School District

By \_\_\_\_\_

Title \_\_\_\_\_

# Verification of Information

Wells Fargo Bank, National Association | 600 South 4th Street | MAC N9300-100 | Minneapolis, MN 55415

WELLS  
FARGO

Contract Number 81952-401 dated as of May 9, 2017

Federal Tax ID # \_\_\_\_\_

Email Address: karl.christensen@santeesd.net Documentation Contact Name: Karl Christensen

Principal Place of Business Address: 9625 Cuymaca Street, Santee, CA 92071

- The address stated above is correct.  Change the address as stated below.
- Street \_\_\_\_\_ City \_\_\_\_\_  
State \_\_\_\_\_ Zip Code \_\_\_\_\_

Billing Address: Santee School District, 9625 Cuymaca Street, Santee, CA 92071

- The billing address stated above is correct OR  Change the billing address as stated below:
- Street \_\_\_\_\_ City \_\_\_\_\_  
State \_\_\_\_\_ Zip Code \_\_\_\_\_

Equipment Location: 9625 Cuymaca Street, Santee, CA 92071

- The equipment will be located at the Equipment Location stated above or at the address shown on the attached Schedule A.  
Indicate **County** the equipment is located in \_\_\_\_\_; or
- The equipment will be located at:
- Street \_\_\_\_\_ City \_\_\_\_\_  
State \_\_\_\_\_ County \_\_\_\_\_ Zip Code \_\_\_\_\_  
(If multiple locations, attach a list of equipment by City, State, and County indicating where each piece of equipment is located.)

Sales/Use Tax: (check one)

- Subject to sales and use tax. **(Tax will be charged based on the type of equipment and on the state in which the equipment is located.); or**
- Exempt from sales and use tax, for the following reason: \_\_\_\_\_  
**(YOU MUST REMIT A VALID EXEMPTION CERTIFICATE PRIOR TO FUNDING).**

**Personal Property Tax:** If the Equipment is located in a state or locality that requires reporting of the Equipment on a personal property tax return, Lessor will report the Equipment, if other than a titled vehicle. Please report any equipment that is a taxable vehicle with other property you own.

**Notice: To help the government fight the funding of terrorism and the money laundering activities, U.S. Federal law requires financial institutions to obtain, verify and record information that identifies each person (individuals or businesses) who opens an account. What this means for you: When you open an account or add any additional service, we will ask you for your name, address and taxpayer identification number that will allow us to identify you. We may also ask to see other identifying documents.**

Customer: Santee School District

By \_\_\_\_\_

Title \_\_\_\_\_

# Bank-Qualified Designation

WELLS  
FARGO

Wells Fargo Bank, National Association | 600 South 4th Street | MAC N9300-100 | Minneapolis, MN 55415

Supplement Number 81952-401 dated as of May 9, 2017 to  
Master Governmental Lease-Purchase Agreement  
Number 81952 dated as of June 16, 2016

Name and Address of Lessee:

**Santee School District**  
**9625 Cuymaca Street**  
**Santee, CA 92071**

Lessee hereby designates the above referenced Master Governmental Lease-Purchase Agreement and Supplement thereto (collectively, the "Lease") to which this Designation is attached, as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Lessee hereby represents that the Lessee reasonably anticipates that the Lessee and other entities that the Lessee controls will not issue tax-exempt obligations (including the Lease) that exceed the aggregate principal amount of \$10,000,000 during the calendar year in which the Lease is executed and delivered and interest commences to accrue thereunder.

This Designation is attached to and made a part of the Lease.

Executed On: \_\_\_\_\_

Lessee: Santee School District

\_\_\_\_\_  
By

\_\_\_\_\_  
Title

[FORM OF LEGAL OPINION]

May 9, 2017

Wells Fargo Bank, National Association  
600 South 4th Street  
MAC N9300-100  
Minneapolis, MN 55415

Ladies and Gentlemen:

As counsel for Santee School District ("Lessee"), I have examined the Master Governmental Lease-Purchase Agreement Number 81952 dated as of June 16, 2016 (the "Master Lease") which has been incorporated by reference into that certain Supplement Number 81952-401 thereto dated as of May 9, 2017 (collectively, the "Lease"), each between the Lessee and Wells Fargo Bank, National Association ("Lessor"), and such other documents, instruments and records as I have considered relevant for purposes of this opinion. Based upon such examination, and such research and investigation as I deemed necessary, I am of the opinion that:

1. Lessee is a political subdivision or agency of the State of California, duly organized and existing under the laws of such state. Lessee's full, true and correct legal name is Santee School District.
2. Lessee is authorized and has power under applicable law to enter into the Lease, and to carry out its obligations thereunder and the transactions contemplated thereby.
3. The Lease has been duly authorized, approved, executed and delivered by and on behalf of Lessee, and is a valid and binding contract of Lessee enforceable in accordance with its terms, except to the extent limited by state and federal laws affecting remedies and by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights.
4. The authorization, approval and execution of the Lease and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all applicable open meeting, public bidding and all other laws, rules and regulations of the State of California.
5. The execution of the Lease and the appropriation of moneys to pay the rent payments coming due thereunder do not result in the violation of any constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee.
6. There is no litigation, action, suit or proceeding pending or before any court, administrative agency, arbitrator or governmental body, that challenges the organization or existence of Lessee; the authority of Lessee or its officers or its employees to enter into the Lease; the proper authorization, approval and/or execution of the Lease, Exhibits thereto and other documents contemplated thereby; the appropriation of moneys to make rent payments under the Lease for the current fiscal year of Lessee; or the ability of Lessee otherwise to perform its obligations under the Lease and the transactions contemplated thereby.
7. Resolution No. \_\_\_\_\_ of the governing body of Lessee, was duly and validly adopted by such governing body on \_\_\_\_\_, 20\_\_\_\_, and such resolution has not been amended or repealed and remains in full force and effect.

Very truly yours,

\_\_\_\_\_  
Counsel for Lessee

# Delivery and Acceptance Certificate



Wells Fargo Bank, National Association | 600 South 4th Street | MAC N9300-100 | Minneapolis, MN 55415

Supplement Number 81952-401 dated as of May 9, 2017 to  
Master Governmental Lease-Purchase Agreement  
Number 81952 dated as of June 16, 2016

Name and Address of Lessee:  
**Santee School District**  
**9625 Cuymaca Street**  
**Santee, CA 92071**

**Equipment Description: Three (3) 2017 IC Integrated CE School Buses, Vin: 4DRBUC8N2HB479886, 4DRBUC8N4HB479887 and 4DRBUC8N6HB479888**

**Equipment Location: 9625 Cuymaca Street, Santee, CA 92071**

### Delivery and Acceptance Certification:

I am duly qualified and acting as the officer identified below of Lessee; and, with respect to the Master Governmental Lease-Purchase Agreement and Supplement thereto identified above (collectively, the "Lease"), each by and between Lessee and Wells Fargo Bank, National Association ("Lessor"), certify that:

1. The equipment described in the Lease (the "Equipment") has been delivered and installed in accordance with Lessee's specifications and has been accepted by Lessee.
2. Lessee has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all rent payments required to be paid under the Lease during the current fiscal year of Lessee, and such moneys will be applied in payment of all rent payments due and payable during such current fiscal year.
3. During the Lease term the Equipment will be used by Lessee to perform essential governmental functions. Such functions are:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

4. There is no litigation, action, suit or proceeding pending or before any court, administrative agency, arbitrator or governmental body, that challenges the organization or existence of Lessee; the authority of Lessee or its officers or its employees to enter into the Lease; the proper authorization, approval and execution of the Lease and other documents contemplated thereby; the appropriation of moneys, or any other action taken by Lessee to provide moneys, sufficient to make rent payments coming due under the Lease in Lessee's current fiscal year; or the ability of Lessee otherwise to perform its obligations under the Lease and the transactions contemplated thereby.

Delivery and Acceptance Date: \_\_\_\_\_

Lessee: Santee School District

\_\_\_\_\_  
By

\_\_\_\_\_  
Title

# Insurance



Wells Fargo Bank, National Association | 600 South 4th Street | MAC N9300-100 | Minneapolis, MN 55415

**\*\*\*VERIFICATION OF INSURANCE COVERAGE MUST BE OBTAINED PRIOR TO FUNDING/CLOSING\*\*\***

Contract Number 81952-401 dated as of May 9, 2017

Name and Address of Lessee:

**Santee School District  
9625 Cuymaca Street  
Santee, CA 92071**

Equipment Description: Three (3)2017 IC Integrated CE School Buses, Vin: 4DRBUC8N2HB479886, 4DRBUC8N4HB479887 and 4DRBUC8N6HB479888

Equipment Location: 9625 Cuymaca Street, Santee, CA 92071

**Please complete, sign, and return this form along with your lease documents. Also, contact your agent to have a certificate of insurance sent to the attention of Ginger Gortney at ginger.gortney@wellsfargo.com or fax number 877-542-4813.** Reference Contract Number 81952-401 on all policies.

In accordance with the provisions of your lease, insurance coverage is required as follows:

- 1. PROPERTY INSURANCE** is required against the loss, theft of or damage to the equipment.
  - The minimum amount of coverage required is **\$344,295.93**
  - Wells Fargo Bank, National Association, its successors and assigns ("Lessor"), must be named as **Loss Payee**.
  - If the Total Cost of the Equipment leased under the lease is equal to or greater than one million dollars (\$1,000,000.00), the Policy must include a Lender's Loss Payable Endorsement in favor of Wells Fargo Bank, National Association.
  - The amount of the deductible must be stated on the certificate of insurance.
- 2. COMMERCIAL GENERAL LIABILITY INSURANCE** is required for bodily injury and property damage.
  - The minimum amount of coverage required is **\$5,000,000.00** combined single limit per occurrence.
  - Wells Fargo Bank, National Association, its successors and assigns ("Lessor"), must be named as an **Additional Insured**.
- 3.** The Property and General Liability policies (the "Policy"), as to the interest of Lessor, shall not be invalidated by any act of omission or commission or neglect or misconduct of Lessee at any time, nor by any foreclosure or other proceeding or notice of sale relating to the insured property, nor by any change in the title or ownership thereof or the occupation of the premises for purposes more hazardous than are permitted by the Policy, provided, that in case Lessee shall fail to pay any premium due under the Policy, Lessor may, at its option, pay such premium.
- 4.** The Policy may be canceled at any time by either Insurer or Lessee according to its provisions, but in any such case the Policy shall continue in full force and effect for the exclusive benefit of Lessor for ten days after written notice to Lessor of such cancellation and shall then cease.
- 5.** The Underwriter/Carrier of the policy must have an AM Best Rating of B+ or higher, and a Financial Class Size of VI or higher.

## LESSEE TO COMPLETE THE FOLLOWING:

### Property Insurance

Insurance Company \_\_\_\_\_ Policy Number \_\_\_\_\_  
Effective Date \_\_\_\_\_ Expiration Date \_\_\_\_\_ Limit \$ \_\_\_\_\_  
Agency Name \_\_\_\_\_ Agent Name \_\_\_\_\_  
Agency Address \_\_\_\_\_  
Phone Number \_\_\_\_\_ Fax Number \_\_\_\_\_  
Email Address \_\_\_\_\_ Deductible \_\_\_\_\_

### Liability Insurance (if different than Property Insurance)

Insurance Company \_\_\_\_\_ Policy Number \_\_\_\_\_  
Effective Date \_\_\_\_\_ Expiration Date \_\_\_\_\_ Limit \$ \_\_\_\_\_  
Agency Name \_\_\_\_\_ Agent Name \_\_\_\_\_  
Agency Address \_\_\_\_\_  
Phone Number \_\_\_\_\_ Fax Number \_\_\_\_\_  
Email Address \_\_\_\_\_

By signing below Lessee hereby authorizes its agent to adjust its insurance coverage to comply with the above requirements and to forward a certificate of insurance evidencing such coverage to Lessor.

Acknowledged and Agreed:

Lessee: Santee School District

\_\_\_\_\_  
By

\_\_\_\_\_  
Title

# Titled Equipment Agreement and Acknowledgement

WELLS FARGO

Wells Fargo Bank, National Association | 600 South 4th Street | MAC N9300-100 | Minneapolis, MN 55415

Contract Number 81952-401 dated as of May 9, 2017

Name and Address of Customer:

**Santee School District  
9625 Cuymaca Street  
Santee, CA 92071**

**Equipment Description:** Three (3)2017 IC Integrated CE School Buses, Vin: 4DRBUC8N2HB479886, 4DRBUC8N4HB479887 and 4DRBUC8N6HB479888

The Equipment must be titled as follows:

**Lienholder Name & Address:**

**Wells Fargo Bank, National Association  
600 South 4th Street  
MAC N9300-100  
Minneapolis, MN 55415**

**Owner Name & Address:**

**Wells Fargo Bank, National Association (Lessor)  
Santee School District (Lessee)  
9625 Cuymaca Street  
Santee, CA 92071**

**PLEASE NOTE: The legal name of the Customer must be used on all title applications or documentation submitted to the State for titling purposes.** AS AN EXCEPTION, the title may include the doing business as ("DBA") or trade name. If the DBA or trade name is to be listed on the certificate of title, the legal name must appear first followed by the DBA name or trade name (i.e. Jane Doe dba Jane Doe's Trucking).

In addition, Co-Borrowers' certificate(s) of title must include both Borrowers' names as Owner/Lessees with the word "AND" between their names. The word "OR" is unacceptable and must be corrected at the Titling Party's expense.

**Party Responsible for Titling:**

- Customer will personally submit title work to state for processing
- Dealer will submit title work to state for processing
- Titling agency or other third party will submit title work to state for processing

**Contact information for Titling Party:**

Name \_\_\_\_\_

Street \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Direct Phone Number \_\_\_\_\_ Fax Number \_\_\_\_\_

Email Address \_\_\_\_\_

By signing, I agree (1) to title the Equipment as set forth above; (2) that even if not personally submitting the title work to state, I am responsible for ensuring that the Titling Party designated above will apply for title(s) immediately upon disbursement of funds; (3) I have confirmed that the current party holding the original title(s) or Certificate(s) of Origin for the titled equipment referenced above will deliver them to my designated Titling Party immediately upon funding; and (4) Titling Party agrees to send a copy of the processed title application receipt as endorsed by the applicable State to the address set forth below within thirty business days of funds being disbursed:

**Wells Fargo Bank, National Association  
Attn: Title Administration Dept.  
600 South 4th Street  
MAC N9300-100  
Minneapolis, MN 55415**

Customer: Santee School District

\_\_\_\_\_  
By

\_\_\_\_\_  
Title



# Master Governmental Lease Purchase Agreement

WELLS FARGO

Wells Fargo Bank, National Association | 600 South 4th Street | MAC N9300-100 | Minneapolis, MN 55415

Master Governmental Lease Purchase Agreement Number 81952 dated as of June 16, 2016

Name and Address of Lessee:

**Santee School District**  
**9625 Cuyamaca Street**  
**Santee, CA 92071**

## Master Governmental Lease Purchase Agreement Provisions ("Master Lease")

**1. LEASE.** Lessor hereby agrees to lease to Lessee, and Lessee hereby agrees to lease from Lessor, the personal property described in a Supplement or Supplements to this Master Lease from time to time signed by Lessor and Lessee upon the terms and conditions set forth in this Master Lease and in the related Supplement (such property together with all replacements, substitutions, parts, improvements, repairs, and accessories, and all additions incorporated therein or affixed thereto being referred to herein as the "Equipment"). Each Supplement shall constitute a separate lease incorporating the terms of this Master Lease. References in this Master Lease to "this Lease", "hereunder" and "herein" shall be construed to mean a Supplement which incorporates this Master Lease. Lessee's execution of a Supplement shall obligate Lessee to lease the Equipment described therein from Lessor. No Supplement shall be binding on Lessor unless and until executed by Lessor. Anything to the contrary notwithstanding, Lessor shall have no obligation to accept, execute or enter into any Supplement or to acquire or lease to Lessee any equipment. Except as otherwise required by applicable law, upon Lessee's acceptance of the Equipment under the Lease, title to all Equipment shall vest in Lessee subject to Lessor's rights hereunder.

**2. TERM.** The term of this Lease shall begin on, and interest shall accrue from, the rent commencement date shown in the applicable Supplement and shall continue for the number of consecutive months from the rent commencement date shown in such Supplement unless earlier terminated as provided herein. Upon agreement by Lessor and Lessee as to any Equipment to be acquired and leased by Lessee under this Lease, Lessor and Lessee may enter into an escrow agreement establishing a fund from which the Total Cost for such Equipment is to be disbursed in accordance with disbursement requests as provided therein, and an amount equal to the Total Cost for such Equipment is to be deposited therein by Lessor. Lessee agrees that the rent commencement date may be left blank when Lessee executes the related Supplement and hereby authorizes Lessor to insert the rent commencement date, which shall be the date Lessor disburses the Total Cost or deposits such amounts into an escrow fund as provided herein, irrespective of when the Equipment is accepted by Lessee. When the Equipment under this Lease has been delivered and installed, Lessee shall immediately accept such Equipment and evidence said acceptance by executing and delivering to Lessor a delivery and acceptance certificate.

**3. RENT; NON-APPROPRIATION.** Lessee shall pay as basic rent for the term of this Lease the amount shown in the related Supplement as Total Basic Rent, subject, however to the provisions of this paragraph 3. As set forth in the related Supplement or an exhibit thereto, each basic rental payment consists of principal and interest portions. The Total Basic Rent shall be payable in installments each in the amount of the basic rental payment set forth in the related Supplement plus sales and use tax thereon (if applicable). Lessee shall pay advance installments and any security deposit, each as shown in the related Supplement, on the date it is executed by Lessee. Subsequent installments shall be payable on the first day of each rental payment period shown in the related Supplement beginning after the first rental payment period; provided, however, that Lessor and Lessee may agree to any other payment schedule, in which event they shall be set forth in the Supplement.

Lessee is obligated only to pay basic rental payments and other amounts due under this Lease as may lawfully be made from funds budgeted and appropriated for that purpose. Should Lessee fail to budget, appropriate or otherwise make available funds to pay the basic rental payments and other amounts due under this Lease for any fiscal period during the term of this Lease (an "Event of Non-Appropriation"), this Lease shall be deemed terminated at the end of Lessee's then current fiscal period. Lessee agrees to deliver notice to Lessor immediately (and in no case later than 30 days prior to the end of Lessee's then current fiscal period) of the occurrence of an Event of Non-Appropriation under this Lease. If an Event of Non-Appropriation occurs with respect to this Lease, Lessee shall return the Equipment in accordance with paragraph 14. Lessee currently intends, subject to this paragraph, to pay all basic rental payments for the term of the Lease, and reasonably believes that legally available funds in an amount sufficient to pay all basic rental payments and other amounts due during the term of this Lease can be obtained. Lessee currently intends to do all things lawfully within its power to obtain and maintain legally available funds from which the basic rental payments and other amounts due under this Lease may be paid, including making provision for such payments to the extent necessary in each budget or appropriation request submitted and adopted in accordance with applicable provisions of law. Notwithstanding anything herein to the contrary, the decision whether or not to budget and appropriate funds and continue the term of this Lease is within the discretion of the governing body of Lessee.

Lessor and Lessee understand and intend that the obligation of Lessee to pay basic rental payments under this Lease shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or monies of Lessee.

### THIS AGREEMENT INCLUDES THE TERMS ON THE ATTACHED PAGE(S).

Lessor: Wells Fargo Bank, National Association

Lessee: Santee School District

By \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

**4. SECURITY DEPOSIT.** Lessor may apply any security deposit toward any obligation of Lessee under any Supplement and shall return any unapplied balance to Lessee without interest upon full satisfaction of all of Lessee's obligations.

**5. NO WARRANTIES.** Lessee agrees that it has selected each item of Equipment based upon its own judgment and disclaims any reliance upon any statements or representations made by Lessor. LESSEE ACKNOWLEDGES THAT: LESSOR IS ACTING ONLY AS A FINANCING SOURCE WITH RESPECT TO LESSEE'S ACQUISITION OF THE EQUIPMENT; LESSOR IS NOT THE MANUFACTURER OF THE EQUIPMENT NOR THE MANUFACTURER'S AGENT NOR A DEALER THEREIN; THE EQUIPMENT IS OF A SIZE, DESIGN, CAPACITY, DESCRIPTION AND MANUFACTURE SELECTED BY THE LESSEE; LESSEE IS SATISFIED THAT THE EQUIPMENT IS SUITABLE AND FIT FOR ITS PURPOSES; AND LESSOR HAS NOT MADE AND DOES NOT MAKE ANY WARRANTY WITH RESPECT TO THE EQUIPMENT, EXPRESS OR IMPLIED, AND LESSOR SPECIFICALLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE, OR AS TO THE QUALITY, CONDITION OR CAPACITY OF THE EQUIPMENT OR THE MATERIALS IN THE EQUIPMENT OR WORKMANSHIP OF THE EQUIPMENT, TITLE TO THE EQUIPMENT, OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER. LESSOR SHALL NOT BE LIABLE TO LESSEE FOR ANY LOSS, DAMAGE, OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY ANY EQUIPMENT OR THE USE OR MAINTENANCE THEREOF OR THE FAILURE OR OPERATION THEREOF, OR THE REPAIR, SERVICE OR ADJUSTMENT THEREOF, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY SUCH MAINTENANCE, REPAIRS, SERVICE OR ADJUSTMENT, OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR FOR ANY LOSS OF BUSINESS HOWSOEVER CAUSED. LESSOR SHALL NOT BE LIABLE FOR DAMAGES OF ANY KIND, INCLUDING ANY LIABILITY FOR CONSEQUENTIAL DAMAGES, ARISING OUT OF THE USE OF OR THE INABILITY TO USE THE EQUIPMENT. No defect or unfitness of the Equipment and no failure on the part of the manufacturer or the shipper of the Equipment to deliver the Equipment or any part thereof to Lessee shall relieve Lessee of the obligation to pay rent or any other obligation hereunder. Lessor shall have no obligation in respect of the Equipment and shall have no obligation to install, erect, test, adjust or service the Equipment. Lessee shall look only to persons other than Lessor such as the manufacturer, vendor or carrier thereof should any item of Equipment for any reason and in any way be defective. To the extent permitted by the manufacturer and/or vendor and provided Lessee is not in default under the Lease, Lessor shall make available to Lessee all manufacturer and/or vendor warranties with respect to the Equipment.

**6. LESSEE COVENANTS, REPRESENTATIONS AND WARRANTIES.** (a) Affirmative Covenants. Lessee shall: (i) pay all shipping and delivery charges and other expenses incurred in connection with the Equipment and pay all lawful claims, whether for labor, materials, supplies, rent or services, which might or could if unpaid become a lien on the Equipment; (ii) comply with (x) all federal, state and local laws, regulations and rules relating to Lessee, the Equipment and/or its use, (y) all manufacturer's instructions and warranty requirements, and (z) the conditions and requirements of all policies of insurance relating to the Equipment and its use; (iii) mark and identify the Equipment with all information and in such manner as Lessor or its assigns may request from time to time and replace promptly any such markings or identification which are removed, defaced or destroyed; (iv) at any and all times during business hours, grant Lessor free access to enter upon the premises wherein the Equipment shall be located or used and permit Lessor to inspect the Equipment and all applicable maintenance records; provided, however, that Lessor shall have no obligation to inspect any Equipment or records; (v) maintain a system of accounts established and administered in accordance with generally accepted accounting principles and practices consistently applied; (vi) within one hundred and twenty (120) days after the end of each fiscal period, deliver to Lessor the audited financial statements of Lessee as at the end of and for such fiscal period, with accompanying notes to financial statements, each setting forth in comparative form the corresponding figures for the preceding fiscal period, in each case prepared in accordance with generally accepted accounting principles and practices consistently applied, and certified by an independent accounting firm; (vii) with reasonable promptness, furnish Lessor with such other information, financial or otherwise, relating to Lessee or the Equipment as Lessor shall reasonably request; and (viii) comply with all provisions of the Internal Revenue Code of 1986, as amended (the "Code") and the United States Treasury Regulations thereunder applicable to excluding the interest component of the basic rental payments under this Lease from the recipient's gross income for federal income tax purposes.

(b) Negative Covenants. Lessee shall not (i) voluntarily or involuntarily create, incur, assume or suffer to exist any mortgage, lien, security interest, pledge or other encumbrance or attachment of any kind whatsoever upon, affecting or with respect to the Equipment or this Lease or any of Lessee's interest thereunder, except those created under this Lease in favor of Lessor; (ii) permit the name of any person, association or corporation other than the Lessor or Lessee to be placed on the Equipment; (iii) part with possession or control of or suffer or allow to pass out of its possession or control any item of the Equipment or change the location (or alternatively, the garage or base location with respect to vehicles or mobile equipment) of the Equipment or any part thereof from the address shown in the applicable Supplement; (iv) ASSIGN OR IN ANY WAY TRANSFER OR DISPOSE OF ALL OR ANY PART OF ITS RIGHTS OR OBLIGATIONS UNDER THIS LEASE OR ENTER INTO ANY SUBLEASE OF ALL OR ANY PART OF THE EQUIPMENT; (v) change its name or address from that set forth above; or (vi) permit the Equipment to be directly or indirectly used for a private business use within the meaning of Section 141 of the Code.

(c) Representations and Warranties. Lessee represents and warrants to Lessor, that effective on the date on which Lessee executes this Master Lease and each Supplement: (i) Lessee is a state or political subdivision thereof within the meaning of Section 103(c) of the Code; (ii) Lessee has the power and authority under applicable law to enter into the transactions contemplated by this Master Lease and each Supplement and to perform all of its obligations hereunder and thereunder; (iii) the execution and delivery of this Master Lease and each Supplement and the performance of Lessee's obligations hereunder and thereunder have been duly authorized by all necessary action on the part of the Lessee and are not in contravention of, and will not violate any judgment, order, law or regulation applicable to Lessee or result in a breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or on the Equipment pursuant to any loan agreements or indentures of Lessee, or any other contract, agreement or instrument to which Lessee is a party or by which it is bound; (iv) the person signing the Master Lease and each Supplement on behalf of Lessee is duly authorized; (v) all requirements have been met and procedures have occurred in order to ensure the enforceability of this Master Lease and each Supplement, and Lessee has complied with such public bidding requirements as may be applicable to the transactions contemplated by this Master Lease and each Supplement; (vi) Lessee has obtained all other approvals and consents as are necessary to consummate the Master Lease and each Supplement; (vii) this Master Lease and each Supplement constitute a legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with its terms; (viii) all information provided by Lessee to Lessor in connection with this Lease is true and correct; (ix) the Equipment is essential to and will be used by Lessee only for the purpose of performing one or more governmental functions of Lessee consistent with the permissible scope of Lessee's authority and will not be used in the trade or business of any other entity or person; (x) there are no suits pending or threatened against Lessee which, if decided adversely, might materially adversely affect Lessee's financial condition, the value, utility or remaining useful life of the Equipment, the rights intended to be afforded to Lessor hereunder or the ability of Lessee to perform its obligations under the Lease or any document delivered in connection with the Lease; (xi) no portion of the net proceeds of this Lease will be used to reimburse Lessee for any

payment made more than 60 days prior to the earlier of (I) the date Lessee executed the related Supplement or (II) any official action taken by Lessee or its governing body to evidence an intent to finance the Equipment described in the related Supplement; and (xii) in the event that the Total Cost of any Equipment includes a prepayment for updates, maintenance or support services with respect to computer software, the vendor thereof has confirmed to Lessee in writing (and such writing has been or will be delivered to Lessor) that the same maintenance, repair, extended warranty, updates or maintenance or support services, as applicable are regularly provided to non-governmental persons on the same terms.

**7. TAXES.** Unless Lessee has provided Lessor with evidence necessary (as determined by Lessor in its sole discretion) to sustain an exemption therefrom, Lessee shall promptly pay when due all sales, use, property, excise and other taxes and all license and registration fees now or hereafter imposed by any governmental body or agency upon the Equipment or its use, purchase, ownership, delivery, leasing, possession, storage, operation, maintenance, repair, return or other disposition of the Equipment, or for titling or registering the Equipment, or upon the income or other proceeds received with respect to the Equipment or this Lease or the rentals hereunder; provided, however, that Lessee shall not be required to pay taxes on or measured by the net income of Lessor. Lessee shall prepare and file all tax returns relating to taxes for which Lessee is responsible hereunder which Lessee is permitted to file under the laws of the applicable taxing jurisdiction. Upon the expiration or earlier termination of the Lease, Lessee shall pay to Lessor any such taxes accrued or assessed but not yet due and payable.

**8. INDEMNITY.** To the extent permitted by applicable law and subject to the provisions of paragraph 3 hereof, Lessee hereby agrees to indemnify and hold Lessor harmless (on an after-tax basis) from and against any and all claims, losses, liabilities (including negligence, tort and strict liability), damages, judgments, obligations, actions, suits, and all legal proceedings, and any and all costs and expenses in connection therewith (including attorneys' fees) arising out of, or in any manner connected with, or resulting directly or indirectly from, the Equipment, including, without limitation, the manufacture, purchase, lease, financing, selection, ownership, delivery, rejection, non-delivery, transportation, possession, use, storage, operation, condition, maintenance, repair, return or other disposition of the Equipment or with this Lease, including without limitation, claims for injury to or death of persons and for damage to property, whether arising under the doctrine of strict liability, by operation of law or otherwise, and to give Lessor prompt notice of any such claim or liability.

**9. ASSIGNMENT.** Lessor may sell or assign any or all of its interest in this Lease or sell or grant a security interest in all or any part of the Equipment, without the consent of Lessee; provided however, Lessor will deliver to Lessee written notice of an assignment. Lessee shall keep, or cause to be kept, a complete and accurate record of all such assignments with respect to this Lease in form necessary to comply with Section 149 of the Code. For this purpose, Lessee appoints Lessor to act as its registration agent, which appointment Lessor hereby accepts. Lessor agrees on Lessee's behalf to maintain such record of all assignments. Lessee agrees not to assert against any assignee of Lessor any setoff, recoupment, claim, counterclaim or defense Lessee may have against Lessor or any person other than such assignee. Lessee agrees that if it receives written notice of an assignment from Lessor, it will pay all Rent and other payments payable under each assigned Supplement to such assignee or as instructed by Lessor or the assignee identified in the notice received from Lessor. An assignee of Lessor shall have all rights of Lessor under the applicable Lease, to the extent assigned, separately exercisable by such assignee independently of Lessor or any assignee with respect to other leases. Upon any such assignment and except as may otherwise be provided therein all references in this Master Lease to Lessor shall include such assignee.

**10. EQUIPMENT PERSONALTY.** The Equipment shall remain personal property regardless of its attachment to realty, and Lessee agrees to take such action at its expense as may be necessary to prevent any third party from acquiring any interest in the Equipment as a result of its attachment to realty. If requested by Lessor with respect to any item of the Equipment, Lessee will obtain and deliver to Lessor waivers of interest or liens in recordable form, satisfactory to Lessor, from all persons claiming any interest in the real property on or in which such item of the Equipment is installed or located.

**11. USE AND MAINTENANCE.** Lessee will use the Equipment with due care and only for the purpose for which it is intended. Lessee will, by qualified personnel, use, maintain, repair, modify (to the extent permitted or required herein) in accordance with prudent practices (but in no event less than the same extent to which Lessee maintains other similar equipment owned or leased by it) and for the purpose for which such Equipment was designed, in compliance with insurance policies, manufacturer's specified maintenance programs, warranties and applicable laws, and shall keep the Equipment in as good repair, condition and working order as when originally received by Lessee, ordinary wear and tear excepted, and will furnish and replace all parts of the Equipment as may from time to time become worn out, lost, stolen, destroyed or damaged or unfit for use, all at its expense. Lessee shall, at its expense, make all modifications and improvements to the Equipment required by law. Lessee may, at its sole cost and expense, make any modifications to the Equipment, provided that such modifications (a) are readily removable without causing damage to the Equipment, (b) do not reduce the value, utility, marketability or remaining useful life of the Equipment, and (c) are of a kind that customarily are made by lessees or purchasers of equipment similar to the Equipment. All parts, modifications and improvements to the Equipment shall, when installed or made, immediately become part of the Equipment for all purposes; provided, that any modification not required by law shall if requested by Lessor be removed by Lessee and any damage to the Equipment resulting from such removal shall be repaired prior to the return of the Equipment to the Lessor. The Equipment shall not be used outside of the United States without Lessor's prior written consent.

**12. LOSS OR DAMAGE.** No loss or damage to the Equipment or any part thereof shall affect any obligation of Lessee under this Lease, which shall continue in full force and effect. Lessee shall advise Lessor in writing within five (5) days of any item of Equipment becoming lost, stolen or damaged and of the circumstances and extent of such damage. In the event any item of Equipment shall become lost, stolen, destroyed, damaged beyond repair or rendered permanently unfit for use for any reason, or in the event of condemnation or seizure of any item of Equipment (each, a "Loss"), Lessee shall promptly pay Lessor from insurance proceeds and other legally available funds, within ten (10) days after demand by Lessor, a payoff amount equal to the Termination Balance (as set forth on the related Supplement or an exhibit thereto) with respect to such item of Equipment (as determined by Lessor based on the Total Cost of such Equipment) as of the rental payment due date immediately preceding the date of Loss, plus accrued interest thereon at the annual rate set forth on the related Supplement or an exhibit thereto from such rental payment due date through the date of payment to Lessor, computed on the basis of a 30 day month and 360 day year. Upon payment of such amount to Lessor, such item shall become the property of Lessee, Lessor will release or transfer to Lessee, without recourse or warranty, all of Lessor's right, title (if any) and interest therein, the rent with respect to such item shall terminate, and the basic rental payments on the remaining items shall be reduced accordingly. Lessee shall pay any sales and use taxes due on such transfer. Any insurance or condemnation proceeds received shall be paid to Lessor and credited to Lessee's obligation under this paragraph and Lessee shall be entitled to any surplus. Whenever the Equipment is damaged and such damage can be repaired, Lessee shall, at its expense, promptly effect such repairs as Lessor shall

deem necessary for compliance with paragraph 11 above. Proceeds of insurance shall be paid to Lessor with respect to such reparable damage to the Equipment and shall, at the election of Lessor, be applied either to the repair of the Equipment by payment by Lessor directly to the party completing the repairs, or to the reimbursement of Lessee for the cost of such repairs; provided, however, that Lessor shall have no obligation to make such payment or any part thereof until receipt of such evidence as Lessor shall deem satisfactory that such repairs have been completed and further provided that Lessor may apply such proceeds to the payment of any rent or other sum due or to become due hereunder if at the time such proceeds are received by Lessor there shall have occurred any Event of Default or any event which with lapse of time or notice, or both, would become an Event of Default.

**13. INSURANCE.** Lessee shall obtain and maintain on or with respect to the Equipment at its own expense (a) liability insurance (including bodily injury and property damage) with a minimum \$1 million combined single limit per occurrence and (b) all-risk physical damage insurance insuring against loss or damage to the Equipment in an amount not less than the full replacement cost of the Equipment or the then applicable Termination Balance, whichever is greater. Lessee shall furnish Lessor with a certificate of insurance evidencing the issuance of a policy or policies to Lessee in at least the minimum amounts required herein naming Lessor as an additional insured thereunder for the liability coverage and as (i) loss payee for the property damage coverage if the aggregate original cost of the Equipment leased hereunder is \$1 million or less, or (ii) lender loss payee for the property damage coverage if the aggregate original cost of the Equipment leased hereunder exceeds \$1 million. Each such policy shall be in such form and with such insurers as may be satisfactory to Lessor, and shall contain a clause specifying that no action or misrepresentation by Lessee shall invalidate such policy and a clause requiring the insurer to give to Lessor at least thirty (30) days' prior written notice of (i) the cancellation or non-renewal of such policy or (ii) any amendment to the terms of such policy if such amendment would cause the policy no longer to conform to the policy requirements stated in this paragraph; and ten (10) days prior notice of cancellation for non-payment of premium. Lessee shall deliver to Lessor, annually and upon renewal or replacement of any insurance required herein, evidence satisfactory to Lessor of the required insurance coverage. Lessee hereby assigns to Lessor the proceeds of all such insurance and directs any insurer to make payments directly to Lessor. Lessor shall be under no duty to ascertain the existence of or to examine any such policy or to advise Lessee in the event any such policy shall not comply with the requirements hereof.

**14. RETURN OF THE EQUIPMENT.** Upon the termination of this Lease by Lessor pursuant to its rights under paragraph 18 or following an occurrence of an Event of Non-Appropriation, Lessee will immediately deliver the Equipment to and in the manner designated by the Lessor in the same condition as when delivered to Lessee fully capable of performing all functions for which it was originally designed (or as upgraded during the Lease term), ordinary wear and tear excepted, and in compliance with any additional return conditions set forth in the applicable Supplement, at such location within the continental United States as Lessor shall designate. Lessee shall pay all transportation and other expenses relating to such delivery. Lessee shall arrange for the disassembly and packing of the Equipment, together with all parts and pieces and then reassembly (including, if necessary, repair and overhaul) by an authorized representative of the manufacturer. Without limiting the generality of the foregoing, returned Equipment shall be in such condition to immediately qualify for (i) the manufacturer's (or other authorized service representative's) then available service contract or warranty, and (ii) all applicable licenses or permits necessary for its operation for its intended purposes and to comply with all specifications and requirements of applicable federal, state and local laws. The Equipment shall be returned with all related maintenance logs, operating manuals and other related materials and all such materials will be undamaged and contain all pages.

If this Lease is terminated by Lessor pursuant to paragraph 18 or in connection with an Event of Non-Appropriation, then unless title is already vested in Lessor, title to the Equipment shall immediately and without any further action by Lessee vest in Lessor. Transfer of title pursuant to this paragraph shall occur automatically without the necessity of delivery or receipt of any bill of sale, certificate of title or any other instrument of conveyance. Lessee shall nevertheless, execute and deliver any such instruments as Lessor may request to evidence such transfer.

**15. ADDITIONAL ACTION; EXPENSES.** Lessee will promptly execute and deliver to Lessor such further documents, take such further action, and provide such information as Lessor may request in order to carry out more effectively the intent and purpose of this Lease, including the execution and delivery of appropriate financing statements to protect fully Lessor's interest hereunder in accordance with the Uniform Commercial Code or other applicable law, and/or comply with laws or regulations applicable to Lessor, Lessee, and/or the transaction evidenced by this Lease. Lessor and any assignee of Lessor is authorized to file one or more Uniform Commercial Code financing statements without the signature of Lessee or signed by Lessor or any assignee of Lessor as attorney-in-fact for Lessee. Lessee hereby grants to Lessor a power of attorney in Lessee's name, to apply for a certificate of title for any item of Equipment that is required to be titled under the laws of any jurisdiction where the Equipment is or may be used and/or to transfer title thereto upon the occurrence of an Event of Non-Appropriation or the exercise by Lessor of its remedies upon an Event of Default by Lessee under this Lease. Lessee acknowledges that Lessor may incur out-of-pocket costs and expenses in connection with the transactions contemplated by this Lease, and accordingly agrees to pay (or reimburse Lessor for) the reasonable costs and expenses related to (a) filing any financing, continuation or termination statements, (b) any title and lien searches with respect to this Lease and the Equipment, and (c) documentary stamp taxes relating to the Lease, subject, however, to the provisions of paragraph 3 hereof. Lessee will do whatever may be necessary to have a statement of the interest of Lessor and any assignee of Lessor in the Equipment noted on any certificate of title relating to the Equipment and will deliver said certificate to Lessor. If Lessee fails to perform or comply with any of its agreements, Lessor may perform or comply with such agreements in its own name or in Lessee's name as attorney-in-fact and the amount of any payments and expenses of Lessor incurred in connection with such performance or compliance, together with interest thereon at the rate set forth in the related Supplement, shall be deemed rent payable by Lessee upon demand, subject, however, to the provisions of paragraph 3 hereof.

**16. LATE FEES.** If any payment due hereunder is not received by Lessor within ten (10) days of its due date, Lessee agrees to pay a late fee to Lessor equal to the lesser of (i) 5% of the past due amount or (ii) the highest amount allowed by applicable law. Payments thereafter received shall be applied first to delinquent installments and then to current installments.

**17. DEFAULT.** Each of the following events shall constitute an "Event of Default" hereunder: (a) Lessee shall fail to pay within ten (10) days of when due any installment of basic rent or any other amount due hereunder; (b) any certificate, statement, representation, warranty or financial or credit information heretofore or hereafter made or furnished by or on behalf of Lessee proves to have been false or misleading in any material respect or omitted any material fact, contingent or unliquidated liability or claim against Lessee; (c) Lessee shall fail to observe or perform any other agreement to be observed or performed by Lessee hereunder and the continuance thereof for ten (10) days following the earlier of (i) written notice thereof by Lessor to Lessee or (ii) Lessee's first knowledge thereof; (d) Lessee shall voluntarily file, or have filed against it involuntarily, a petition for liquidation, reorganization, adjustment of debt, or similar relief under the federal Bankruptcy Code or any other present or future federal or state bankruptcy or insolvency law, or a trustee, receiver,

or liquidator shall be appointed of it or of all or a substantial part of its assets; or (e) Lessee shall be in breach of or in default in the payment or performance of any material obligation under any credit agreement, conditional sales contract, lease, or other contract with Lessor, an affiliate of Lessor or any other person or entity, howsoever arising.

**18. REMEDIES.** Upon the occurrence of an Event of Default and at any time thereafter, Lessor may exercise any one or more of the remedies listed below as Lessor in its sole discretion may lawfully elect; provided, however, that upon the occurrence of an Event of Default specified in paragraph 17(d), an amount equal to the basic rental payments and other amounts due under this Lease during Lessee's then current fiscal period shall automatically become and be immediately due and payable without notice or demand of any kind. The exercise of any one remedy shall not be deemed an election of such remedy or preclude the exercise of any other remedy, and such remedies may be exercised concurrently or separately but only to the extent necessary to permit Lessor to recover amounts for which Lessee is liable hereunder.

a) Lessor may, by written notice to Lessee, terminate this Lease as to any or all of the Equipment subject hereto and declare an amount equal to all basic rental payments payable by Lessee pursuant to this Lease and other amounts payable by Lessee under such Lease to the end of Lessee's then current fiscal period to be immediately due and payable, as liquidated damages and not as a penalty, and the same shall thereupon be and become immediately due and payable without further notice or demand, and all rights of Lessee to use the Equipment shall terminate but Lessee shall be and remain liable as provided in this paragraph 18. Lessee shall at its expense promptly deliver the Equipment to Lessor at a location or locations within the continental United States designated by Lessor. Lessor may also enter upon the premises where the Equipment is located and take immediate possession of and remove the same with or without instituting legal proceedings.

b) Lessor may proceed by appropriate court action to enforce performance by Lessee of the applicable covenants of this Lease.

c) In the event Lessor repossesses the Equipment, Lessor shall either retain the Equipment in full satisfaction of Lessee's obligation hereunder or sell or lease each item of Equipment in such manner and upon such terms as Lessor may in its sole discretion determine and continue to hold Lessee liable for the difference between (i) the basic rental payments and other amounts payable by Lessee pursuant to this Lease to the end of the Lessee's then current fiscal period, and (ii) the net proceeds of any such sale or lease (after deducting all expenses of Lessor in exercising its remedies under this Lease), subject, however to the provisions of paragraph 3 hereof.

d) To the extent permitted by applicable law and subject to the provisions of paragraph 3 hereof, Lessor may recover interest on any amount recoverable under this paragraph 18 from the date it becomes payable until fully paid at the rate of the lesser of 12% per annum or the highest rate permitted by law.

e) Lessor may exercise any other right or remedy available to it by law or by agreement, and may in any event recover legal fees and other costs and expenses incurred by reason of an Event of Default or the exercise of any remedy hereunder, including expenses of repossession, repair, storage, transportation, and disposition of the Equipment, subject, however, to the provisions of paragraph 3 hereof. Any payment received by Lessor may be applied to unpaid obligations as Lessor in its sole discretion determines.

Lessee grants Lessor a security interest in the Equipment, and if applicable, in any escrow fund established in connection with the funding of this Lease, to secure its obligations under such Supplement, all other Supplements and all other indebtedness at any time owing by Lessee to Lessor. Lessee agrees that upon the occurrence of an Event of Default, in addition to all of the other rights and remedies available to Lessor hereunder, Lessor shall have all of the rights and remedies of a secured party under the Uniform Commercial Code.

No express or implied waiver by Lessor of any breach of Lessee's obligations hereunder shall constitute a waiver of any other breach of Lessee's obligations hereunder.

**19. NOTICES.** Any notice hereunder to Lessee or Lessor shall be in writing and shall be deemed to have been given when delivered personally or deposited with a nationally-recognized overnight courier service or in the United States mails, postage prepaid, addressed to recipient at its address set forth above or at such other address as may be last known to the sender.

**20. NET LEASE AND UNCONDITIONAL OBLIGATION.** This Lease is a completely net lease and except as expressly provided in paragraph 3 hereof, Lessee's obligation to pay rent and all other amounts payable by Lessee hereunder is absolute, unconditional and irrevocable, and shall be paid without any abatement, reduction, setoff or defense of any kind.

**21. NON-CANCELABLE LEASE.** This Lease cannot be canceled, prepaid or terminated except as expressly provided herein or in the applicable Supplement.

**22. SURVIVAL OF INDEMNITIES.** Lessee's obligations under paragraphs 7, 8, and 18 shall survive termination or expiration of this Lease.

**23. PURCHASE OF EQUIPMENT BY LESSEE; PREPAYMENT.** Provided that Lessee is not then in default under this Lease, such Lease will terminate, the security interest of Lessor in the Equipment under such Lease will be terminated or Lessee will acquire title to the Equipment under such Lease free and clear of all liens and encumbrances created by, or arising through or under, Lessor: (a) at the end of the full scheduled term of such Lease, upon payment in full of all basic rental payments and other amounts payable by Lessee under such Lease for the full scheduled term of such Lease; (b) on the date Lessee pays to Lessor the payoff amount due under paragraph 12 with respect to all items of Equipment under this Lease; or (c) on any rental payment due date, upon payment by Lessee of the then applicable Termination Balance under such Lease as set forth on the related Supplement or an exhibit thereto plus the basic rental payment amount due on such date and all other amounts then due by Lessee under such Lease, provided that Lessee shall have given Lessor not less than 30 days' prior written notice of its intent to make such payment.

**24. COUNTERPARTS.** Lessor may in its sole discretion, accept a photocopy, electronically transmitted facsimile or other reproduction of this Master Lease and/or a Supplement (a "Counterpart") as the binding and effective record of this Master Lease and/or a Supplement whether or not an ink signed copy hereof or thereof is also received by Lessor from Lessee, provided, however, that if Lessor accepts a Counterpart as the binding and effective record of this Master Lease or a Supplement, the Counterpart acknowledged in writing by Lessor shall constitute the record hereof or thereof. Lessee represents to Lessor that the signature that appears on the Counterpart that is transmitted by Lessee to Lessor in any manner described above is intended by Lessee to authenticate the Counterpart notwithstanding that such signature is electronic, facsimile or a reproduction and Lessee further agrees that a Counterpart of this Master Lease or a Supplement received by Lessor, shall, when acknowledged in writing by Lessor, constitute an original document for the purposes of establishing the provisions hereof and thereof and shall be legally admissible

under the best evidence rule and binding on and enforceable against Lessee. If Lessor accepts a Counterpart of a Supplement as the binding and effective record thereof only such Counterpart acknowledged in writing by Lessor may be marked "Original" and to the extent that a Supplement constitutes chattel paper, perfection of a security interest by possession may only be accomplished by possession of the Counterpart that bears Lessor's ink signed acknowledgement and is marked "Original."

**25. NON-WAIVER.** No course of dealing between Lessor and Lessee or any delay or omission on the part of Lessor in exercising any rights hereunder shall operate as a waiver of any rights of Lessor. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. No waiver or consent shall be binding upon Lessor unless it is in writing and signed by Lessor. To the extent permitted by applicable law, Lessee hereby waives the benefit and advantage of, and covenants not to assert against Lessor, any valuation, inquisition, stay, appraisal, extension or redemption laws now existing or which may hereafter exist which, but for this provision, might be applicable to any sale or re-leasing made under the judgment, order or decree of any court or under the powers of sale and re-leasing conferred by this Lease or otherwise. To the extent permitted by applicable law, Lessee also hereby waives any rights now or hereafter conferred by statute or otherwise which may require Lessor to sell, lease or otherwise use any Equipment in mitigation of Lessor's damages as set forth in paragraph 18 or which may otherwise limit or modify any of Lessor's rights or remedies under paragraph 18.

**26. MISCELLANEOUS.** This Master Lease and related Supplement(s) constitute the entire agreement between Lessor and Lessee and may be modified only by a written instrument signed by Lessor and Lessee. Any provision of this Lease which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions of this Lease, and any such unenforceability in any jurisdiction shall not render unenforceable such provision in any other jurisdiction. Paragraph headings are for convenience only, are not part of this Lease and shall not be deemed to effect the meaning or construction of any of the provisions hereof. In the event there is more than one Lessee named in this Master Lease or in any Supplement, the obligations of each shall be joint and several. This Lease shall in all respects be governed by, and construed in accordance with, the substantive laws of the state in which Lessee is located. TO THE EXTENT PERMITTED BY APPLICABLE LAW, LESSEE HEREBY WAIVES ANY RIGHT TO A JURY TRIAL WITH RESPECT TO ANY MATTER ARISING UNDER OR IN CONNECTION WITH THIS LEASE. TIME IS OF THE ESSENCE WITH RESPECT TO THE OBLIGATIONS OF LESSEE UNDER THIS LEASE.

# Incumbency Certificate

Wells Fargo Bank, National Association | 600 South 4th Street | MAC N9300-100 | Minneapolis, MN 55415

I, \_\_\_\_\_, do hereby certify that I am the duly elected or appointed and acting Secretary/Clerk of Santee School District, a political subdivision or agency duly organized and existing under the laws of the State of California, that I have custody of the records of such entity, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of such entity holding the offices set forth opposite their respective names. I further certify that (I) the signatures set opposite their respective names and titles are their true and authentic signatures and (II) such officers have the authority on behalf of such entity to enter into that certain Master Governmental Lease-Purchase Agreement Number 81952 dated as of June 16, 2016 and any Supplements thereto and any escrow agreement related thereto.

NAME	TITLE	SIGNATURE
_____	_____	_____
_____	_____	_____
_____	_____	_____

IN WITNESS WHEREOF, I have duly executed this certificate as of \_\_\_\_\_.

\_\_\_\_\_  
SECRETARY/CLERK

# Invoice

WELLS  
FARGO

Wells Fargo Bank, National Association | 600 South 4th Street | MAC N9300-100 | Minneapolis, MN 55415

To: **Santee School District**  
**9625 Cuymaca Street**  
**Santee, CA 92071**

DATE OF INVOICE: **May 9, 2017**

App/Setup # **500669/263514 - DUE IN ADVANCE**

CONTRACT NO.	DESCRIPTION	CONTRACT PAYMENT	SALES/USE TAX	OTHER CHARGES	AMOUNT DUE
81952-401	Advance Payment	54,419.00			54,419.00
	Documentation Fee			750.00	750.00
<b>TOTAL DUE</b>					<b>\$55,169.00</b>

**WIRE TO:**

ABA#: 121000248  
Swift Code: WFBIUS6S  
Bank Name: Wells Fargo Bank, N.A.  
Account#: 0000010313  
Account Name: Wells Fargo Equipment Finance, Inc.  
Phone Advise: WFEF Customer Service 1-866-726-4714

**REMIT TO:**

**Wells Fargo Equipment Finance, Inc.**  
600 S. 4th St.  
MAC N9300-100  
Minneapolis, MN 55415



Consent Item E.2.12.  
Prepared by Karl Christensen  
June 6, 2017

Approval of System Data Agreement with County of  
San Diego Health and Human Services Agency for  
CALWIN Data Extract of Confidential Files

**BACKGROUND:**

This agreement with the County of San Diego Health and Human Services Agency provides a mechanism for the District to receive electronic data that is used for directly certifying families for free and reduced priced meals.

**RECOMMENDATION:**

It is recommended that the Board of Education approve the System Data Agreement with the County of San Diego Health and Human Services Agency for CALWIN Data Extract of Confidential Files.

This recommendation supports the following District goal:

**Fiscal Accountability**

- Financially support the vision, mission, and goals of the District by maximizing resources, controlling expenses, and managing assets to ensure fiscal solvency and flexibility.

**FISCAL IMPACT:**

There is no cost and potential additional revenue for free/reduced priced meal status.

**STUDENT ACHIEVEMENT IMPACT:**

This is a fiscal item. All fiscal resources impact student achievement.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item E.2.12.

**SYSTEM DATA AGREEMENT FOR  
FREE OR REDUCED-PRICE SCHOOL LUNCH OR BREAKFAST  
BETWEEN SANTEE SCHOOL DISTRICT AND  
SAN DIEGO COUNTY HEALTH & HUMAN SERVICES AGENCY FOR  
CALWIN DATA EXTRACT OF CONFIDENTIAL FILES**

**I. Participants**

The Health and Human Services Agency (HHSA) and Santee School District are entering into this System Data Agreement (SDA) for CalWIN Data extract of Confidential Files.

**II. Administration of SDA**

Each party identifies the following individual to serve as the authorized administrative representative for that party. Any party may change its administrative representative by notifying the other party in writing of such change. Any such change will become effective upon the receipt of such notice by the other party to this SDA. Notice of the authorized representative should be sent to each party as follows:

<p><b><u>County of San Diego</u></b> Health &amp; Human Services Agency 1255 Imperial Ave, Suite 446 San Diego, CA 92101 (619) 338-2313 Attn: Charline Khoury, Chief, Eligibility Operations</p>	<p><b><u>Santee School District</u></b> Kristen Baranski, Superintendent 9625 Cuyamaca Street Santee, CA 92071 (619) 258-2300 <a href="mailto:Kristin.baranski@santeesd.net">Kristin.baranski@santeesd.net</a></p> <p>CONTACT: Lisa Kenyon, Child Nutrition Clerical Assistant (619) 258-2375 <a href="mailto:lisa.kenyon@santeesd.net">lisa.kenyon@santeesd.net</a></p>
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**III. Purpose**

The purpose of this agreement is for Santee School District to provide HHSA a listing of the children currently enrolled at Santee School District and to set the parameters and responsibilities for this agreement. This SDA is also to meet the provisions of the U.S. Federal Child Nutrition and WIC Reauthorization Act of 1989, §202(b) (1). This act allows a designated school food authority to certify a student as eligible for a free or reduced-price school lunch or breakfast, without further application, by directly communicating with the appropriate local agency to obtain documentation of student's status as a member of a CalFresh household.

**IV. Requirements for Match**

A. Santee School District Requirements: Santee School District staff provide school records of children enrolled in the Santee School District. Those

children who are in households that receive CalFresh will be so indicated by the match to confirm eligibility for a free or reduced school lunch/breakfast.

B. HHS Requirements: HHS will provide Santee School District a match from CalWIN of children that are eligible to receive CalFresh in the report month.

**V. Indemnity**

County of San Diego shall not be liable for, and Santee School District shall defend and indemnify County and the employees and agents of County (collectively "County Parties"), against any and all claims, demands, liability, judgments, awards, fines, mechanics' liens or other liens, labor disputes, losses, damages, expenses, charges or costs of any kind or character, including attorneys' fees and court costs (hereinafter collectively referred to as "Claims"), related to this SDA and arising either directly or indirectly from any act, error, omission or negligence of Santee School District or its contractors, licensees, agents, servants or employees, including, without limitation, Claims caused by the concurrent negligent act, error or omission, whether active or passive, of County Parties. Santee School District shall have no obligation, however, to defend or indemnify County Parties from a Claim if it is determined by a court of competent jurisdiction that such Claim was caused by the sole negligence or willful misconduct of County Parties.

**VI. Insurance (See Exhibit A)**

Prior to execution of this SDA, Santee School District must obtain at its own cost and expense, and keep in force and effect during the term of this agreement including all extensions, the insurance specified in Exhibit "A," "Insurance Requirements," attached hereto.

**VII. Conformance With Rules And Regulations**

Santee School District shall be in conformity with all applicable federal, State, County, and local laws, rules, and regulations, current and hereinafter enacted, including facility and professional licensing and/or certification laws and keep in effect any and all licenses, permits, notices and certificates as are required. Santee School District shall further comply with all laws applicable to wages and hours of employment, occupational safety, and to fire safety, health and sanitation.

**VIII. Permits and Licenses**

Santee School District certifies that it possesses and shall continue to maintain or shall cause to be obtained and maintained, at no cost to the County, all approvals, permissions, permits, licenses, and other forms of documentation required for it and its employees to comply with all existing foreign or domestic statutes, ordinances, and regulations, or other laws, that may be applicable to performance of services hereunder. The County reserves the right to reasonably request and review all such applications, permits, and licenses prior to the commencement of any services hereunder.

**IX. Specific Warranty of Security and Privacy**

Santee School District warrants that the application software provides security and privacy for the system and its data (where “security” is defined as protection of software and data from natural or human-caused hazards and unauthorized access and manipulation, and “privacy” is defined as protection of personal data from unauthorized access or disclosure), and contains mechanisms to assure integrity of the County's data against destruction, loss or unauthorized alteration. The County hereby acknowledges that fundamental security, privacy and integrity controls are provided by the application software, while differentiating operational mechanisms for protecting data integrity, such as regular data backups performed by its personnel, from these internal controls. Santee School District warrants only that data privacy provided by the software performs as described in the specifications. Notwithstanding the foregoing, Santee School District cannot warrant that another party's backup software will perform properly.

**X. Protection of County Confidential Information and Data System**

Subject to the disclosure requirements of the Public Records Act, California Government Code Section 6250 – 6268, all reports, information, data, statistics, forms, procedures, systems, studies and any other communication or information given to or prepared or assembled by Santee School District under this agreement, shall be kept confidential, shall not be made available to any individual or organization by Santee School District without the prior written approval of County.

**XI. Systems and Network Security**

At all times during the term of this Agreement, Santee School District shall provide all services, and use all resources related thereto, in a secure manner and in accordance with the County's security requirements, including the prevention and detection of fraud, abuse, or other inappropriate use or access of systems, networks and/or data by all appropriate means, including network management and maintenance applications and tools, and the use of appropriate encryption technologies. In connection therewith, (i) any attempts by Santee School District personnel to circumvent network security measures or to access or use resources that are not specifically authorized for the Santee School District use in performing under this agreement, and (ii) access to County computer resources or data by unauthorized persons via the Santee School District access User ID's, will constitute misuse of the County's computer and/or data resources. In no event shall Santee School District actions or inaction result in any situation that is less secure than the security Santee School District then provides for its own systems and data. In addition, all Santee School District personnel (including personnel of any sub-contractors) shall be subject to and shall at all times conform to the County's laws, rules, and requirements for the protection of premises, materials, equipment, and personnel, as they may be disclosed to Santee School District in writing. Any violations or disregard of these rules shall be cause for denial of access by such personnel to the County's property, systems, networks and/or data.

**XII. Access to County Information**

As used herein, the term "County Data" shall mean, in or on any media or form of any kind: (i) all data and summarized data related to the County, its citizens, or the Santee School District services that is in the possession of the County and all data concerning or indexing such data (regardless of whether or not owned by the County, generated or compiled by the County, or provided by its citizens), including data that is in the County's databases or otherwise in the County's possession at any time; and (ii) all other County records, data, files, input materials, reports, forms, and other such items that may be received, computed, developed, used, or stored by Santee School District, or by any of its sub-contractors, in the performance of Santee School District duties under this Agreement.

**XIII. Confidentiality**

The use or disclosure of information concerning HHSA applicants and recipients will be limited to use by designated Santee School District staff for the items listed below. Information will not be released to any other agencies except as specified in Welfare & Institutions Code 10850, 10850.2, and 14100.2 that describes the use of confidential records. HHSA records fall within the description of confidential records. Santee School District recognizes that unauthorized release of confidential information may make the individual guilty of a misdemeanor under Welfare & Institutions Code 10850 or 14100.2. It may lead to criminal or civil liability for the individual. The Welfare & Institutions Codes stated above restrict the type and amount of information that may be released. Written consent of the applicant or recipient will be required in order to release information specified under W & I Code 10850.2. It further states that "...written authorization shall be dated and signed by each recipient and shall expire one year from the date of execution." Under W & I Code 10850, 10850.2, and 14100.2 confidential records used by Santee School District staff will be for:

1. Utilize information provided by HHSA from CalWIN to identify children who are in households that receive CalFresh to confirm eligibility for a free or reduced-price school lunch/breakfast.

The participants understand that in questionable situations, the Santee School District staff will seek HHSA agreement prior to releasing any information and that this request will be in written form.

- A. Santee School District will provide HHSA a list of employees designated to access CalWIN data specified in III B. above.
- B. Santee School District will maintain a physically secure storage place for all written/electronic formats of data of information gained from HHSA to prevent access by unauthorized persons.
- C. Santee School District acknowledges that clearances made through the match shall be only for the administration of information that is necessary

to determine eligibility to identify children who are in households that receive CalFresh to confirm eligibility for a free or reduced-price school lunch/breakfast.

- D. Santee School District agrees that designated employees will not access their own case assistance data or those of any friend, relative, business relation, personal acquaintance, they may know.
- E. In the event that any unauthorized access to or use of confidential data by any Santee School District employee, Santee School District shall take disciplinary action against the employee, up to and including termination. Santee School District shall notify HHSA when an employee is subject to such disciplinary action.
- F. Santee School District agrees that all individually identifiable information furnished by or obtained through the match will be destroyed by shredding or a similar method of destruction once the use for the information has ended.
- G. Santee School District agrees to allow the HHSA signatory or authorized representative, as the operating agency for CalWIN, to make on-site inspections to ensure that the terms of this agreement are being met.
- H. Santee School District agrees not to release confidential information, which includes individual identifying information such as address, name, etc., to outside agencies or persons that do not fall under Welfare and Institutions Codes 10850 or 14100.2. This information may be released under W & I Code 10850.2 if a properly executed written release of information is obtained by HHSA or Santee School District. Any written releases obtained by Santee School District must be maintained in a file for audit purposes.
- I. Santee School District agrees to submit a Summary of Policy form for each newly designated staff member who will access and use the information, other than for statistical purposes as allowed under W & I Code 10850, 10850.2, and 14100.2. Copies of each statement must be received by HHSA three (3) days before the designated staff member accesses the information. The copies will be retained by HHSA as part of this agreement.
- J. Santee School District agrees to provide updates to HHSA within ten (10) workdays for any designated staff for whom access is being deleted or work location is being changed.

Strict adherence to the criteria stated in items A through J must be followed. Confidential client information may only be accessed by designated staff when the applicable conditions stated in items A through J have been met.

**XIV. Organization**

The duties to administer, supervise, and monitor the administration and determination for Santee School District under these agreements belongs solely to the Santee School District. The duties to administer, supervise, and monitor CalWIN data access and security belongs solely to the HHSA. As part of this agreement, Santee School District and HHSA agree to cooperate, within regulatory authority, so that the Santee School District may identify or determine that the recipient is within such official duties and HHSA may carry out regulatory and security responsibilities for CalWIN matches.

**XV. Contractor's Confidential Records**

Any reports, information, data, statistics, forms, procedures, systems, studies and any other communication or information given to or prepared or assembled by San Diego County under this agreement, will be kept confidential, and shall not be made available to any individual or organization by County without the prior written approval of Santee School District.

**XVI. Standards**

Both HHSA and Santee School District shall maintain an organizational structure and sufficient staff, within any budgetary constraints, to efficiently and effectively administer and supervise the functions and responsibilities set out in this agreement.

**XVII. HHSA Responsibilities and Duties**

HHSA will ensure that all approved processes and instructions are followed to ensure the requested information is provided to authorize Santee School District staff.

**XVIII. Governing Law**

This SDA shall be governed, interpreted, construed and enforced in accordance with the laws of the State of California.

**XIX. Third Party Beneficiaries Excluded**

This SDA is intended solely for the benefit of the County and Santee School District. Any benefit to any third party is incidental and does not confer on any third party to this SDA any rights whatsoever regarding the performance of this SDA. Any attempt to enforce provisions of this SDA by third parties is specifically prohibited.

**XX. Amendments to SDA**

Any party may propose amendments to this SDA by providing written notice of such amendments to the other party. This SDA may only be amended by a written amendment signed by both parties.

**XXI. Severability**

If any terms provisions of this SDA or the application thereof to any person or circumstance shall, to any extent, be held invalid or unenforceable, the remainder of this SDA, or the application of such term and provision to persons or circumstances

other than those as to which it is held invalid or unenforceable, shall not be affected thereby and every other term and provision of this SDA shall be valid and enforceable, shall not be affected thereby and every other term and provision of this SDA shall be valid and enforced to the maximum extent permitted by law.

**XXII. Full Agreement**

This SDA represents the full and entire agreement between the parties and supersedes any prior written or oral agreements that may have existed.

**XXIII. Scope of SDA**

This SDA only applies to the program described herein and does not set forth any additional current or future obligations or agreements between the parties, except that the parties may by written amendment amend the scope of this SDA.

**XXIV. Joint Responsibilities**

Each agency shall ensure staff is conforming to this agreement and applicable state and federal laws and regulations by supervising, auditing, and reviewing procedures. Revisions will be made as needed to ensure adherence.

**XXV. CalWIN Confidential Information**

By signing below, HHSA grants information of children that are eligible to receive CalFresh to authorized Santee School District staff, and Santee School District accepts the responsibilities for such information as outlined in this agreement and in applicable federal and state laws, regulations, and directives.

**XXVII. Live Well San Diego Vision**

The County of San Diego, Health and Human Service Agency (HHSA), supports the *Live Well San Diego* vision of Building Better Health, Living Safely, and Thriving. *Live Well San Diego*, developed by the County of San Diego, is a comprehensive, innovative regional vision that combines the efforts of partners inside and outside County government to help all residents be healthy, safe, and thriving. All HHSA partners and contractors, to the extent feasible, are expected to advance this vision. Building Better Health focuses on improving the health of residents and supporting healthy choices. Living Safely seeks to ensure residents are protected from crime and abuse, neighborhoods are safe, and communities are resilient to disasters and emergencies. Thriving focuses on promoting a region in which residents can enjoy the highest quality of life.

Information about *Live Well San Diego* can be found on the County's website and a website dedicated to the vision:

- [http://www.sdcounty.ca.gov/hhsa/programs/sd/live\\_well\\_san\\_diego/index.html](http://www.sdcounty.ca.gov/hhsa/programs/sd/live_well_san_diego/index.html)
- <http://www.LiveWellSD.org>



**XXVIII. Term**

This SDA shall become effective on the date all of the parties have signed this SDA. This agreement shall continue unless terminated by mutual agreement and/or by state and/or federal directive and/or breach of confidentiality.

**XXIX. Termination For Convenience**

The County may, by written notice stating the extent and effective date, terminate this SDA for convenience in whole or in part, at any time.

**XXX. Counterparts**

This SDA may be executed in any number of separate counterparts, each of which shall be deemed an original but all of which when taken together shall constitute one and the same instrument.

**XXXI. Santee School District shall comply with the information privacy and security provisions contained in Exhibit B.**

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

County of San Diego,  
Health & Human Services Agency

By: \_\_\_\_\_  
NICK MACCHIONE, FACHE  
Agency Director

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

Santee School District

By: \_\_\_\_\_  
KRISTIN BARANSKI,  
Superintendent

## EXHIBIT A

### INSURANCE REQUIREMENTS

Without limiting Contractor's indemnification obligations to County, Contractor shall provide at its sole expense and maintain for the duration of this Contract, or as may be further required herein, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of the work by the Contractor, his agents, representatives, employees or subcontractors.

#### 1. Minimum Scope of Insurance

Coverage shall be at least as broad as:

- A. Commercial General Liability, Occurrence form, Insurance Services Office form CG0001.
- B. Automobile Liability covering all owned, non-owned, hired auto Insurance Services Office form CA0001.
- C. Workers' Compensation, as required by State of California and Employer's Liability Insurance.
- D. Cyber Security Liability:

#### 2. Minimum Limits of Insurance

Contractor shall maintain limits no less than:

- A. Commercial General Liability including Premises, Operations, Products and Completed Operations, Contractual Liability, and Independent Contractors Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. The Project Specific Aggregate limit shall be \$2,000,000.
- B. Automobile Liability: \$1,000,000 each accident for bodily injury and property damage.
- C. Employer's Liability: \$1,000,000 each accident for bodily injury or disease. Coverage shall include a waiver of subrogation endorsement in favor of County of San Diego.
- D. Cyber Security Liability: Coverage for both electronic and non-electronic data breach with an aggregate limit of not less than \$1,000,000. Coverage shall apply to data breach for Third-Party Liability encompassing judgments or settlement and defense costs arising out of litigation due to a data breach and data breach response costs for customer notification and credit monitoring service fees.

### 3. Deductibles and Self-Insured Retentions

Any deductible or self-insured retention must be declared to and approved by the County Risk Management. At the option of the County, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the County or the Contractor shall provide a financial guarantee satisfactory to the County guaranteeing payment of losses and related investigations, claim administration and defense expenses.

### 4. Other Insurance Provisions

The general liability, automobile liability and professional liability policies are to contain, or be endorsed to contain the following provisions:

- A. Additional Insured Endorsement (Does not apply to professional liability)  
Any general liability policy provided by Contractor shall contain an additional insured endorsement applying coverage to the County of San Diego, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively.
- B. Primary Insurance Endorsement  
For any claims related to this Contract, the Contractor's insurance coverage shall be primary insurance as respects the County, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively. Any insurance or self-insurance maintained by the County, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
- C. Notice of Cancellation  
Notice of Cancellation shall be in accordance with policy provisions.
- D. Severability of Interest Clause  
Coverage applies separately to each insured, except with respect to the limits of liability, and that an act or omission by one of the named insureds shall not reduce or avoid coverage to the other named insureds.

## GENERAL PROVISIONS

### 5. Qualifying Insurers

All required policies of insurance shall be issued by companies which have been approved to do business in the State of California by the State Department of Insurance, and which hold a current policy holder's alphabetic and financial size category rating of not less than A-, VII according to the current Best's Key Rating guide, or a company of equal financial stability that is approved in writing by County Risk Management.

### 6. Evidence of Insurance

Prior to commencement of this Contract, but in no event later than the Effective Date of the Contract, Contractor shall furnish the County with certificates of insurance and amendatory endorsements effecting coverage required by this clause. Contractor shall furnish a summary of the relevant terms, provisions and conditions of the insurance policy

**System Data Agreement**

**Data Extract**

Santee School District

(Updated 05/2017)

to County. Thereafter, copies of renewal certificates and amendatory endorsements effecting coverage shall be furnished to the County within thirty days of the expiration of the coverage. If any of the terms, provisions or conditions as summarized by the County are changed, revised summaries, shall be furnished to County within thirty days of the expiration of the term of any required policy. Contractor shall permit County at all reasonable times to inspect and review any required policies of insurance.

#### **7. Failure to Obtain or Maintain Insurance; County's Remedies**

Contractor's failure to provide insurance specified or failure to furnish certificates of insurance, amendatory endorsements, and policy summaries, or failure to make premium payments required by such insurance, shall constitute a material breach of the Contract, and County may, at its option, terminate the Contract for any such default by Contractor provided that the same is not cured within thirty (30) days of Contractor's receipt of notice from the County specifying the nature of the claimed default.

#### **8. No Limitation of Obligations**

The foregoing insurance requirements as to the types and limits of insurance coverage to be maintained by Contractor, and any approval of said insurance by the County are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Contractor pursuant to the Contract, including, but not limited to, the provisions concerning indemnification.

#### **9. Review of Coverage**

County retains the right at any time to review the coverage, form and amount of insurance required herein and may request Contractor to obtain insurance reasonably sufficient in coverage, form and amount to provide adequate protection against the kind and extent of risk which exists at the time a change in insurance is required.

#### **10. Self-Insurance**

Contractor may, with the prior written consent of County Risk Management, fulfill some of all of the insurance requirements contained in third Contract under a plan of self-insurance. Contractor shall only be permitted to utilize such self-insurance if in the opinion of County Risk Management, Contractor's (i) net worth and (ii) reserves for payment of claims of liability against Contractor, are sufficient to adequately compensate for the lack of other insurance coverage required by this Contract. Contractor's utilization of self-insurance shall not in any way limit liabilities assumed by Contractor under the Contract.

#### **11. Claims Made Coverage**

If coverage is written on a "claims made" basis, the Certificate of Insurance shall clearly so state. In addition to the coverage requirements specified above, such policy shall provide that:

- A. The policy retroactive date coincides with or precedes Contractor's commencement of work under the Contract (including subsequent policies purchased as renewals or replacements).

- B. Contractor will make every effort to maintain similar insurance during the required extended period of coverage following expiration of the Contract, including the requirement of adding all additional insureds.
- C. If insurance is terminated for any reason, Contractor shall purchase an extended reporting provision of at least two years to report claims arising in connection with the Contract.
- D. The policy allows for reporting of circumstances or incidents that might give rise to future claims.

**12. Subcontractors' Insurance**

Contractor shall require that any and all Subcontractors hired by Contractor are insured in accordance with this Contract. If any Subcontractors coverage does not comply with the foregoing provisions, Contractor shall defend and indemnify the County from any damage, loss, cost or expense, including attorney fees, incurred by County as a result of Subcontractors failure to maintain required coverage.

(Remainder of this page blank)

## EXHIBIT B

### ARTICLE 14

#### **INFORMATION PRIVACY AND SECURITY PROVISIONS**

14.1 **Recitals.** This Article is intended to protect the privacy and security of County information that Contractor may create, receive, access, store, transmit, and/or destroy under this Agreement. In addition to the below Responsibilities, contractor shall be in compliance with the following rules, regulations, and agreements, as applicable:

14.1.1 Health Insurance Portability and Accountability Act, specifically, Public Law 104-191, the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005, 42USC section 17921 et seq., and 45CFR Parts 160 and 164, collectively referred to as “HIPAA;”

14.1.2 County agreements with the State of California, collectively referred to as “State Agreements” and posted on the County’s website at: [www.cosdcompliance.org](http://www.cosdcompliance.org), including:

14.1.2.1 The Medi-Cal Privacy and Security Agreement Between the California Department of Health Care Services (DHCS) and the County;

14.1.2.2 The Medi-Cal Behavioral Health Services Performance Agreement between DHCS and the County;

14.1.2.3 The San Diego County Alcohol and Drug Program Administrator Agreement between DHCS and the County

14.1.2.4 The Refugee Health Agreement between the California Department of Public Health (CDPH) and the County; and

14.1.2.5 The HIV/AIDS Case Reporting System Data Use Agreement between CDPH and the County.

14.1.3 Title 42 Code of Federal Regulations, Chapter 1, Subchapter A, Part 2.

14.2 **Definitions.** Terms used, but not otherwise defined, in this Article shall have the same meaning as defined by HIPAA.

14.2.1 “Breach” of Protected Health Information (PHI) shall have the same meaning given to the term “breach” under HIPAA and “breach” of Personal Information

(PI)/Personally Identifiable Information (PII) shall have the same meaning as given to it under the State Agreements.

14.2.2 “Business Associate” shall mean the Contractor.

14.2.3 “County PHI” shall have the same meaning as PHI under HIPAA, specific to PHI under this Agreement.

14.2.4 “County PI/PII” shall have the same meaning as PI/PII under the State Agreements, specific to PI/PII under this Agreement.

14.2.5 “Covered Entity” shall mean the County.

14.2.6 “Security incident” shall have the same meaning as defined by the State Agreements.

#### 14.3 Responsibilities of Contractor.

14.3.1 Use and Disclosure of County PHI/PI/PII. Contractor shall use the minimum County PHI/PI/PII required to accomplish the requirements of this Agreement or as required by Law. Contractor may not use or disclose County PHI/PI/PII

in a manner that would violate HIPAA or the State Agreements if done by the County.

14.3.2 Safeguards. Contractor shall develop and maintain a HIPAA-compliant information privacy and security program to prevent use or disclosure of County PHI/PI/PII, other than as required by this Agreement.

14.3.3 Mitigation. Contractor shall mitigate, to the extent practicable, any harmful effects caused by violation of the requirements of this Article, as directed by the County.

14.3.4 Subcontractors. Contractor shall ensure that any agent, including a subcontractor, to whom it provides County PHI/PI/PII, imposes the same conditions on such agents that apply to Contractor under this Article.

14.3.5 Cooperation with County.

14.3.5.1 Contractor shall provide access to County PHI/PI/PII, as well as internal practices and records related to County PHI/PI/PII, at the written request of County within ten (10) calendar days.

14.3.5.2 Contractor will assist County regarding individual's access, copy, amendment, accounting of disclosure, and other such requests for County PHI/PI/PII in the time and manner designated by County.

14.3.6 Breach Reporting. Contractor shall report breaches and suspected security incidents to County Contracting Officer's Representative and HHS Privacy Officer, to include:

14.3.6.1 Initial Report

14.3.6.1.1 Contractor shall email County immediately upon the discovery of a suspected security incident that involves data provided to County by the Social Security Administration, as per the State Agreements.

14.3.6.1.2 Contractor shall email County within one business day of the discovery of any suspected security incident or breach of County PHI/PI/PII

14.3.6.1.3 Contractor shall additionally submit a completed County "Privacy Incident Report," which is posted on County's website, [www.cosdcompliance.org](http://www.cosdcompliance.org) within one (1) business day.

14.3.6.2 Investigation Report. Contractor shall immediately investigate such suspected security incident or breach and provide the County a



complete report of the investigation within seven (7) working days using County's "Privacy Incident Report" form.

14.3.6.3 Notification. Contractor will comply with County's request to notify individuals and/or media and shall pay any costs of such notifications, as well as any costs associated with the breach. County shall approve the time, manner and content of any such notifications before notifications are made.

14.3.7 Designation of Individuals. Contractor shall designate a Privacy Official and a Security Official to oversee its privacy and security requirements herein.

14.3.8 Data Security. Contractor shall comply with data security requirements as specified by HIPAA and the State Agreements, including, but not limited to:

14.3.8.1 Workforce members, including employees, interns, volunteers, subcontractors, etc., with access to County PHI/PI/PII shall:

14.3.8.1.1 Complete privacy and security training to include a signed certification within thirty (30) days of hire, and at least annually thereafter;

14.3.8.1.2 Sign a confidentiality statement, prior to access to County PHI/PI/PII; and

14.3.8.1.3 Wear an identification badge at facilities that contain County PHI/PI/PII

14.3.8.2 Facilities that County PHI/PI/PII shall have security guards or a monitored alarm system, as required by State Agreements.

14.3.8.3 Computer warning banners for all systems containing County PHI/PI/PII

14.3.8.4 Comprehensive, annual security risk assessments

14.3.8.5 Policies and internal controls to ensure transport and storage of County PHI/PI/PII in cars, airplanes, trains, and buses comply with State Agreements.

14.3.8.6 Sufficient administrative, physical, and technical controls in place to protect County PHI/PI/PII

14.3.9 Termination. Upon termination of the Agreement for any reason, Contractor shall return or destroy all County PHI/PII/PI, except County PHI/PII/PI necessary for Contractor to continue its proper management and administration or to carry out its legal responsibilities, as mutually agreed upon by the Parties. If the Parties mutually agree that return or destruction of

County PHI/PII/PI is infeasible, Contractor shall extend the protections of this Article to such County PHI/PII/PI for so long as Contractor maintains such County PHI/PII/PI.

Consent Item E.2.13.  
Prepared by Karl Christensen  
June 6, 2017

Approval of Agreement with Air Pollution Control  
District County of San Diego for a 2017 Carl  
Moyer Program State Reserve Fund Grant

**BACKGROUND:**

On April 26, 2017, the Air Pollution Control Board (APCB) approved the Carl Moyer Program (Program) Fund Allocation to provide incentives to contractors for the purchase of cleaner-than-required engines, equipment, and emission reduction technologies.

One of the approved projects is for replacement of one school bus for the District. The grant will pay for most of the cost for replacing Bus #118 which no longer meets Environmental Protection Agency (EPA) emissions requirements.

**RECOMMENDATION:**

It is recommended that the Board of Education approve the Agreement with Air Pollution Control District County of San Diego for a 2017 Carl Moyer Program State Reserve Fund Grant.

This recommendation supports the following District goals:

**Learning Environment**

- Provide a safe, engaging environment that promotes creativity, innovation, and personalized learning.

**Fiscal Accountability**

- Financially support the vision, mission, and goals of the District by maximizing resources, controlling expenses, and managing assets to ensure fiscal solvency and flexibility.

**FISCAL IMPACT:**

The fiscal impact is \$140,079 in grant funds. District match of \$8,508 for total bus cost of \$148,587.

**STUDENT ACHIEVEMENT IMPACT:**

This is a fiscal item. All fiscal resources impact student achievement.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item E.2.13.

**AIR POLLUTION CONTROL DISTRICT  
COUNTY OF SAN DIEGO  
GRANT AGREEMENT WITH SANTEE SCHOOL DISTRICT  
2017 Carl Moyer Program State Reserve Fund  
SCHOOL BUS REPLACEMENT PROJECT**

**CONTRACT NO. \_\_\_\_\_**

This Grant Agreement is made and entered into on the date shown on the Signature Page (Effective Date), by and between the County of San Diego Air Pollution Control District, a public agency of the State of California, hereinafter called "District," and the Santee School District, a public school district existing under the laws of the State of California, located at 9625 Cuyamaca Street, Santee, CA 92071, hereinafter called "Contractor."

**RECITALS:**

WHEREAS, the Air Pollution Control Board (APCB), by its action on April 26, 2017 (APCB Minute Order No. 2), approved the Carl Moyer Program (Program) Fund Allocation and authorized the Air Pollution Control Officer, pursuant to section 44288(d) of the Health and Safety Code, to negotiate and execute a Grant Agreement; and

WHEREAS, the purpose of this Program is to provide incentives to contractors, which will assist the District in attaining federal and State air quality standards. Under this Program, the District provides cash incentives to be used toward the voluntary purchase of cleaner-than-required engines, equipment, and emission reduction technologies in accordance with Program Guidelines;

WHEREAS, one of the approved projects is for replacement of one school bus (Project) using Program funds in an amount not to exceed \$140,079;

WHEREAS, the District desires performance of the work specified in this Grant Agreement, and whereas the Contractor agrees to perform or otherwise complete the work subject to the following conditions; and

WHEREAS, Contractor desires to receive the incentive funds specified in this Grant Agreement, and possesses the skills, experience, education, and competency to perform and/or complete the required work;

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the promises, and mutual covenants and agreements herein contained, the parties agree as follows:

**ARTICLE I  
PERFORMANCE OF WORK**

- A. **Standard of Performance.** Contractor shall, in good and workmanlike manner and in accordance with the highest professional standards, at its own cost and expense, furnish all of the labor, technical, administrative, professional and all other personnel, all supplies and materials, equipment, printing, transportation, facilities, and all other means whatsoever, except as herein otherwise expressly specified to be furnished by the District, necessary or proper to perform and complete the work required of Contractor by this Grant Agreement.
- B. **Contractor's Representative.** Contractor represents and warrants that the person identified on the signature page (Contractor's Representative) has full authority to act for Contractor hereunder.

**AIR POLLUTION CONTROL DISTRICT  
COUNTY OF SAN DIEGO  
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- C. Contractor as Independent Contractor. Contractor is, for all purposes of this Grant Agreement, an independent contractor, and neither Contractor nor Contractor's employees or subcontractors shall be deemed to be employees of the District. Contractor shall perform its obligations under this Grant Agreement according to the Contractor's own means and methods of work, which shall be in the exclusive charge and under the control of the Contractor, and which shall not be subject to control or supervision by the District except as to the results of the work. Neither Contractor nor Contractor's employees or subcontractors shall be entitled to any benefits to which District employees are entitled, including without limitation, overtime, retirement benefits, workers' compensation benefits, and injury leave.
- D. Contractor's Agents and Employees or Subcontractors. Contractor shall obtain, at Contractor's expense, all agents, employees, and subcontractors required for Contractor to perform its duties under this Grant Agreement, and all such services shall be performed by Contractor, or under Contractor's supervision, by persons authorized by law to perform such services. Retention by Contractor of any agent, employee, or subcontractor shall be at Contractor's sole cost and expense, and the District shall have no obligation to pay Contractor's agents, employees, or subcontractors; to support any such person's or entity's claim against the Contractor; or to defend Contractor against any such claim.
1. Contractor Responsibility. In the event any subcontractor is utilized by Contractor for any portion of the Project, Contractor retains the prime responsibility for carrying out all the terms of this Grant Agreement, including the responsibility for performance and insuring the availability and retention of records of subcontractors in accordance with this Grant Agreement. No subcontract utilizing funds from this Grant Agreement shall be entered into which has a term extending beyond the Agreement Term as defined on the Signature Page.
  2. Mandated Clause. All subcontracts shall include the Standard Terms and Conditions required of Contractor herein.

**ARTICLE II  
GRANT AGREEMENT ADMINISTRATION**

- A. District's Grant Agreement Administrator. The Air Pollution Control Officer is designated as the contracting officer (Contracting Officer) and is the only District official authorized to make any Changes to this Grant Agreement. The District has designated the individual identified on the signature page as the Contracting Officer's Technical Representative (COTR).
1. The District's COTR will coordinate the District's Grant Agreement administrative functions. The COTR is designated to receive and approve Contractor invoices for payment, audit and inspect records, inspect Contractor services, and provide other technical guidance as required. The COTR is not authorized to change any terms and conditions of this Grant Agreement. Only the Contracting Officer, by issuing a properly executed amendment to this Grant Agreement, may make changes to the scope of work or total amount.
  2. Notwithstanding any provision of this Grant Agreement to the contrary, District's COTR may make Administrative Adjustments to the Grant Agreement, such as line item budget changes, or adjustments to the Grant Agreement requirements, which do not change the purpose or intent of

**AIR POLLUTION CONTROL DISTRICT  
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the Scope of Work, the terms and conditions, the Agreement Term, or the total Grant Agreement amount. Each Administrative Adjustment shall be in writing and signed by COTR and Contractor. All inquiries about such Administrative Adjustment will be referred directly to the COTR.

**ARTICLE III  
SCOPE OF WORK**

**A. Description of Project**

1. The Contractor shall complete the replacement of the equipment described in Article III, Section F, below. The Contractor is prepared and able to perform the equipment replacement(s) as required by the Carl Moyer Guidelines for Implementation, adopted April 2011 (and all subsequent revisions), which are incorporated herein by reference. The Contractor also agrees to operate the new equipment in the same manner and at the same level of activity as the old equipment barring events outside of their control.
2. Contractor shall comply with the current Program Guidelines and criteria and shall meet all Program requirements for the full Agreement Term as defined on the Signature Page. Contractor certifies that the emission reductions obtained through this Project are not required by any local, state, and/or federal rule, regulation, or memorandum of agreement/understanding, settlement agreement, mitigation requirement, or other legal mandate currently in effect and that the project will be completed at least three years prior to any applicable regulatory compliance deadline. The reduced emission technology must be certified and verified and meet the current NO<sub>x</sub>, PM and/or ROG requirements as defined in the Program Guidelines.
3. No emission reductions generated by the Carl Moyer Program may be used as marketable emission reduction credits, or to offset any emission reduction obligation of any person or entity.
4. No project funded by the Carl Moyer Program may be used for credit under any federal or state emission averaging banking and trading program.
5. Throughout the contract term, projects funded by the Carl Moyer Program must not be used to generate credits or compliance extensions, and must be excluded when determining regulatory compliance.
6. Projects funded by the Carl Moyer Program must be included when defining the size of the fleet for determining regulatory requirements.
7. Project engines and retrofits may only use the fuel allowed by the engine certification or retrofit device verification during the project life. Fuel additives are not allowed to be used unless specifically identified as allowable in the engine certification or retrofit device verification.
8. The engine in the replacement equipment must be certified to an oxides of nitrogen (NO<sub>x</sub>) emission standard that is at least 15 percent lower than the emission applicable to the existing

**AIR POLLUTION CONTROL DISTRICT  
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2017 Carl Moyer Program State Reserve Fund  
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**CONTRACT NO. \_\_\_\_\_**

engine certified to either the current applicable emission standard or to a FEL NO<sub>x</sub> or NO<sub>x</sub>+non-methane hydrocarbons (NMHC) level that is lower than the required emission standard.

9. Emission reduction technologies must be certified or verified by ARB. If an ARB certification or verification process does not exist or if engines or retrofits are preempted from ARB certification/verification, then an engine or retrofit must be certified/verified to federal standards.
  - a. For the purposes of the Carl Moyer Program, a technology granted a conditional certification/verification by ARB is considered certified/verified.
10. Emission reduction technologies for sale in California must comply with all durability and warranty requirements.
11. Contractor certifies that contractor's fleet, engine(s), or equipment/vehicle(s) is in compliance with all applicable federal, state, and local air quality rules and regulations at time of contract execution.
12. Contractor shall maintain compliance with all applicable federal, state, and local air quality rules and regulations for the full contract term.

B. Project Cost. The Program pays only the incremental cost of clean air projects. The maximum amount of vehicle costs eligible for Program funding is as shown in the table below, but in any case are not to exceed the actual purchase cost.

Unit #	Project Description	Eligible Costs <sup>1</sup> (equipment/ installation)	Carl Moyer	Contractor Match/ Ineligible costs
TBD	School Bus Replacement	\$148,587	\$140,079	\$8,508
<b>TOTALS</b>		<b>\$148,587</b>	<b>\$140,079</b>	<b>\$8,508</b>
<b>Total Contract Amount</b>		<b>\$140,079</b>		

<sup>1</sup>The total project equipment replacement cost may include charges for the following: Only the minimum attachments normally sold with the original equipment, as determined by the District, are eligible for reimbursement on the replacement equipment. Incentive funding can only be used to pay for items essential to the operation of the equipment.

C. Overall Project timing

1. Contractor shall complete the equipment replacement activities and all new equipment shall be operational no later than December 31, 2017.
2. The new equipment must not have been ordered or purchased prior to the effective date of this Grant Agreement.

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D. Project Tasks. The major tasks that are to be performed to complete the replacements are:

- Task 1: Contractor shall identify a qualified salvage facility located within San Diego County and submit a letter (Attachment B) from the facility stating that they are willing and able to accept the baseline equipment/engine and destroy them in accordance with the requirements of Carl Moyer Guidelines and this agreement.
- Task 2: New reduced emission equipment to be ordered within 90 days of Grant Agreement execution.
- Task 3: New reduced emission equipment to be received within 90 days of completion of Task 2.
- Task 4: Contractor shall obtain proof of equipment/engine receipt (Attachment C) from the dismantler and submit it to the District within 10 days of delivering equipment to dismantler.
- Task 5: Contractor shall obtain proof of equipment/engine destruction (Attachment D) from the dismantler and submit it to the District within 10 days of equipment destruction.

E. Project Personnel

CONTRACTOR'S REPRESENTATIVE	
Karl Christensen	Charles Myers
Tory Long	

F. Description and Disposition of Baseline (Existing) Equipment

1. Listed below is the equipment to be replaced through this Grant Agreement.



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<b>BASELINE EQUIPMENT (Equipment to be replaced)</b>					
<b>Vehicle Information</b>		<b>Engine Information</b>			
<b>ID #</b>	<b>Type</b>	<b>Make &amp; Model</b>	<b>Year</b>	<b>HP</b>	<b>Serial Number</b>
15GAD0915J1030281 (Bus #118)	Phantom School Bus	Detroit Diesel 6V92T-15	1987	340	6VF152530

2. The baseline engine(s) and equipment listed above must be destroyed by a qualified salvage facility located within San Diego County within 60 days of the receipt of the new equipment. The baseline equipment must be rendered permanently unusable and irreparable by destroying the engine block and by compromising the structural integrity of the equipment. This may be achieved by cutting the structural components of the equipment or some other manner approved by the District. Documentation of the equipment's destruction must be provided to the District within 10 days of destruction. Reimbursement will not be processed until destruction documentation is provided to the District and a post-inspection of the new equipment and destroyed baseline equipment is performed.
  - a. Contractor shall notify the District upon removal and destruction of the engine block and equipment to schedule an inspection of the destroyed engine(s) and equipment at a qualified salvage facility. Although the baseline equipment must be destroyed within 60 days of the receipt of the new equipment, reimbursement cannot occur until documentation of the destruction is provided to the District and the District has completed an inspection of the destroyed engine(s) and equipment. It is recommended that the Contractor work with the salvage facility to destroy the engine and equipment as soon as possible after receiving the engine and equipment at their facility. Contractor will provide the District with a written timeline (Attachment C) for the destruction of the old engine block and old equipment upon delivering the existing equipment to the qualified salvage yard.
  - b. The existing equipment salvage value, if any, will be negotiated between the Contractor and the salvage facility.
  - c. Program funding is not available for any salvage or material disposal costs, including hazardous waste abatement fees, labor costs, fines, permit costs, or other charges resulting from destruction or disposal
  - d. Contractor and/or salvage facility shall notify the District upon the destruction of the engine block and equipment to schedule a dismantle inspection of the destroyed engine and equipment to be performed by the District. The District will inspect and photograph the destroyed engine and equipment unless it designates the salvage facility to perform this inspection.
  
3. Contractor certifies that fleet is in compliance with the In-Use On-Road Diesel Vehicle Regulation, Title 13, CCR § 2025 (if applicable).

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4. Contractor certifies that the baseline engines listed above were not manufactured under the flexibility provision, detailed in California Code of Regulations, title 13, section 2423(d).
5. Contractor certifies that they have owned and operated the baseline equipment in California for the previous two years.

**G. Description of New Equipment**

1. Listed below is the new replacement equipment authorized by this Grant Agreement.

<b>NEW EQUIPMENT (Reduced emission equipment/engine(s))</b>						
<b>Equipment Information</b>		<b>Engine Information</b>			<b>Activity Information</b>	
<b>ID#</b>	<b>Type</b>	<b>Year</b>	<b>HP</b>	<b>Emission Certification</b>	<b>% Operation in SD</b>	<b>In Service By</b>
TBD	School Bus	2017	260	0.20 g/bhp-hr NOx Std or Cleaner, 0.01 g/bhp-hr PM Std or cleaner	90%	12/31/2017

2. Carl Moyer Program Funds shall be used to fund only the new equipment listed above without modification unless otherwise approved in writing by the Contracting Officer or his designee.
3. Contractor may obtain financing to assist in the purchase of replacement equipment. Documentation of financing must be provided to the District.
4. Contractor shall notify the District upon purchase of the new replacement equipment to schedule a post-inspection. The District will inspect and photograph the new replacement equipment during the post-inspection.
5. The new or used replacement equipment must have an engine meeting the most recent California emission standard.
6. The certification emission standard and/or Tier designation for the engine must be determined from the ARB Executive Order or U.S. EPA Certificate of Conformity (for federally preempted engines) issued for that engine. ARB Executive Orders engines may be found at: <https://www.arb.ca.gov/msprog/onroad/cert/cert.php>.
7. The replacement equipment must serve the same function and perform the same work equivalent as the old equipment.

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8. Only the minimum attachments normally sold with the original equipment, as determined by the District, are eligible for reimbursement on the replacement equipment. Incentive funding can only be used to pay for items essential to the operation of the equipment.
9. Equipment may be purchased through an equipment dealer or a private party provided all required documentation is submitted and the equipment meets all requirements of the Program.
  - a. Contractor must provide a copy of the proof of sale for the replacement equipment to the District prior to reimbursement.
10. Contractor shall submit all required permits and or certification(s) for the new equipment. This documentation is required before issuance of any payment under this Grant Agreement.
11. Contractor shall ensure that equipment will operate within the District boundaries for no less than the percentage specified in Section G above for a period of not less than the Agreement Term as defined on the Signature Page.
12. Equipment Warranty and Insurance:
  - a. Prior to execution of this Grant Agreement, Contractor must obtain at its own cost and expense, and keep in force and effect during the Agreement Term as defined on the Signature Page, including all extensions, the insurance specified in Article X - Insurance Requirements, below. Contractor is responsible for securing warranty and maintaining insurance on the new equipment that is sufficient to repay the State's and/or District's investment in case of major damage to the new equipment at any time during the Agreement Term. The District must be listed as an additional insured during the Agreement Term. Proof of insurance will be required prior to any payment of funds under this Grant Agreement and must be submitted to the District within three days of receiving new equipment.
  - b. Contractor shall purchase a one-year power and drive train warranty for the new or used replacement equipment. The warranty must cover parts and labor. If the purchase of new or used equipment already includes a minimum one-year warranty as specified above, a separate supplemental warranty is not required. However, it is recommended that the highest grade warranty be purchased in order to avoid expensive repairs in the future. Warranty documentation must be provided to the District. Warranty costs are not eligible for funding.
  - c. In the event that the new equipment purchased under this Grant Agreement is in an accident, destroyed, stolen, or otherwise rendered permanently inoperable, the Contractor shall replace the new equipment with equivalent new equipment that, at a minimum, meets all Program requirements (including but not limited to, emission levels) to fulfill the remainder of Contractor's obligation under this Grant Agreement. As this situation will require an amendment to the existing Grant Agreement, Contractor must receive authorization from the District in advance of any repairs and/or purchases, and must provide any and all new equipment information to the District. Additional equipment

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inspections by District and/or ARB staff may be required. As an alternative, Contractor may return all or a portion of the Program grant funds.

**H. Equipment Maintenance.**

1. Contractor shall ensure that the equipment will be maintained according to the manufacturer's specifications for the Agreement Term. This includes not tampering with the equipment. The Contractor shall provide or procure, at its expense, preventive maintenance and repair contracts or service contracts on the equipment acquired through this Grant Agreement. Such contracts shall be provided by the Contractor itself or by reputable companies generally known to have such expertise. The Contractor shall maintain a plan as to how this requirement will be met and this plan shall be available for District review within 15 days of District's request. The Contractor shall maintain a separate record on maintenance and repairs for each piece of equipment. The repairs performed on each piece of equipment shall be reported with the status report of the corresponding period (see Section I, Reporting Requirements below).

**I. Reporting Requirements**

1. Contractor shall submit annual Project status reports to the District (see Attachment A). These reports shall include updates on Project completion and implementation, documentation of operations within San Diego County boundaries, mileage, and brief descriptions of equipment maintenance and repairs.
  - a. Contractor shall submit the first Project status report on October 31, 2017. This report shall provide updates on the status of the tasks required to complete the Project, including dates tasks were accomplished, remaining tasks to be completed, and the anticipated completion date of the project.
  - b. Contractor shall submit the remainder of the Project status reports annually for the remainder of the Agreement Term. The annual reports are due on **December 31** each year.
2. The reporting requirements end with submission of the **December 31, 2024**, report.
3. Non-compliance with these reporting requirements may result in the District's withholding of final payment, on-site monitoring, and/or Termination for Default (Article VI, Termination below).

**J. Recordkeeping**

1. Contractor shall maintain records sufficient to provide information regarding annual mileage, location of operations, invoices, general maintenance details, correspondence associated with the application, award, agreement, monitoring, enforcement, reporting requirements, and any other available information that may be deemed pertinent to the evaluation of the program for at least three years after the end of the Agreement Term specified on the Signature Page. Records shall

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be readily available and accessible to the District, ARB, or a designated representative upon request for the purposes of ongoing evaluations or auditing.

2. If this Grant Agreement is completely or partially terminated, the records relating to the work terminated and any work completed prior to termination shall be retained for a period of three years from the date of any resulting final settlement and shall be made available to the District, ARB, or a designated representative upon request.
  3. Records which relate to appeals under the "Disputes" clause of this Grant Agreement, or litigation or the settlement of claims arising out of the performance of this Grant Agreement, shall be retained until such appeals, litigation, or claims have been disposed of, or three years after Agreement completion, whichever is longer, and shall be made available to District, ARB, or a designated representative upon request.
- K. Air Pollution Control District Recognition. Recognition of District and Carl Moyer funding for this Project shall be included in all reports and information packages produced for the Project. When practical, the District will supply a logo to be placed on the funded equipment to recognize District and/or Carl Moyer funding in areas accessible to the general public.

**ARTICLE IV  
COMPENSATION**

A. Payment Schedule

1. Prior to submitting an invoice for payment under this Grant Agreement, the Contractor shall:
  - a. Ensure that the specified equipment was delivered, installed and is fully operational;
  - b. Inspect and accept the Project and the costs of the equipment;
  - c. Ensure that the equipment is returned to full operational service and obtain required documentation including, but not limited to, permits and certifications;
  - d. Complete destruction of the baseline engine(s), verify that the engine(s) has been rendered useless and scrapped, and submit documentation of required permits and certifications with the invoice (if applicable). Reimbursement cannot occur until documentation of the destruction is provided to the District and the District has completed an inspection of the destroyed engine(s) and equipment.
2. Upon completion of the Project, but in no event sooner than the old equipment is destroyed, Contractor shall submit an itemized invoice to the District. The invoice shall have sufficient supporting documentation including, but not limited to the make, model, and serial numbers for the new equipment, equipment manufacturer's invoice, and the invoice from equipment installer. An invoice shall be itemized to include enough detail to ensure that the District provides reimbursement only for eligible project costs, yet be clear and concise enough to be understandable. The District shall review the itemized invoice and only pay for eligible expenses

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up to the funding caps established by the Program Guidelines and this Grant Agreement. The invoice shall not exceed the contract maximum specified on the Grant Agreement Signature Page.

3. The District shall issue a reimbursement check made out to the Contractor for the invoice eligible costs, not to exceed the full amount of the award, upon receipt of the following:
  - a. Invoice Form (Attachment – Form 1).
    - 1) Invoice Form must have the same date as the final invoice from the dealer (or later.)
  - b. Copy of the final invoice from the dealer and signed by all parties.
  - c. Copy of the ARB Engine Executive Order.
  - d. Proof of insurance (Certificate of Liability).
    - 1) Certificate of Liability must state “County of San Diego Air Pollution Control District” as Additional Insured.
  - e. Proof of warranty on the new equipment from the dealer or manufacturer.
  - f. A successful post-inspection.
  - g. Copy of the “Verification of Receipt of Vehicle(s)/Engine(s) to be Dismantled/ Destroyed Form” received from dismantler.
  - h. Equipment destruction documentation.
4. Payment shall be made within 30 days of the COTR’s approval of the invoice, unless otherwise stated. Each invoice so approved and paid shall constitute full and complete compensation to Contractor for the work completed pursuant to this Grant Agreement.
5. The District shall comply with all State and federal tax reporting requirements associated with the payment of Program funds to equipment owners and/or dealers. This may include requiring the submittal of tax information using federal tax Form W-9, and issuing a federal Form 1099 to the equipment owner receiving grant funds. The District shall also report the applicable tax information to the California Franchise Tax Board and federal Internal Revenue Service.
  - a. The District recommends that the Contractor consult with a professional tax advisor about possible tax implications.
6. For projects where the Contractor must demonstrate that specific regulatory compliance requirements have been met, in order to receive funding, the District may not pay invoices until the Contractor has provided documentation that the requirements have been achieved. A Contractor may demonstrate this via a detailed letter signed by the vehicle or equipment owner or legal representative or, if the regulation requires ARB (or the air district) to certify compliance,

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through ARB (or air district) certification. For more information, see the associated category chapter of the Carl Moyer Program Guidelines.

- B. Conditions Prerequisite to Payments. The District may elect not to make a particular payment if any of the following exists:
1. Misrepresentation. Contractor, with or without knowledge, made any misrepresentation of substantial and material nature with respect to any information furnished to the District.
  2. Unauthorized Actions by Contractor. Contractor took any action pertaining to this Grant Agreement, which required District approval, without having first received said District approval.
  3. Default. Contractor was in default under any terms and conditions of this Grant Agreement.
- C. Availability of Funding. The District's obligation for payment of any Grant Agreement funds is contingent upon the availability of funding from which payment can be made. No legal liability on the part of the District shall arise for payment unless funds are designated by the District and are made available for such performance.
- D. Disallowance. In the event the Contractor receives payment for services under this Grant Agreement which is later disallowed by the District, Contractor shall promptly refund the disallowed amount to the District on request, or at its option, the District may offset the amount disallowed from any payment due or to become due to Contractor under any Grant Agreement with the District.

**ARTICLE V  
DISPUTES**

Notwithstanding any provision of this Grant Agreement to the contrary, the Contracting Officer shall decide any dispute concerning a question of fact arising out of this Grant Agreement that is not otherwise disposed of by the parties within a reasonable period of time. The decision of the Contracting Officer shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary, or so grossly erroneous as necessarily to imply bad faith. Contractor shall proceed diligently with its performance hereunder pending resolution by the Contracting Officer of any such dispute. Nothing herein shall be construed as granting the Contracting Officer or any other administrative official, representative, or board authority to decide questions of law.

**ARTICLE VI  
TERMINATION**

- A. Termination Due to Lack of Funding. The District shall have the right to terminate this Grant Agreement or reduce compensation proportionately upon 30 days written notice to Contractor in the event that federal, State, or District funding for this Grant Agreement ceases or is reduced prior to the ordinary expiration of the term of this Grant Agreement. Contractor shall not incur any additional expenses pursuant to this Grant Agreement during the 30-day notice period. In the event of reduction of funding for the Grant Agreement, the District and Contractor shall meet upon 10 days written notice

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by the District to renegotiate this Grant Agreement based upon the modified level of funding. In this case if no agreement is reached between the District and Contractor within 10 days of the first meeting, either party shall have the right to terminate this Grant Agreement upon 10 days written notice of termination. In the event of termination of this Grant Agreement in accordance with the terms of this section, Contractor shall be entitled to retain all sums paid as of the effective date of such termination, subject to any payment offset to which the District may be entitled, for damages or otherwise, under the terms of this Grant Agreement. In the event of termination of this Grant Agreement pursuant to this section, in no event shall Contractor be entitled to any loss of profits on the portion of this Grant Agreement so terminated, or to other compensation, benefits, reimbursements or ancillary services other than as herein expressly provided.

**B. Termination for Default**

1. The District may immediately suspend or terminate this Grant Agreement, in whole or in part, upon written notice to the Contractor where, in the determination of the District, the Contractor fails to comply with any material term of this Grant Agreement during the Agreement Term, either prior to or after the new equipment is placed into service. This includes, but is not limited to the following:
  - a. Failure to purchase the new equipment and place into service within the timeframe specified in Article III;
  - b. Failure to comply with timelines for the scrapping of the old equipment or submission of an invoice that fails to meet the program requirements;
  - c. Failure to allow an electronic monitoring device to be installed on equipment under this Grant Agreement or tampering with an installed device or data;
  - d. Misuse of vendors' payments;
  - e. Insufficient, incomplete, or faulty project documentation;
  - f. Failure to provide documentation or reports in a timely manner.
2. Upon termination, the District shall have the right to demand of Contractor the repayment to the District of any funds disbursed to the Contractor under this Grant Agreement, which, in the judgment of the District, were not expended in accordance with the terms of this Grant Agreement or the Program Guidelines. Contractor shall promptly refund any such funds upon demand.

**C. Termination for Convenience.** The District may, by written notice stating the extent and effective date, terminate this Grant Agreement for convenience in whole or in part, at any time. The District shall pay the Contractor as full compensation for performance until such termination:

1. The unit or pro rata price for any delivered and accepted portion of the work;



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2. A reasonable amount, as costs of termination, not otherwise recoverable from other sources by the Contractor as approved by the District, with respect to the undelivered or unaccepted portion of the order, provided compensation hereunder shall in no event exceed the total price;
  3. In no event shall the District be liable for any loss of profits on the resulting order or portion thereof so terminated.
- D. Remedies Not Exclusive. The District, ARB (as an intended third-party beneficiary), or a designated representative of the District or ARB, reserve the right to monitor and inspect the equipment, enforce the terms of this Grant Agreement, and pursue repayment of Program funds for non-compliance with the terms and conditions of this Grant Agreement or applicable State laws or regulations at any time during the Agreement Term as defined on the Signature Page. The District or ARB may also prohibit Contractor and specific equipment from participation in any future incentive programs. The rights and remedies of the District and ARB provided in this article shall not be exclusive and are in addition to any other rights and remedies provided by law or equity.
- E. No Implied Waiver. In no event shall any payment by the District constitute a waiver by the District of any breach of this Grant Agreement or any default, which may then exist on the part of the Contractor. Neither shall such payment impair or prejudice any remedy available to the District with respect to the breach or default. The District shall have the right to demand of Contractor the repayment to the District of any funds disbursed to the Contractor under this Grant Agreement, which, in the judgment of the District, were not expended in accordance with the terms of this Grant Agreement or the Program Guidelines. Contractor shall promptly refund any such funds upon demand. The District may prohibit Contractor and specific equipment from participation in any future incentive programs. In addition to immediate suspension or termination, the District may impose any other remedies available by law, in equity, or otherwise specified in this Grant Agreement.

**ARTICLE VII  
COMPLIANCE WITH LAWS AND REGULATIONS**

- A. Compliance with Laws and Regulations. Contractor shall at all times perform its obligations hereunder in compliance with all applicable federal, State, County, city, and District laws and regulations.
- B. Contractor Permits and License. Contractor certifies that it possesses and shall continue to maintain or shall cause to be obtained and maintained, at no cost to the District, all approvals, permissions, permits, licenses, and other forms of documentation required for it and its employees to comply with all existing foreign or domestic statutes, ordinances, and regulations, or other laws, that may be applicable to performance of this Grant Agreement. The District reserves the right to reasonably request and review all such applications, permits, and licenses at any time during the Agreement Term as defined on the Signature Page.
- C. Equal Opportunity. Contractor shall comply with the provisions of Title VII of the Civil Rights Act of 1964 in that it will not discriminate against any individual with respect to his or her compensation, terms, conditions, or privileges of employment nor shall Contractor discriminate in any way that would deprive or intend to deprive any individual of employment opportunities or otherwise adversely affect

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his or her status as an employee because of such individual's race, color, religion, sex, national origin, age, handicap, medical condition, sexual orientation, or marital status.

- D. **Hazardous Materials.** Contractor shall comply with all Environmental Laws and all other laws, rules, regulations, and requirements regarding Hazardous Materials, health and safety, notices, and training. Contractor agrees to take, at its expense, all actions necessary to protect third parties, including, without limitation, employees and agents of the District, from any exposure to Hazardous Materials generated or utilized in its performance under this Grant Agreement. Contractor agrees to report to the appropriate governmental agencies all discharges, releases, and spills of Hazardous Materials that are required to be reported by any Environmental Law and to immediately notify the District of it. Contractor shall not be liable to the District for the District's failure to comply with, or violation of, any Environmental Law. As used in this section, the term "Environmental Laws" means any and all federal, state, or local laws or ordinances, rules, decrees, orders, regulations, or court decisions (including the so-called "common law"), including, but not limited to, the Resource Conservation and Recovery Act, relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions, or other similar substances or conditions. As used in this section the term "Hazardous Materials" means any chemical, compound, material, substance, or other matter that: (1) is a flammable, explosive, asbestos, radioactive nuclear medicine, vaccine, bacteria, virus, hazardous waste, toxic, overtly injurious or potentially injurious material, whether injurious or potentially injurious by itself or in combination with other materials; (2) is controlled, referred to, designated in or governed by any Environmental Laws; (3) gives rise to any reporting, notice, or publication requirements under any Environmental Laws, or (4) is any other material or substance giving rise to any liability, responsibility, or duty upon the District or Lessee with respect to any third person under any Environmental Laws.
- E. **Debarment and Suspension.** Contractor certifies that it, its principals, its employees, and its subcontractors:
1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
  2. Have not within a three-year period preceding this Grant Agreement been convicted of or had a civil judgment rendered against them for the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction; violation of federal or state anti-trust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  3. Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated in the paragraph above; and
  4. Have not within a three-year period preceding this Grant Agreement had one or more public transaction (federal, state, or local) terminated for cause or default.

**ARTICLE VIII**

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**CONFLICTS OF INTEREST; CONTRACTOR'S CONDUCT**

- A. Conflicts of Interest. Contractor presently has no interest, including but not limited to, other projects or independent agreements, and shall not acquire any such interest, direct or indirect, which would conflict in any manner or degree with the performance of work required to be performed under this Grant Agreement. The Contractor shall not employ any person having any such interest in the performance of this Grant Agreement.
- B. Conduct of Contractor.
1. Contractor shall inform the District of all the Contractor's interests, if any, which are or which the Contractor believes to be, incompatible with any interests of the District or of the County of San Diego.
  2. The Contractor shall not, under circumstances that might reasonably be interpreted as an attempt to influence the recipient in the conduct of his duties, accept any gratuity or special favor from individuals or organizations with whom the Contractor is doing business or proposing to do business, in accomplishing the work under this Grant Agreement.
  3. The Contractor, or employees thereof, shall not offer directly or indirectly gifts, gratuity, favors, entertainment, or other items of monetary value to an employee or official of the District.
- C. Prohibited Agreements. Contractor certifies that it is not, and will not subcontract with, any of the following:
1. Persons employed by the District; or
  2. Profit-making firms or businesses in which employees employed by the District, or by public agencies for which the County of San Diego Board of Supervisors is the governing body, serve as officers, principals, partners, or major shareholders; or
  3. Persons who, within the immediately preceding twelve months came within the provisions of the above sub-sections and who: (a) were employed in positions of substantial responsibility in the area of service to be performed by the Grant Agreement, or (b) participated in any way in developing the Grant Agreement or its service specifications; or
  4. Profit-making firms or businesses in which the former employees described in sub-section 3 above, serve as officers, principals, partners, or major shareholders.

**ARTICLE IX  
INDEMNITY AND RESPONSIBILITY FOR EQUIPMENT**

- A. Indemnity. The District, ARB, and the County of San Diego (County) shall not be liable for, and Contractor shall defend and indemnify the District, the County, ARB, and the employees and agents of the District, the County, and ARB (collectively "Indemnified Parties"), against any and all claims, demands, liability, judgments, awards, fines, mechanics' liens or other liens, labor disputes, losses,

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damages, expenses, charges or costs of any kind or character, including attorneys' fees and court costs (hereinafter collectively referred to as "Claims"), related to this Grant Agreement and arising either directly or indirectly from any act, error, omission, or negligence of Contractor or its contractors, licensees, agents, servants, or employees, including, without limitation, Claims caused by the concurrent negligent act, error or omission, whether active or passive, of Indemnified Parties. Contractor shall have no obligation, however, to defend or indemnify Indemnified Parties from a Claim if it is determined by a court of competent jurisdiction that such Claim was caused by the sole negligence or willful misconduct of an Indemnified Party.

- B. Responsibility for Equipment. The Contractor shall not hold the District, the County, or ARB responsible nor shall the District, the County, or ARB be held liable for any damage to person or property resulting from the use, misuse, or failure of any equipment by Contractor, its agents, employees, third party independent contractors or permissive users, even if such equipment is furnished, rented, or loaned to Contractor by the District or the County. Contractor accepts full responsibility for and agrees to defend, exonerate, indemnify, and hold harmless the District, the County, and ARB from and against any and all claims for any damage whatsoever resulting from the use, misuse, or failure of such equipment whether such damage be to the employee or property of Contractor, the District, the County, ARB, or of any other persons. Equipment includes, but is not limited to the engines, equipment, or vehicles and any associated accessories purchased for use with the equipment.

**ARTICLE X  
INSURANCE REQUIREMENTS**

- A. Insurance Requirements for Contractors. Without limiting Contractor's indemnification obligations to APCD, Contractor shall provide at its sole expense and maintain for the duration of this contract, or as may be further required herein, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of the work by the Contractor, his agents, representatives, employees or subcontractors.
1. Minimum Scope of Insurance. Coverage shall be at least as broad as:
    - a. Commercial General Liability, Occurrence form, Insurance Services Office form CG0001.
    - b. Automobile Liability covering all owned, non owned, hired auto Insurance Services Office form CA0001.
    - c. Workers' Compensation, as required by State of California and Employer's Liability Insurance.
    - d. Professional Liability required if Contractor provides or engages any type of professional services, including but not limited to medical professionals, counseling services, or legal services.
  2. Minimum Limits of Insurance. Contractor shall maintain limits no less than:

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- a. Commercial General Liability including Premises, Operations, Products and Completed Operations, Contractual Liability, and Independent Contractors Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. The General Aggregate limit shall be \$2,000,000.
  - b. Automobile Liability: \$1,000,000 each accident for bodily injury and property damage.
  - c. Employer's Liability: \$1,000,000 each accident for bodily injury or disease. Coverage shall include waiver of subrogation endorsement in favor of APCD.
  - d. Professional Liability: \$1,000,000 per claim with an aggregate limit of not less than \$2,000,000. Any self-retained limit shall not be greater than \$25,000 per occurrence/event without APCD's COTR's approval. Coverage shall include contractual liability coverage. If policy contains one or more aggregate limits, a minimum of 50% of any such aggregate limit must remain available at all times; if over 50% of any such aggregate limit has been paid or reserved, APCD will require additional coverage to be purchased by Contractor to restore the required limits. This coverage shall be maintained for a minimum of two years following termination of completion of Contractor's work pursuant to the Contract.
3. Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be declared to and approved in writing by the APCD's COTR. At the option of the APCD, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the APCD, the members of the Board of the APCD and the officers, agents, employees and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the APCD guaranteeing payment of losses and related investigations, claim administration, and defense expenses.
4. Other Insurance Provisions. The general liability and automobile liability policies are to contain, or be endorsed to contain the following provisions:
- a. Additional Insured Endorsement. Any general liability policy provided by Contractor shall contain an additional insured endorsement applying coverage to the APCD, the members of the Board of the APCD and the officers, agents, employees and volunteers of the APCD, individually and collectively.
  - b. Primary Insurance Endorsement. For any claims related to this Contract, the Contractor's insurance coverage shall be primary insurance as respects the APCD, the members of the Board of the APCD and the officers, agents, employees and volunteers of the APCD, individually and collectively. Any insurance or self-insurance maintained by the APCD, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
  - c. Notice of Cancellation. Each required insurance policy shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written

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2017 Carl Moyer Program State Reserve Fund  
SCHOOL BUS REPLACEMENT PROJECT**

**CONTRACT NO. \_\_\_\_\_**

notice by certified mail, return receipt requested, has been given to the APCD at the address shown in section of Contract entitled "Notices."

- d. Severability of Interest Clause. Coverage applies separately to each insured, except with respect to the limits of liability, and that an act or omission by one of the named insureds shall not reduce or avoid coverage to the other named insureds.

**B. General Provisions**

1. Qualifying Insurers. All required policies of insurance shall be issued by companies which have been approved to do business in the State of California by the State Department of Insurance, and which hold a current policy holder's alphabetic and financial size category rating of not less than A-, VII according to the current Best's Key Rating guide, or a company of equal financial stability that is approved in writing by APCD's COTR.
2. Evidence of Insurance. Prior to commencement of this Contract, but in no event later than the effective date of the Contract, Contractor shall furnish the APCD with certificates of insurance and amendatory endorsements effecting coverage required by this clause. Contractor shall furnish certified copies of the actual required insurance policies within thirty days after commencement of Contract. Thereafter, copies of renewal policies, certificate and amendatory endorsements shall be furnished to APCD within thirty days of the expiration of the term of any required policy. Contractor shall permit APCD at all reasonable times to inspect any policies of insurance, which Contractor has not delivered to APCD.
3. Failure to Obtain or Maintain Insurance; APCD's Remedies. Contractor's failure to provide insurance specified or failure to furnish certificates of insurance, amendatory endorsements and certified copies of policies, or failure to make premium payments required by such insurance, shall constitute a material breach of the Contract, and APCD may, at its option, terminate the Contract for any such default by Contractor.
4. No Limitation of Obligations. The foregoing insurance requirements as to the types and limits of insurance coverage to be maintained by Contractor, and any approval of said insurance by the APCD are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Contractor pursuant to the Contract, including, but not limited to, the provisions concerning indemnification.
5. Review of Coverage. APCD retains the right at any time to review the coverage, form and amount of insurance required herein and may require Contractor to obtain insurance reasonably sufficient in coverage, form and amount to provide adequate protection against the kind and extent of risk which exists at the time a change in insurance is required.
6. Self-Insurance. Contractor may, with the prior written consent of APCD's COTR, fulfill some or all of the insurance requirements contained in this Contract under a plan of self-insurance. Contractor shall only be permitted to utilize such self-insurance if in the opinion of APCD's COTR, Contractor's (i) net worth, and (ii) reserves for payment of claims of liability against Contractor, are sufficient to adequately compensate for the lack of other insurance coverage

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required by this Contract. Contractor's utilization of self-insurance shall not in any way limit liabilities assumed by Contractor under the Contract.

7. Claims Made Coverage. If coverage is written on a "claims made" basis, the Certificate of Insurance shall clearly so state. In addition to the coverage requirements specified above, such policy shall provide that:
  - a. The policy retroactive date coincides with or precedes Contractor's commencement or work under the Contract (including subsequent policies purchased as renewals or replacements).
  - b. Contractor will make every effort to maintain similar insurance during the required extended period of coverage following expiration of the Contract, including the requirement of adding all additional insureds.
  - c. If insurance is terminated for any reason, Contractor shall purchase an extended reporting provision of at least two years to report claims arising in connection with the Contract.
  - d. The policy allows for reporting of circumstances or incidents that might give rise to future claims.
8. Subcontractors' Insurance. Contractor shall require that any and all Subcontractors hired by Contractor are insured in accordance with this Contract. If any Subcontractors coverage does not comply with the foregoing provisions, Contractor shall defend and indemnify the APCD from any damage, loss, cost or expense, including attorney fees, incurred by APCD as a result of Subcontractors failure to maintain required coverage.
9. Waiver of Subrogation. Contractor and APCD release each other, and their respective authorized representatives, from any Claims (as defined in the Article IX entitled "Indemnity" of this Grant Agreement), but only to the extent that the proceeds received from any policy of insurance carried by APCD or Contractor, other than any self-insurance, covers any such Claim or damage. Included in any policy or policies of insurance provided by Contractor hereunder shall be a standard waiver of rights of Subrogation against APCD by the insurance company issuing said policy or policies.

**ARTICLE XI  
INSPECTION OF WORK**

- A. Subject to Inspection. All work performed subject to this Grant Agreement shall be subject to inspection and test by the District, ARB, or the designated representative of the District or ARB, at all times during the term of this Grant Agreement. Contractor shall cooperate with any inspector assigned by the District or ARB to permit the inspector to determine whether Contractor's performance conforms to the requirements of this Grant Agreement or the Program Guidelines. The District shall perform such inspection in a manner as not to unduly interfere with Contractor's performance.
- B. Inspector Safety.

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1. It is the responsibility of the equipment owner to ensure that the location selected for project inspection is safe for District staff to visit, and meets all Cal OSHA requirements that are applicable to the relevant industry. If an inspection is being scheduled for a location that has potential safety hazards or specific safety procedures, the individual coordinating the inspection must inform the District staff/inspector of these conditions and safety procedures in advance of the inspection. The individual coordinating the inspection shall have a contact on-site who will review any potential safety hazards with the inspector prior to the site visit and who will escort the inspector throughout their time on-site.
  2. Unsafe conditions for project inspections can be caused by:
    - Physical hazards
    - Chemical hazards
    - Mechanical hazards
    - Utility hazards
    - Workplace conditions/environment
  3. District staff members have been instructed to leave the site immediately if they feel unsafe at an inspection location. Failure to provide a safe location for a grant inspection can result in delays to the project and payment schedule, and will result in the loss of grant funds if staff is unable to conduct the required inspections.
- C. Specification and Requirements. If any work performed by Contractor does not conform to the requirements of this Grant Agreement or the Program Guidelines, the District may require Contractor to re-perform the work and comply with the terms of this Grant Agreement or Program Guidelines, at no additional cost, and the District may withhold payment for work pursuant to the Grant Agreement until Contractor correctly performs.

**ARTICLE XII  
USE OF DOCUMENTS AND REPORTS**

- A. Findings Confidential. Any reports, information, data, etc., given to or prepared or assembled by Contractor under this Grant Agreement, which the District requests to be kept as confidential shall not be made available to any individual or organization by the Contractor without the prior written approval of the District.
- B. Publication, Reproduction, or Use of Materials. No material produced, in whole or in part, under this Grant Agreement shall be subject to copyright in the United States or in any other country. The District shall have unrestricted authority to publish, disclose, distribute, and otherwise use, in whole or in part, any reports, data or other materials prepared under this Grant Agreement. All reports, data and other materials prepared under this Grant Agreement shall be the property of the District upon completion of this Grant Agreement.

**ARTICLE XIII  
OWNERSHIP**



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District and Contractor agree that ownership of the equipment, engine(s), or vehicle(s) that is/are involved in this Grant Agreement is with the Contractor, or its designee that has been approved by the District and has entered into a novation of this Grant Agreement with the District. The District shall be listed as "also insured" on the insurance policy for the vehicle(s) involved in this Grant Agreement.

**ARTICLE XIV  
GENERAL PROVISIONS**

- A. **Assignment and Subcontracting.** Contractor may not assign, sell, transfer, license, or subcontract any rights or obligations to a third party without the express prior consent of the District. If the original owner of the specified new equipment chooses to sell the new equipment for any reason, or is required to replace the new equipment with cleaner equipment prior to the end of the Agreement Term, the Contractor shall notify the District and receive prior written consent for the transaction from the District. Prior to completing the transaction, the Contractor understands that it is its responsibility to inform the party purchasing the new equipment of the Grant Agreement provisions and disclose the remaining Grant Agreement Term. The Contractor shall be responsible for ensuring that the new owner enters into a novation of this Grant Agreement with the District in order to facilitate the transfer of the Grant Agreement provisions and their enforceability against the new owner. The Contractor shall provide the prospective new owner with valid contact information for the District so the new owner can obtain a novation of this Grant Agreement. Contractor understands that it shall not be relieved of its legal obligation to fulfill the conditions of this Grant Agreement unless the new owner has assumed responsibility through an executed novation of this Grant Agreement.
- B. **Contingency.** This Grant Agreement shall bind the District only when signed by the Air Pollution Control Officer, or his designee.
- C. **Entire Agreement.** This Grant Agreement, together with all sections attached hereto and other agreements expressly referred to herein, constitute the entire agreement between the parties with respect to the subject matter contained herein. All prior or contemporaneous agreements, understandings, representations, warranties, and statements, oral or written, including any proposals from Contractor and requests for proposals from the District, are superseded.
- D. **Sections and Attachments.** All sections and attachments referred to herein are attached hereto and incorporated by reference. In the event that the terms of this Grant Agreement conflict with any of the terms in any attachment hereto, the terms of this Grant Agreement shall take precedence.
- E. **Further Assurances.** Parties agree to perform such further acts and to execute and deliver such additional documents and instruments as may be reasonably required in order to carry out the provisions of this Grant Agreement and the intentions of the parties.
- F. **Governing Law.** This Grant Agreement shall be governed, interpreted, construed and enforced in accordance with the laws of the State of California.

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- G. Headings. The article captions, clause and section headings used in this Grant Agreement are inserted for convenience of reference only and are not intended to define, limit, or affect the construction or interpretation of any term or provision hereof.
- H. Modifications; Waivers. Except as otherwise provided in Article II, "Grant Agreement Administration," above, no modification, waiver, amendment or discharge of this Grant Agreement shall be valid unless the same is in writing and signed by both parties.
- I. Neither Party Considered Drafter. Despite the possibility that one party may have prepared the initial draft of this Grant Agreement or played the greater role in the physical preparation of subsequent drafts, neither party shall be deemed the drafter of this Grant Agreement and that, in construing this Grant Agreement in case of any claim that any provision hereof may be ambiguous, no such provision shall be construed in favor of one party on the ground that such provision was drafted by the other.
- J. No Other Inducement. The making, execution, and delivery of this Grant Agreement by the parties hereto have been induced by no representations, statements, warranties, or agreements other than those expressed herein.
- K. Notices. Notice to either party shall be in writing and either personally delivered or sent by certified mail, postage prepaid, return receipt requested. Notices shall be addressed to the Contractor's Representative at the address specified on the Grant Agreement Article III, Section E and/or the COTR at the address specified on the Grant Agreement Signature Page. Any such notice shall be deemed received on the date of personal delivery to the party (or such party's authorized representative) or three business days after deposit in the U.S. Mail.
- L. Severability. If any term, provision, covenant, or condition of this Grant Agreement is held to be invalid, void, or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder of this Grant Agreement shall not be affected thereby, and each term, provision, covenant, or condition of this Grant Agreement shall be valid and enforceable to the fullest extent permitted by law.
- M. Successors. Subject to the limitations on assignment set forth in paragraph A above, all terms of this Grant Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective heirs, legal representatives, successors, and assigns.
- N. Time. Time is of the essence of each provision of this Grant Agreement.
- O. Force Majeure. It is understood that the District, ARB, and the Contractor are not liable for delay or failure in performance resulting from acts beyond their control.
- P. Time Period Computation. All periods of time referred to in this Grant Agreement shall include all Saturdays, Sundays, and State or national holidays, unless the period of time specifies business days, provided that if the date or last date to perform any act or give any notice or approval shall fall on a Saturday, Sunday, or state or national holiday, such act or notice may be timely performed or given on the next succeeding day which is not a Saturday, Sunday, or State or national holiday.

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- Q. Waiver. The waiver by one party of the performance of any term, provision, covenant, or condition shall not invalidate this Grant Agreement, nor shall it be considered as a waiver by such party of any other term, provision, covenant, or condition. Delay by any party in pursuing any remedy or in insisting upon full performance for any breach or failure of any term, provision, covenant, or condition shall not prevent such party from later pursuing remedies or insisting upon full performance for the same or any similar breach or failure.
- R. Audit. The District, ARB, or designated representative(s) of the District or ARB reserve the right to perform fiscal audits of the project and/or to inspect equipment and documentation and enforce the terms of this Grant Agreement at any time during the Agreement Term.
- S. No Financial Third-Party Beneficiaries. Notwithstanding anything else stated to the contrary herein, it is understood that Contractor's services and activities under this Grant Agreement are being rendered only for the benefit of the District, and no other person, firm, corporation, or entity shall be deemed an intended financial third-party beneficiary of this Grant Agreement. However, ARB, as an intended third-party beneficiary, reserves the right to enforce the terms of this Grant Agreement at any time during the term to ensure emission reductions are obtained.

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**CONTRACT NO. \_\_\_\_\_**

**SIGNATURE PAGE**

**AGREEMENT TERM:** The term of this Grant Agreement shall be \_\_\_\_\_ (Effective Date), through December 31, 2024 (Agreement Term). The project shall be completed and become operational no later than December 31, 2017, with project implementation and reporting requirements continuing until December 31, 2024.

**COMPENSATION:** The District agrees to pay Contractor a sum not to exceed ONE HUNDRED FORTY THOUSAND, SEVENTY-NINE DOLLARS (\$140,079). The maximum contract amount shall not exceed the maximum funding level corresponding to the most current cost-effectiveness limits, nor the maximum percentage of total allowable costs eligible for Program funding.

**COTR:** The District has designated the following individual as the Contracting Officer's Technical Representative: **Andy Hamilton, 10124 Old Grove Rd, San Diego, CA 92131**  
**Tel No (858) 586-2641 and Fax No (858) 586-2801**  
**Email address: Andy.Hamilton@sdcounty.ca.gov**

**CONTRACTOR'S REPRESENTATIVE**

The Contractor's Representative, **Signator name**, shall review all contract documents and return two signed copies to the District. Once the contract is fully executed, one original signed copy will be retained by the District and one original signed copy will be sent to the Contractor.

**DISCLOSURE OF FUNDS**

By signing below, Contractor certifies that Contractor has not received prior incentive funding for the equipment specified in this Grant Agreement, and certifies that once the Contractor signs this Grant Agreement, the Contractor shall not submit another application or sign another contract for the equipment specified in this Grant Agreement with any other source of incentive funds, including but not limited to, other districts or State Air Resources Board. Any Contractor or designee found to have submitted multiple applications and or signed multiple incentive fund contracts for the same equipment without disclosure shall, at a minimum, be disqualified from funding for that equipment and may be prohibited from submitting future applications to any and all incentive program solicitations. The District and ARB may pursue all other available legal remedies for such conduct.

IN WITNESS WHEREOF, the parties hereto have caused this Grant Agreement to be executed on the dates written below.

FOR CONTRACTOR

FOR THE DISTRICT:

By: \_\_\_\_\_  
Signator name, title  
Santee School District

\_\_\_\_\_  
Robert J. Kard, Air Pollution Control Officer

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM AND LEGALITY  
COUNTY COUNSEL

BY: \_\_\_\_\_  
SENIOR DEPUTY

**ATTACHMENT A - Status Report  
 San Diego County Air Pollution Control District  
 Carl Moyer Program State Reserve Fund  
 SCHOOL BUS REPLACEMENT PROJECT**

<b>District Use Only</b>
Reviewed by: _____
Date: _____

Reporting Period:  Initial Report covering \_\_\_\_\_ through \_\_\_\_\_  
 Annual Report covering January 1, \_\_\_\_\_ through December 31, \_\_\_\_\_

Contractor Name: Santee School District Contract #: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

**Status of the tasks required to complete the project (if applicable)**

- Task 1: A salvage facility located within San Diego County has been identified and willing to accept and destroy baseline equipment and engine.  
 Complete – Date Completed: \_\_\_\_\_  Pending – Anticipated Completion Date: \_\_\_\_\_
- Task 2: New reduced emission Equipment to be ordered within 90 days of contract execution.  
 Complete – Date Completed: \_\_\_\_\_  Pending – Anticipated Completion Date: \_\_\_\_\_
- Task 3: New Reduced emission Equipment to be received within 90 days of completion of Task 2.  
 Complete – Date Completed: \_\_\_\_\_  Pending – Anticipated Completion Date: \_\_\_\_\_

EQUIPMENT USAGE				
Unit ID/VIN	Engine Make & Model	Engine Serial Number	Current Odometer Reading	% Operation in SD This Reporting Period

**Use this section to provide comments and updates on project completion/implementation, descriptions of any equipment maintenance and/or repairs and description of any conditions (such as weather, permits, major maintenance, etc.) that significantly impacted project usage**

I, the undersigned, certify that all equipment referenced in this report operated in accordance with the signed Agreement and that all information contained in this report is true and accurate.

Completed By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

**SAN DIEGO AIR POLLUTION CONTROL DISTRICT  
Carl Moyer State Reserve Fund  
School Bus Replacement Program**

**ATTACHMENT B  
Notice of Intent to Dismantle Equipment**

The following qualified dismantler has agreed to accept the equipment described below, and is willing and able to destroy the old equipment within 60 calendar days of receipt by the equipment owner of the replacement equipment in accordance with the Carl Moyer Program Guidelines and to notify the San Diego County Air Pollution Control District (District) within 10 calendar days of destruction in order to schedule a destruction inspection.

Name of Dismantler: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_ E-mail: \_\_\_\_\_

Equipment Owner Name: \_\_\_\_\_ Contract No.: \_\_\_\_\_

Equipment Information			Engine Information	
Vehicle ID#	Make & Model	Bus VIN	Make & Model	Serial Number

As a qualified dismantling facility, I certify to the following:

- Within 60 calendar days of receipt by the equipment owner of the replacement equipment, the above equipment will be physically destroyed and rendered useless in such a manner to eliminate the possibility of future operation.
- I will compromise the structural integrity of the equipment and engine block, and will complete all required paperwork for any state, local, or federal agency (if applicable).
- I agree to submit this documentation to the Equipment Owner or District for each piece of equipment listed above within 10 calendar days of equipment destruction.
- I will contact the Equipment Owner and/or District to schedule an inspection of the destroyed equipment. The equipment/engine(s) will not be removed or disposed of prior to the District's inspection.
- I understand that funding is not available for the salvage of any equipment, and that any existing equipment salvage value is to be negotiated between the Equipment Owner and the dismantler.

Name of Dismantler: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**SAN DIEGO AIR POLLUTION CONTROL DISTRICT  
Carl Moyer State Reserve Fund  
School Bus Replacement Program**

**ATTACHMENT C  
Verification of Receipt of Equipment to be Dismantled/Destroyed**

Name of Dismantler: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_ E-mail: \_\_\_\_\_

Equipment Owner Name: \_\_\_\_\_ Contract No.: \_\_\_\_\_

Information			Engine Information		Date New Equipment Received by Owner	Date Old Equipment Delivered to Dismantler
Vehicle ID#	Make & Model	Bus VIN	Make & Model	Serial Number		

I certify that the dismantler listed above is in receipt of the equipment and engine(s) listed above, along with any required title documents for each vehicle, and that this equipment and engine(s) will be physically destroyed, in such a manner to eliminate the possibility of future operation, as soon as possible, but no later than 60 days from Equipment Owner's receipt of the replacement equipment.

Destruction of the equipment shall adhere to the requirements of the Carl Moyer Program Guidelines which include cutting or severing the structural components of the equipment and engine block. The Dismantler and Equipment Owner agree to contact the District to inspect the destroyed equipment listed above, and to submit documentation of the equipment's destruction (Attachment D) within 10 days of destruction. The equipment/engine(s) will not be removed or disposed of prior to the District's inspection.

The dismantler also certifies that they will file all necessary and required documentation to the proper state, local, and federal agencies (if applicable).

**Dismantler:**

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Equipment Owner:**

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**SAN DIEGO AIR POLLUTION CONTROL DISTRICT  
Carl Moyer State Reserve Fund  
School Bus Replacement Program**

**ATTACHMENT D  
Certification of Equipment Dismantle/Destruction**

Name of Dismantler: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_ E-mail: \_\_\_\_\_

Equipment Owner Name: \_\_\_\_\_ Contract No.: \_\_\_\_\_

As a qualified dismantling facility, I certify to the following:

- The equipment listed above has been physically destroyed and rendered useless in such a manner to eliminate the possibility of future operation.
- I have compromised the structural integrity of the equipment and engine block.
- I have completed all required paperwork for any state, local, or federal agency (if applicable).
- I will contact the Equipment Owner and/or the District to schedule an inspection of the destroyed equipment/engine(s).
- The equipment/engine(s) will not be removed or disposed of prior to the District's inspection.

Name of Dismantler: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



**SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT  
CARL MOYER PROGRAM**

**Form 1: Invoice Form**

**Vehicle Replacement**

**Please mail completed form to:**

San Diego County Air Pollution Control District  
10124 Old Grove Road  
San Diego, CA 92131  
Attn: Andy Hamilton

<b>Contract Number:</b>	
<b>Invoice Number:</b>	
<b>Date:</b>	

Contractor Name: \_\_\_\_\_ Contract #: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone #: \_\_\_\_\_  
 Fax #: \_\_\_\_\_  
 Email Address: \_\_\_\_\_

**New Vehicle Information:**

Date	Vehicle Identification Number (List each vehicle separately)	New Vehicle Year	New Vehicle Model	Amount Paid	Grant Amount
<b>Total Claim</b>					

(Attach additional sheets if necessary)

If you have any questions, please contact Andy Hamilton  
at (858) 586-2641 or [Andy.Hamilton@sdcounty.ca.gov](mailto:Andy.Hamilton@sdcounty.ca.gov)

**FOR DISTRICT USE ONLY**

APPROVAL TO PAY	
CONTRACT NUMBER:	_____
AMOUNT:	_____
INSPECTION DATE:	_____
OK TO PAY _____	DATE: _____
_____	DATE: _____

Consent Item E.2.14.  
Prepared by Karl Christensen  
June 6, 2017

Adoption of Resolution No. 1617-47 to Authorize  
Piggyback on South County Support Services  
Agency Bid #14005 School Bus for Purchase of  
One 76 Passenger School Bus Using 2017 Carl  
Moyer Grant Funds

**BACKGROUND:**

Public Contract Code Section 20118 allows the use of piggybacking on other public agency contracts as long as piggybacking is included as a provision in the original bid. South County Support Services Agency has procured a school bus bid that has a piggyback procurement provision which was extended through March 11, 2018 to purchase school buses at reduced costs.

Administration recommends purchasing one additional 76 passenger bus from Creative Bus Sales to replace a diesel bus using funds from the 2017 Carl Moyer Grant Program.

**RECOMMENDATION:**

It is recommended that the Board of Education adopt Resolution No. 1617-47 to Authorize Piggyback on South County Support Services Agency Bid #14005 School Bus for Purchase of One 76 Passenger School Bus Using 2017 Carl Moyer Grant Funds.

This recommendation supports the following District goals:

**Learning Environment**

- Provide a safe, engaging environment that promotes creativity, innovation, and personalized learning.

**Fiscal Accountability**

- Financially support the vision, mission, and goals of the District by maximizing resources, controlling expenses, and managing assets to ensure fiscal solvency and flexibility.

**FISCAL IMPACT:**

The fiscal impact is \$148,587 purchase cost with grant funds paying \$140,079 and the General Fund paying \$8,508.

**STUDENT ACHIEVEMENT IMPACT:**

This is a fiscal item. All fiscal resources impact student achievement.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item E.2.14.

**RESOLUTION NO. 1617-47 OF THE GOVERNING BOARD  
OF THE SANTEE SCHOOL DISTRICT  
AUTHORIZING TO PIGGYBACK  
SOUTH COUNTY SUPPORT SERVICES AGENCY  
BID #14005**

**WHEREAS**, the South County Support Services Agency Bid #14005 process allows Districts to piggyback procurement of school buses at the same price and upon the same terms and condition as the awarding agencies pursuant to Sections 20118 and 20652 of the Public Contract Code of California, and

**WHEREAS**, the Santee School District wishes to purchase or contract for a school bus listed on the South County Support Services Agency Bid #14005, and

**WHEREAS**, this Board has determined it to be in the best interests of the District to purchase or contract for the above stated item from the bid award by the South County Support Services Agency,

**NOW, THEREFORE**, be it resolved that the Board of Education of Santee School District authorizes Santee School District to purchase a school bus using the South County Support Services Agency procurement bid #14005.

**BE IT FURTHER RESOLVED**, that Karl Christensen, Assistant Superintendent of Business Services, is hereby authorized and empowered to execute in the name of Santee School District all necessary documents to implement and carry out the purpose of this resolution.

I hereby certify the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted by the Board at a meeting held on the 6<sup>th</sup> day of June, 2017, by the following vote:

AYES:  
NOES:  
ABSENT:

STATE OF CALIFORNIA    )  
                                                  )  
COUNTY OF SAN DIEGO   )

I, Ken Fox, Clerk of the Board of Education, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted by said Board at a regularly called and conducted meeting held on said date.

---

Clerk of the Board

Consent Item E.3.1. Approval of Nonpublic Master Contract Appendix A with Devereux Advanced Behavior Health for Speech Therapy and Occupational Therapy Services

Prepared by Dr. Stephanie Pierce  
June 6, 2017

**BACKGROUND:**

As part of a student's Individual Education Program (IEP), occupational therapy and speech therapy are necessary for some students with disabilities to demonstrate educational progress. Earlier this year, a Santee student was placed at Devereux Advanced Behavior Health in Texas. The Board of Education approved the NPS portion of this student's program on 9/20/2016. The student's IEP calls for both speech and occupational therapy services which are not part of the daily NPS rate.

**RECOMMENDATION:**

Administration recommends the Board of Education approve the Nonpublic Master Contract Appendix A with Devereux Advanced Behavior Health (NPS) for one student for speech and occupational therapy for the term of 9/7/2016 through June 30, 2017. The Nonpublic Master Contract will be available at the Board Meeting for review.

This recommendation supports the following District goal:

- Assure the highest level of educational achievement for all students.

**FISCAL IMPACT:**

Devereux RTC	Number of Students	Duration of Service	Cost per Month	Total Cost
Speech Therapy	1	2 hours per month	270.00	\$2700.00
Occupational Therapy	1	2 hours per month	540.00	\$5400.00
TOTAL				\$8100.00

**STUDENT ACHIEVEMENT:**

Some students require speech/occupational therapy to demonstrate educational progress.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item E.3.1.

**BACKGROUND:**

The following personnel appointments, changes of status, leave requests, resignations, dismissals and consultant requests are submitted for Board consideration. Italicized information indicates a change.

**Certificated Staff**

A. New Appointments:

Employee	Location	Class/Step	Previous Annual Salary	New Annual Salary	Effective Date

B. Temporary Rehires:

Employee	Location	Class/Step	Previous Annual Salary	New Annual Salary	Effective Date

C. Change of Status/Location:

Employee	Location	Class/Step	Previous Annual Salary	New Annual Salary	Effective Date

D. Unpaid Leave Requests:

Employee	Location	Class/Step	Reason	Recommendation	Effective Date
1. Fabyan, Julia	Carlton Oaks	VI-09	Family Care	Approve	08-14-17 to 06-12-18

E. Resignations:

Employee	Location	Class/Step	Reason	Effective Date
1. Braun, Katharine	Sycamore Canyon	VI-30	Retirement	06-14-17
2. McLean, Thomas	Carlton Oaks	VI-29	Retirement	06-14-17

F. 39-Month Reemployment:

Employee	Location	Class/Step	Reason	Effective Date

G. Dismissals:

Employee	Location	Class/Step	Effective Date

**Classified Staff**

H. New Appointments:

Employee	Location	Position/Class/Hours	Previous Monthly Salary	New Monthly Salary	Effective Date
1. Oropeza, Isabel (replacing Karina Davidson)	Cajon Park	Campus Aide CA A / 2.0 hrs	\$0.00	\$455.00	05-18-17
2. Schultheiss, Hailey (replacing Robert Graham)	PRIDE Academy	Custodian II 23 A / 4.0 hrs	\$0.00	\$1,495.50	05-15-17

I. Rehires:

Employee	Location	Position/Class/Hours	Previous Monthly Salary	New Monthly Salary	Effective Date

## Classified Staff - continued

### J. Change of Status/Location:

Employee	Location	Position/Class/Hours	Previous Monthly Salary	New Monthly Salary	Effective Date
1. Martinez, Ramon (replacing Jennifer O'Reilly)	Human Resources	Secretary I 24 A / 8.0 hrs to <i>Benefits Technician</i> 27.5 A / 8.0 hrs	\$3,142.00	\$3,732.00	06-02-17
2. Ortiz, Kimberly	Sycamore Canyon	Project SAFE Assistant 17 A / 3.25 hrs to 17 A / 3.75 hrs	\$838.68	\$963.84	05-19-17

### K. Unpaid Leave Requests:

Employee	Location	Position/Class/Hours	Reason	Recommendation	Effective Date
1. Cutler, Judith	Rio Seco	Instructional Assistant, Special Ed I 20 E / 6.25 hrs	Family Care	Approve	05-17-17 to 06-13-17

### L. Resignations:

Employee	Location	Position	Reason	Effective Date
1. Hoye, Leslie	Cajon Park	Instructional Assistant, Special Ed I	Moving out of state	06-14-17
2. Jones, Kathy	Out of School Time	Secretary II (Department)	Retirement	07-01-17
3. O'Reilly, Jennifer	Human Resources	Benefits Technician	Professional Growth	06-02-17

### M. 39-63 Month Reemployment:

Employee	Location	Position/Class/Hours	Effective Date
1. Harris, Sharyl	Child Nutrition	Food Service Worker I / 19 E / 3.5 hrs	05-24-17
2. Mustafa, Summaya	Hill Creek	Early Childhood Assistant II / 18 A / 3.5 hrs	05-23-17 Corrected Date
3. Roessler, Nannette	Sycamore Canyon	Food Service Worker III / 22 E / 3.25 hrs	05-18-17

### N. Dismissals:

Employee	Location	Position	Effective Date

### **RECOMMENDATION:**

Administration recommends approval of listed personnel appointments, changes of status, leave requests, resignations, dismissals, and consultants. This recommendation supports the following District goal: Assure the highest quality of school district services, including, but not limited to, academic, social, emotional and health services by hiring and retaining employees with not only required technical skills in the areas of their responsibilities but also the ability to handle diverse challenges.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item E.4.1.

**BACKGROUND:**

At the end of each year, there is a need for additional support for the setup of promotion events and traffic control.

Education Code section 45103 allows a governing Board to employ "short term employees" by designating the classification needed and a start and end time for the service. Presented tonight for Board approval are several short term employment opportunities.

**RECOMMENDATION:**

It is recommended that the Board of Education approve short term employment for the following positions:

- Up to eight (8) mover positions for up to eight (8) hours per day, per person; June 9 – June 14, 2017 for promotion set up and traffic control

**FISCAL IMPACT:**

The cost to employ a short term mover position will be approximately \$149 per person, per day, and will be paid from the General Fund.

**STUDENT ACHIEVEMENT IMPACT:**

This is a fiscal item. All fiscal resources impact student achievement.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item E.4.2.

Consent Item E.4.3.

Approval of Medi-Cal Administrative Activities (SMAA)  
Agreement with Orange County Department of Education

Prepared by Tim Larson  
June 6, 2017

**BACKGROUND:**

This support services agreement for the Medi-Cal Administrative Activities (SMAA) Program is renewable on an annual basis. The Orange County Department of Education serves as the Local Education Consortium (LEC) agent for the southern region. The District is required to work with an LEC for the SMAA program. The term for this agreement is July 1, 2017 through June 30, 2018.

**RECOMMENDATION:**

It is recommended the Board of Education approve the agreement with the Orange County Department of Education for SMAA program support services.

**FISCAL IMPACT:**

The fee will be 4.5% of quarterly claims. Based on an estimate of \$36,255 in total claims, the cost could be \$1,631. Total cash receipts received to-date in Fiscal Year 2016-17 total \$36,255.

**STUDENT ACHIEVEMENT IMPACT:**

The MAA program revenues will be deposited into the general fund and will be used to support the instructional program as indicated.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item E.4.3.



SANTEE ELEMENTARY SCHOOL DISTRICT  
SCHOOL-BASED MEDI-CAL ADMINISTRATIVE ACTIVITIES (SMAA)  
PARTICIPATION AGREEMENT

This AGREEMENT is hereby entered into this 1st day of July, 2017, by and between the Orange County Superintendent of Schools, 200 Kalmus Drive, Costa Mesa, California 92626, Region 9 Local Educational Consortium (LEC), hereinafter referred to as SUPERINTENDENT, and the Santee Elementary School District, 9625 Cuyamaca Street, Santee, California 92071, hereinafter referred to as DISTRICT. SUPERINTENDENT and DISTRICT shall be collectively referred to as the Parties.

WITNESSETH:

WHEREAS, SUPERINTENDENT has entered into an Agreement with the California State Department of Health Care Services, hereinafter referred to as STATE, which is incorporated herein by this reference, to serve as the Local Educational Consortium (LEC) for the Region 9 in accordance with the California Welfare and Institutions Code Section 14132.47(c) (1); and

WHEREAS, SUPERINTENDENT has been designated by the STATE to represent school districts and county offices located in Region 9, hereinafter referred to as LEA (Local Education Agency) to administer School-based Medi-Cal Administrative Activities (SMAA) described as Administrative Claiming process in the California Welfare and Institutions Code Section 14132.47(c) (1); and

WHEREAS, the goal of the School-based Medi-Cal Administrative Activities (SMAA) Program is to improve the availability and

1 accessibility of Medi-Cal services to Medi-Cal eligible and  
2 potentially eligible individuals, and their families where  
3 appropriate, served by the SUPERINTENDENT and participating LEA'S;  
4 and

5 WHEREAS, DISTRICT is providing School-based Medi-Cal  
6 Administrative Activities and wishes to participate in the School-  
7 based Medi-Cal Administrative Activities Program.

8 NOW, THEREFORE, the Parties hereby agree as follows:

9 1.0 TERM. The term of this AGREEMENT shall be for a period of one  
10 (1) year commencing on July 1, 2017, and ending on June 30, 2018,  
11 subject to termination as set forth in this AGREEMENT.

12 2.0 RESPONSIBILITIES OF SUPERINTENDENT.

- 13 a. Responsibilities of SUPERINTENDENT and DISTRICT will be  
14 amended as necessary to comply with all Federal, state  
15 and SUPERINTENDENT'S program requirements.
- 16 b. "Certify" to the STATE the amount of DISTRICT'S general  
17 funds or any other funds allowed under Federal law and  
18 regulation expended on the allowable "Program  
19 activities".
- 20 c. Certify to the STATE the availability and expenditure of  
21 one hundred percent (100%) of the non-Federal cost of  
22 performing Program activities.
- 23 d. Certify to the STATE that DISTRICT expenditures  
24 represent costs that are eligible for Federal financial  
25 participation for that fiscal year.
- e. Act as liaison between STATE and DISTRICT.

- 1 f. As mandated, provide a software platform through a third  
2 party vendor, through which the DISTRICT shall utilize  
3 the Random Moment Time Survey (RMTS) process. Although  
4 the SUPERINTENDENT will make every reasonable effort to  
5 facilitate the use of the software platform, the  
6 SUPERINTENDENT is not responsible for problems resulting  
7 from software platform or system errors.
- 8 g. Represent DISTRICT'S issues, concerns, and questions at  
9 scheduled statewide LEC Advisory Committee meetings,  
10 STATE meetings, and SMAA Program work groups.
- 11 h. As mandated by STATE, attend STATE trainings.
- 12 i. Conduct Region 9 LEC DISTRICT SMAA Coordinator meetings  
13 and trainings.
- 14 j. On behalf of STATE, provide STATE approved training  
15 materials and updates to DISTRICT.
- 16 k. On behalf of STATE, provide program technical  
17 assistance.
- 18 l. Code all RMTS moments and make available to the DISTRICT  
19 its RMTS results.
- 20 m. Review and submit the Random Moment Time Survey (RMTS)  
21 quarterly invoice to the STATE on behalf of the DISTRICT  
22 and convey to the DISTRICT by warrant all funds received  
23 on behalf of DISTRICT from the STATE less any amount due  
24 the SUPERINTENDENT as defined in Section 5.0 of this  
25 AGREEMENT. No funds will be conveyed to DISTRICT for  
invoices that have been disallowed by the STATE.

- 1 n. Offer the DISTRICT the option of the LEC preparing the  
2 RMTS quarterly invoice for a mutually agreed to  
3 additional fee (See Appendix "B").
- 4 o. If necessary, assist the DISTRICT with the calculation  
5 of the LEA Medi-Cal Eligibility Rate or "Data Match  
6 percentage" from student data submitted by the DISTRICT.
- 7 p. Review DISTRICT'S quarterly invoice documents for  
8 accuracy and completeness and request corrections if  
9 necessary.
- 10 q. Review corrected documents for compliance with rules and  
11 regulations; work with DISTRICT to resolve any  
12 outstanding matters that prevent SUPERINTENDENT'S  
13 certification of claim.
- 14 r. Provide DISTRICT access to STATE SMAA Appeal Process  
15 upon request.
- 16 s. Appeal DISTRICT decision or action through the STATE  
17 SMAA Appeal Process if necessary.
- 18 t. Monitor compliance of DISTRICT with all Federal, STATE,  
19 and SUPERINTENDENT'S Program requirements.
- 20 u. Designate an employee to act as liaison to DISTRICT  
21 regarding issues relating to this AGREEMENT.

22 3.0 RESPONSIBILITIES OF DISTRICT.

- 23 a. Responsibilities of SUPERINTENDENT and DISTRICT will be  
24 amended as necessary to comply with all Federal, STATE  
25 and SUPERINTENDENT'S program requirements.

- 1           b.    RMTS software platform may be accessed only by employees  
2                   of the DISTRICT for RMTS purposes.   DISTRICT agrees to  
3                   comply with the confidentiality and other requirements  
4                   associated with use of the RMTS software platform.  
5                   DISTRICT shall be responsible for any unauthorized use  
6                   and understands that the DISTRICT may be held liable.
- 7           c.    Quarterly assess SMAA claiming potential within the  
8                   DISTRICT and determine which staff perform SMAA  
9                   activities and will participate in the Random Moment  
10                  Time Survey (RMTS) and what direct charges, if  
11                  applicable, will be claimed.
- 12          d.    Certify to the SUPERINTENDENT and STATE the amount of  
13                  DISTRICT'S general funds or any other funds allowed  
14                  under Federal law and regulations expended on the  
15                  allowable "Program activities".
- 16          e.    Comply fully with all Title XIX Federal, STATE, and  
17                  SUPERINTENDENT'S Program requirements.
- 18          f.    Certify to SUPERINTENDENT and STATE the availability and  
19                  expenditure, from allowable non-Federal funding sources,  
20                  of one hundred percent (100%) of the cost of performing  
21                  Program activities.
- 22          g.    Certify to SUPERINTENDENT and STATE expenditures  
23                  represent costs that are eligible for Federal financial  
24                  participation for that fiscal year.
- 25          h.    If subcontracting for certain administrative activities,  
                provide SUPERINTENDENT with a copy of the DISTRICT'S

1 contract with vendor. DISTRICT may include vendor's  
2 allowable costs on its invoice, to the extent that same  
3 tasks are not performed by the SUPERINTENDENT and with  
4 the understanding that the total vendor fees cannot  
5 exceed fifteen percent (15%).

- 6 i. Ensure that DISTRICT'S designated SMAA Coordinator  
7 attends quarterly Region 9 LEC SMAA Coordinators  
8 trainings and meetings.
- 9 j. Adhere to timelines established by the STATE and  
10 SUPERINTENDENT for completion of Program documentation  
11 (e.g., Program invoices, Random Moment Time Survey  
12 (RMTS) Rosters, reports, etc.). Respond in a timely  
13 manner to all STATE and SUPERINTENDENT requests for  
14 information and documentation.
- 15 k. Respond to SUPERINTENDENT reviews with information and  
16 corrected documents upon request.
- 17 l. Work with SUPERINTENDENT to resolve any outstanding  
18 matters.
- 19 m. Appeal SUPERINTENDENT'S decision through the STATE  
20 SMAA LEA Appeal Process if necessary.
- 21 n. Complete quarterly Random Moment Time Survey (RMTS), as  
22 required by the Centers for Medicare and Medicaid  
23 Services (CMS), to determine the amount of paid time  
24 spent on Program claimable activities.
- 25 o. DISTRICT will maintain a minimum response rate of  
eighty-five percent (85%) of the moments assigned per

1 time study quarter. If DISTRICT is unable to maintain  
2 the required response rate, DISTRICT will have sanctions  
3 applied according to the School-based Medi-Cal  
4 Administrative Activities (SMAA) Manual.

5 p. Develop and maintain at the DISTRICT an Operational  
6 Plan/Audit File to include at a minimum the following:

- 7 • Training materials.
- 8 • Random Moment Time Survey (RMTS) Time Survey  
9 Participant (TSP) Roster Reports and other  
10 documentation, including validation of time  
11 survey participant attendance.
- 12 • Time certification and supporting documentation  
13 for direct charge staff.
- 14 • Position Descriptions/Duty Statements.
- 15 • Medi-Cal Percentage documentation.
- 16 • Invoice documents and supporting documentation.
- 17 • Contracts/MOU.
- 18 • Organizational Charts.
- 19 • School Calendar.
- 20 • Resource Directories and outreach materials.
- 21 • Program review documentation.

22 q. Prepare and certify School-based MAA invoices to the LEC  
23 in conformance with STATE requirements and timelines.

24 r. Provide SUPERINTENDENT with copies of SMAA invoice  
25 supporting documentation upon request.

s. DISTRICT agrees to maintain and preserve, documentation  
for a period of not less than five years after  
termination of Agreement Number 44314 and final payment  
from Department of Health Care Services (DHCS) to  
SUPERINTENDENT, to permit Department of Health Care  
Services (DHCS) or any duly authorized representative,  
to have access to examine or audit any pertinent books,

1 documents, papers and records related to this AGREEMENT  
2 and to allow interviews of any employee who might  
3 reasonably have information related to such records.

4 t. If DISTRICT'S AGREEMENT is in excess of Ten thousand  
5 dollars (\$10,000.00), DISTRICT shall agree and comply  
6 with the following terms and conditions:

7 1. Maintain books, records, documents, and other  
8 evidence, accounting procedures and practices,  
9 sufficient to properly reflect all direct and  
10 indirect costs of whatever nature claimed to  
11 have been incurred in the performance of this  
12 AGREEMENT, including any matching costs and  
13 expenses. The foregoing constitutes "records"  
14 for the purpose of this provision.

15 2. DISTRICT'S facility or office or such part  
16 thereof as may be engaged in the performance  
17 of this AGREEMENT and its records shall be  
18 subject at all reasonable times to inspection,  
19 audit, and reproduction.

20 3. The Department of Health Care Services (DHCS),  
21 the Department of General Services, the Bureau  
22 of State Audits, or their designated  
23 representatives including the Comptroller  
24 General of the Unites States shall have the  
25 right to review and to copy any records and  
supporting documentation pertaining to the



1 performance of this AGREEMENT. DISTRICT agrees  
2 to allow the auditor(s) access to such records  
3 during normal business hours and to allow  
4 interviews of any employees who might  
5 reasonably have information related to such  
6 records. Further, DISTRICT agrees to include a  
7 similar right of the STATE to audit records  
8 and interview staff related to performance of  
9 this AGREEMENT.

10 4. Preserve and make available its records (1)  
11 for a period of five (5) years from the date  
12 of final payment under this AGREEMENT, and (2)  
13 for such longer period, if any, as required by  
14 applicable statute, by any other provision of  
15 this AGREEMENT, or by subparagraphs (a) or (b)  
16 below:

17 (a) If this AGREEMENT is completely or  
18 partially terminated, the records  
19 relating to the work terminated shall be  
20 preserved and made available for a period  
21 of five (5) years from the date of  
22 resulting final settlement.

23 (b) If any litigation, claim, negotiation,  
24 audit, or other action involving the  
25 records has been started before the  
expiration of the five-year period, the

1 records shall be retained until  
2 completion of the action and resolution  
3 of all issues which arise from it, or  
4 until the end of the regular five-year  
5 period, whichever is later.

6 5. DISTRICT shall comply with the above  
7 requirements and be aware of the penalties for  
8 violations of fraud and for obstruction of  
9 investigation as set forth in Public Contract  
10 Code §10115.10, if applicable.

11 6. DISTRICT, may at its discretion, following  
12 receipt of final payment under this AGREEMENT,  
13 reduce its accounts, books and records related  
14 to this AGREEMENT to microfilm, computer disk,  
15 CD ROM, DVD, or their data storage medium.  
16 Upon request by an authorized representative  
17 to inspect, audit or obtain copies of said  
18 records, DISTRICT must supply or make  
19 available applicable devices, hardware, and/or  
20 software necessary to view, copy and/or print  
21 said records. Applicable devices may include,  
22 but are not limited to microfilm readers and  
23 microfilm printers, etc.

24 u. The STATE, through any authorized representatives, has  
25 the right at all reasonable times to inspect or  
otherwise evaluate the work performed or being performed

1 hereunder and the premises in which it is being  
2 performed. If any inspection or evaluation is made of  
3 the premises of DISTRICT, DISTRICT shall provide all  
4 reasonable facilities and assistance for the safety and  
5 convenience of the authorized representative in the  
6 performance of their duties. All inspections and  
7 evaluations shall be performed in such a manner as will  
8 not unduly delay the work.

9 v. In the event an invoice is revised or is disallowed by  
10 the STATE, agree to reimburse SUPERINTENDENT within  
11 thirty (30) days of receipt of an invoice from  
12 SUPERINTENDENT evidencing SUPERINTENDENT'S payment to  
13 the STATE for DISTRICT'S revised or disallowed invoice.

14 w. Ensure no duplicative billings.

15 x. Hold SUPERINTENDENT harmless from any Federal  
16 disallowance of SMAA claim payments made to DISTRICT by  
17 the STATE.

18 y. Designate an employee to act as a liaison with  
19 SUPERINTENDENT to provide DISTRICT specific information  
20 relative to SMAA Program administration and fiscal  
21 issues.

22 z. If necessary, provide SUPERINTENDET with student data  
23 files required for the calculation of the LEA Medi-Cal  
24 Eligibility Rate or "Data Match percentage".

25 aa. Complete and return with the fully executed AGREEMENT,  
SUPERINTENDENT'S School-based Medi-Cal Administrative

1           Activities (SMAA) District Information 2017-2018 form,  
2           Appendix "A", the School-based Medi-Cal Administrative  
3           Activities (SMAA) Service Fee Information 2017-2018  
4           form, Appendix "B" and Certification Regarding Lobbying  
5           form, Appendix "C", attached hereto and incorporated by  
6           reference herein.

7 4.0 DISTRICT CLAIM REIMBURSEMENT. Upon satisfactory compliance of  
8 DISTRICT'S responsibilities outlined in Section 3.0 of this  
9 AGREEMENT and after SUPERINTENDENT has received reimbursement from  
10 the STATE for DISTRICT'S quarterly SMAA claim(s), SUPERINTENDENT  
11 shall convey to DISTRICT by warrant, all funds received on behalf of  
12 DISTRICT from the STATE less any amount due the SUPERINTENDENT and  
13 STATE as determined in Section 5.0 below. No funds will be conveyed  
14 to DISTRICT for invoices that have been revised or disallowed by the  
15 STATE or Federal. Payment to DISTRICT shall be made within forty-  
16 five (45) days of receipt and reconciliation of STATE funds by  
17 SUPERINTENDENT.

18 5.0 FEE SCHEDULE.

19 a. State RMTS Software Platform Fee. DISTRICT will be  
20 responsible for DISTRICT'S share of the State RMTS  
21 Software Platform Fee, which is based on the DISTRICT'S  
22 actual cost of utilizing the State RMTS Software  
23 Platform through a third party administrator selected by  
24 the Region 9 LEC for the Random Moment Time Survey.  
25 SUPERINTENDENT will bill DISTRICT for DISTRICT'S share  
of the software platform fees as described in the

1 School-based Medi-Cal Administrative Activities (SMAA)  
2 Service Fee Information 2017-2018 form, Appendix "B",  
3 attached hereto and incorporated by reference herein.

4 b. SUPERINTENDENT'S LEC Fees.

5 1. After SUPERINTENDENT has received  
6 reimbursement from the STATE for DISTRICT'S  
7 quarterly SMAA claim(s), SUPERINTENDENT will  
8 transfer to DISTRICT an amount equal to the  
9 Federal share of cost received as  
10 reimbursement for DISTRICT'S SMAA claim  
11 submitted by DISTRICT, less four and one-half  
12 percent (4.5%) fee per quarterly claim which  
13 will be used to support SUPERINTENDENT'S SMAA  
14 administration. The four and one-half percent  
15 (4.5%) fee may be amended as necessary to  
16 support compliance with all Federal, STATE and  
17 SUPERINTENDENT'S program requirements. LEC fee  
18 will include DISTRICT'S share of the STATE  
19 Participation Fee, which is based on the  
20 STATE'S cost for administering the SMAA  
21 claiming process.

22 2. Optional Services. If the DISTRICT selects the  
23 option of having the LEC prepare the RMTS  
24 quarterly invoice, an additional two percent  
25 (2.0%) will be added to the LEC Fee percentage  
mentioned in 5.b.1 above, but billed

1                   separately. SUPERINTENDENT will provide  
2                   Optional Services upon written request of  
3                   DISTRICT (See Appendix "B").

4           c.       The obligations of SUPERINTENDENT and DISTRICT under  
5                   this AGREEMENT are contingent upon the availability of  
6                   funds furnished by the United States Government and the  
7                   State of California. In the event that such funding is  
8                   terminated or reduced, this AGREEMENT may be terminated,  
9                   and SUPERINTENDENT'S and DISTRICT'S fiscal obligations  
10                  hereunder shall be limited to a pro-rated amount of  
11                  funding actually received by the SUPERINTENDENT and  
12                  DISTRICT from the United States Government and the  
13                  State of California under this AGREEMENT. SUPERINTENDENT  
14                  shall provide DISTRICT written notification of such  
15                  termination. Notice shall be deemed given when received  
16                  by the DISTRICT or no later than three (3) days after  
17                  the day of mailing, whichever is sooner. Complete and  
18                  return with the fully executed AGREEMENT,  
19                  SUPERINTENDENT'S School-based Medi-Cal Administrative  
20                  Activities (SMAA) District Information 2017-2018 form,  
21                  Appendix "A", the School-based Medi-Cal Administrative  
22                  Activities (SMAA) Service Fee Information 2017-2018  
23                  form, Appendix "B" and Certification Regarding Lobbying  
24                  form, Appendix "C", attached hereto and incorporated by  
25                  reference herein.

1 6.0 FEDERAL CLAIMING.

2 a. TITLE 31 - Money and Finance, Subtitle V - General  
3 Assistance Administration, Chapter 75 - Requirements for  
4 Single Audits, Section 7502 requires each pass through  
5 entity provide the sub-recipient program names and any  
6 identifying numbers from which such assistance is  
7 derived. The Catalog of Federal Domestic Assistance  
8 (CFDA) number for this Federal program is 93.778,  
9 Medical Assistance Program (Medi-Cal).

10 b. A "Vendor" means a dealer, distributor, merchant, or  
11 other seller providing goods or services that are  
12 required for the conduct of a Federal program. These  
13 goods or services may be for an organization's own use  
14 or for the use of beneficiaries of the Federal program.  
15 Additional guidance on distinguishing between a sub-  
16 recipient and a vendor is provided in OMB Circular A-  
17 133.

18 7.0 INDEPENDENT CONTRACTOR. SUPERINTENDENT, in the performance of  
19 this AGREEMENT, shall be and act as an independent contractor.  
20 SUPERINTENDENT understands and agrees that he/she and all of his/her  
21 employees shall not be considered officers, employees or agents of  
22 the DISTRICT, and are not entitled to benefits of any kind or nature  
23 normally provided employees of the DISTRICT and/or to which  
24 DISTRICT'S employees are normally entitled, including, but not  
25 limited to, State Unemployment Compensation or Workers'  
Compensation. SUPERINTENDENT assumes full responsibility for the

1 acts and/or omissions of his/her employees or agents as they relate  
2 to the services to be provided under this AGREEMENT. SUPERINTENDENT  
3 shall assume full responsibility for payment of all Federal, STATE  
4 and local taxes or contributions, including unemployment insurance,  
5 social security and income taxes with respect to SUPERINTENDENT'S  
6 employees.

7 8.0 COPYRIGHT. DISTRICT understands and agrees that all forms,  
8 plans, and related instructional materials developed by  
9 SUPERINTENDENT or DISTRICT under this AGREEMENT shall become the  
10 exclusive property of the Department of Health Care Services. The  
11 Department of Health Care Services shall have all right, title and  
12 interest in said matters, including the right to secure and maintain  
13 the copyright, trademark and/or patent all forms and related  
14 instructional materials developed under this AGREEMENT.

15 9.0 HOLD HARMLESS.

16 a. SUPERINTENDENT hereby agrees to indemnify, defend, and  
17 hold harmless DISTRICT, its Governing Board, and its  
18 officers, agents, and employees from liability and  
19 claims of liability for bodily injury, personal injury,  
20 sickness, disease, or death of any person or persons, or  
21 damage to any property, real, personal, tangible or  
22 intangible, arising out of the negligent acts or  
23 omissions of employees, agents or officers of  
24 SUPERINTENDENT or the Orange County Board of Education  
25 during the term of this AGREEMENT.



1 b. DISTRICT hereby agrees to indemnify, defend, and hold  
2 harmless SUPERINTENDENT, the Orange County Board of  
3 Education, and its officers, agents, and employees from  
4 liability and claims of liability for bodily injury,  
5 personal injury, sickness, disease, or death of any  
6 person or persons, or damage to any property, real,  
7 personal, tangible or intangible, arising out of the  
8 negligent acts or omissions of employees, agents or  
9 officers of DISTRICT during the term of this AGREEMENT.

10 10.0 CONFIDENTIALITY.

11 a. SUPERINTENDENT and DISTRICT shall maintain  
12 confidentiality of their respective records and  
13 information, governing the confidentiality of client or  
14 student information for Medi-Cal clients served under  
15 this AGREEMENT. Applicable laws include, but are not  
16 limited to, 42 U.S.C. Section 1396a(a)7, 42 CFR Section  
17 431.300, Welfare and Institutions Code, Section 14100.2  
18 and 22 California Code of Regulations Section 51009 and  
19 all applicable Federal and/or STATE laws or regulations  
20 as each may now exist or be hereafter amended. The  
21 confidentiality obligations contained in this section  
22 shall survive termination of this AGREEMENT.

23 b. DISTRICT understands and agrees to take all reasonable  
24 steps to avoid unauthorized disclosure of any of  
25 SUPERINTENDENT'S agents' proprietary data provided for  
purposes of this AGREEMENT hereinafter defined as data

1 file specifications, related instructions, management  
2 reports, training materials, plans or other information  
3 relating to the performance of SUPERINTENDENT'S agents  
4 services hereunder, disclosed by SUPERINTENDENT to  
5 DISTRICT pursuant to this AGREEMENT. DISTRICT shall not  
6 during or after the term of this AGREEMENT, permit the  
7 copying, duplication, or use of any of SUPERINTENDENT'S  
8 agents' proprietary data by or to any person other than  
9 authorized employees, agents or representatives of  
10 DISTRICT.

11 11.0 ACCURACY OF INFORMATION. DISTRICT shall make reasonable effort  
12 to assure that the information supplied to SUPERINTENDENT hereunder  
13 shall be true, complete, and accurate in all respects. DISTRICT  
14 shall assume sole responsibility for the truth, completeness and  
15 accuracy of all information supplied to SUPERINTENDENT and agrees  
16 that SUPERINTENDENT shall have no responsibility or liability for  
17 the truth, completeness or accuracy of any information submitted by  
18 DISTRICT hereunder. SUPERINTENDENT reserves the right to not certify  
19 SMAA invoice(s) that do not comply with STATE and Federal SMAA  
20 requirements.

21 12.0 LIMITATION OF LIABILITY. SUPERINTENDENT shall not be liable  
22 for damages or losses to DISTRICT employees, agents, independent  
23 contractors or students relating to lost medical services or lost  
24 data under this AGREEMENT. SUPERINTENDENT shall not be liable for  
25 any sums DISTRICT does not obtain in reimbursement from the STATE,  
or for any incidental, indirect, special or consequential damages to

1 DISTRICT arising from the denial of any request for reimbursement  
2 from the STATE.

3 13.0 ASSIGNMENT. The obligations of the DISTRICT pursuant to this  
4 AGREEMENT shall not be assigned by the DISTRICT without prior  
5 written approval of SUPERINTENDENT.

6 14.0 COMPLIANCE WITH APPLICABLE LAWS. The services completed herein  
7 must meet the approval of the DISTRICT and shall be subject to the  
8 DISTRICT'S general right of inspection to secure the satisfactory  
9 completion thereof. SUPERINTENDENT and DISTRICT agree to comply  
10 with all Federal, STATE and local laws, rules, regulations and  
11 ordinances that are now or may in the future become applicable to  
12 SUPERINTENDENT or DISTRICT'S, equipment and personnel engaged in  
13 operations covered by this AGREEMENT or accruing out of the  
14 performance of such operations.

15 15.0 LOBBYING RESTRICTIONS AND DISCLOSURE CERTIFICATION. DISTRICT  
16 shall complete and return with the fully executed AGREEMENT the  
17 Certification Regarding Lobbying form, Appendix "C", attached hereto  
18 and incorporated by reference herein, that the DISTRICT has not  
19 made, and will not make, any payment prohibited by Item 1 of the  
20 Certification Regarding Lobbying form.

21 16.0 DEBARMENT AND SUSPENSION CERTIFICATION. By signing this  
22 AGREEMENT, DISTRICT certifies to the best of its knowledge and  
23 belief, that it:

- 24 a. Is not presently debarred, suspended, proposed for  
25 debarment, declared ineligible, or voluntarily excluded  
by any federal department or agency;

- 1           b.     Has not within a three-year period preceding this  
2           AGREEMENT been convicted of or had a civil judgement  
3           rendered against them for commission of fraud or a  
4           criminal offense in connection with obtaining,  
5           attempting to obtain, or performing a public (Federal,  
6           STATE or local) transaction or contract under a public  
7           transaction; violation of Federal or STATE antitrust  
8           statutes or commission of embezzlement, theft, forgery,  
9           bribery, falsification or destruction of records, making  
10          false statements, or receiving stolen property.
- 11          c.     Is not presently indicted for or otherwise criminally or  
12          civilly charged by a government entity (Federal, STATE  
13          or local) with commission of any of the offenses  
14          enumerated in Section 16.0(b) herein; and
- 15          d.     Has not within a three-year period preceding this  
16          AGREEMENT had one or more public transactions (Federal,  
17          STATE or local) terminated for cause or default.
- 18          e.     The terms and definitions herein have the meanings set  
19          out in the Definitions and Coverage sections of the  
20          rules implementing Federal Executive Order 12549.
- 21          f.     If DISTRICT is unable to certify to any of the  
22          statements in this certification, DISTRICT shall submit  
23          an explanation to SUPERINTENDENT.
- 24          g.     If DISTRICT knowingly violates this certification, in  
25          addition to other remedies available to the Federal  
              Government, the Department of Health Care Services

1 (DHCS) may terminate this AGREEMENT for cause or  
2 default.

3 17.0 HIPAA. DISTRICT agrees to inform all students and faculty of the  
4 importance of complying with all relevant State and Federal  
5 confidentiality laws, including the Health Insurance Portability and  
6 Accountability Act of 1996 (HIPPA) to the extent applicable. In  
7 addition, DISTRICT agrees to provide students and faculty with  
8 training in the requirements of the privacy and security provisions  
9 of HIPAA and to advise them of the importance of complying with  
10 Facility's policies and procedures relative to HIPAA.

11 18.0 NON-DISCRIMINATION. In the performance of this AGREEMENT,  
12 SUPERINTENDENT and DISTRICT agree that they shall not engage nor  
13 employ any unlawful discriminatory practices in employment of  
14 personnel or in any other respect on the basis of sex, race, color,  
15 ethnicity, national origin, ancestry, religion, age, marital status,  
16 medical condition, sexual orientation, physical or mental disability  
17 or any other protected group in accordance with the requirements of  
18 all applicable Federal or STATE law.

19 19.0 TOBACCO USE POLICY. In the interest of public health,  
20 SUPERINTENDENT provides a tobacco-free environment. Smoking or the  
21 use of any tobacco products are prohibited in buildings and  
22 vehicles, and on any property owned, leased or contracted for by the  
23 SUPERINTENDENT pursuant to SUPERINTENDENT' Policy 400.15. Failure  
24 to abide with conditions of this policy could result in the  
25 termination of this AGREEMENT.

1 20.0 TERMINATION. SUPERINTENDENT or DISTRICT may, at any time, with  
2 or without cause, terminate this AGREEMENT with the giving of thirty  
3 (30) days prior written notice to the other party. However, once  
4 SUPERINTENDENT has submitted a RMTS Roster Report to the Department  
5 of Health Care Services (DHCS), according to the School-based Medi-  
6 Cal Administrative Activities (SMAA) Manual, DISTRICT may not  
7 terminate until the next quarter survey period.

8 21.0 NOTICE. All notices or demands to be given under this  
9 AGREEMENT by either party to the other shall be in writing and given  
10 either by: (a) personal service or (b) by U.S. Mail, mailed either  
11 by registered or certified mail, return receipt requested, with  
12 postage prepaid. Service shall be considered given when received if  
13 personally served or if mailed on the third day after deposit in any  
14 U.S. Post Office. The address to which notices or demands may be  
15 given by either party may be changed by written notice given in  
16 accordance with the notice provisions of this section. As of the  
17 date of this AGREEMENT, the addresses of the parties are as follows:

18 DISTRICT: Santee Elementary School District  
9625 Cuyamaca Street  
19 Santee, California 92071  
Attn: \_\_\_\_\_

20 SUPERINTENDENT: Orange County Superintendent of Schools  
21 200 Kalmus Drive  
Costa Mesa, California 92626  
22 Attn: Patricia McCaughey

23 22.0 NON WAIVER. The failure of SUPERINTENDENT or DISTRICT to seek  
24 redress for violation of, or to insist upon, the strict performance  
25 of any term or condition of this AGREEMENT shall not be deemed a  
waiver by that party of such term or condition, or prevent a

1 subsequent similar act from again constituting a violation of such  
2 term or condition.

3 23.0 SEVERABILITY. If any term, condition or provision of this  
4 AGREEMENT is held by a court of competent jurisdiction to be  
5 invalid, void, or unenforceable, the remaining provisions will  
6 nevertheless continue in full force and effect, and shall not be  
7 affected, impaired or invalidated in any way.

8 24.0 GOVERNING LAW. The terms and conditions of this AGREEMENT  
9 shall be governed by the laws of the State of California with venue  
10 in Orange County, California.

11 25.0 ENTIRE AGREEMENT/AMENDMENT. This AGREEMENT and any exhibits  
12 attached hereto constitute the entire agreement among the Parties to  
13 it and supercedes any prior or contemporaneous understanding or  
14 agreement with respect to the services contemplated, and may be  
15 amended only by a written amendment executed by both Parties to the  
16 AGREEMENT.

17  
18  
19 [THIS SECTION INTENTIONALLY LEFT BLANK]  
20  
21  
22  
23  
24  
25

1 IN WITNESS WHEREOF, the Parties hereto set their hands.

2 DISTRICT: SANTEE ELEMENTARY  
3 SCHOOL DISTRICT

ORANGE COUNTY SUPERINTENDENT  
OF SCHOOLS

4 BY: \_\_\_\_\_  
Authorized Signature

BY: *Patricia McCaughey*  
Authorized Signature

5 PRINTED NAME: TIM LARSON

PRINTED NAME: Patricia McCaughey

6 TITLE: Asst. Superintendent

TITLE: Administrator

7 DATE: \_\_\_\_\_

DATE: April 28, 2017

8 95-6002872  
9 FEDERAL IDENTIFICATION NUMBER

10  
11  
12  
13  
14 Santee Elementary SD(44314)-MAA 2017-2018-Rev 042817  
15 ZIP4





Local Educational Consortium School-Based Medi-Cal Administrative Activities  
 Region 9 • Imperial, Orange, and San Diego Counties  
 Administered by the Orange County Superintendent of Schools

**SCHOOL-BASED MEDI-CAL ADMINISTRATIVE ACTIVITIES (SMAA)  
 DISTRICT INFORMATION  
 2017-2018**

**1. DISTRICT/SCHOOL**

Santee School District

San Diego

*District/School Name*

*County*

Claiming Unit: \_\_\_\_\_

*If different than name above.*

**2. DISTRICT SMAA COORDINATOR**

Tim Larson

Asst. Superintendent

*Name*

*District Job Title*

9625 Cuyamaca St.

Santee, CA 92071

*Street Address*

*City, State, Zip*

\_\_\_\_\_  
*Mailing Address (if different than street address)*

\_\_\_\_\_  
*City, State, Zip*

619-258-2308

619-258-2305

tim.larson@santeesd.net

*Phone (please include extension)*

*Fax*

*Email*

Check box for this person to be included in RMTS system.

**3. SUPERVISOR OF DISTRICT SMAA COORDINATOR**

Kristin Baranski

Superintendent

*Name*

*District Job Title*

619-258-2304

619-258-2305

kristin.baranski@santeesd.net

*Phone (please include extension)*

*Fax*

*Email*

Check box for this person to be included in communications.

Check box for this person to be included in RMTS system.

**4. (a) ALTERNATE DISTRICT CONTACT – SMAA COORDINATOR DESIGNEE/ASSISTANT**

Sue Sarmiento

Secretary II, Department

*Name*

*District Job Title*

619-258-2364

619-258-2367

sue.sarmiento@santeesd.net

*Phone (please include extension)*

*Fax*

*Email*

Check box for this person to be included in communications.

Check box for this person to be included in RMTS system.

SCHOOL-BASED MEDICAL ADMINISTRATIVE ACTIVITIES (SMAA)
DISTRICT INFORMATION
2017-2018

(b) ALTERNATE DISTRICT CONTACT – SMAA COORDINATOR DESIGNEE/ASSISTANT

Name District Job Title

Phone (please include extension) Fax Email

Check box for this person to be included in communications.

Check box for this person to be included in RMTS system.

5. ALTERNATE DISTRICT CONTACT – FISCAL DESIGNEE

Tory Long Business Services Coordinator

Name District Job Title

619-258-2318 619-258-2241 tory.long@santeesd.net

Phone (please include extension) Fax Email

Check box for this person to be included in communications.

Check box for this person to be included in RMTS system.

6. SMAA INVOICE SUBCONTRACTOR/THIRD-PARTY VENDOR

PCG

Company Name

Contact Contact Job Title

Mailing Address City, State, Zip

Phone Fax Email

Sue Sarmiento Secretary II Department

PRINTED NAME OF PERSON FILLING OUT FORM JOB CLASSIFICATION TITLE

6/6/17

DATE

**SCHOOL-BASED MEDICAL ADMINISTRATIVE ACTIVITIES (SMAA)  
SERVICE FEE INFORMATION  
2017-2018**

**State RMTS Software Platform Fee**

DISTRICT will be responsible for DISTRICT'S share of the State RMTS Software Platform Fee, which is based on the DISTRICT'S actual cost of utilizing the State RMTS Software Platform through a third party administrator selected by the Region 9 LEC for the Random Moment Time Study. SUPERINTENDENT will bill DISTRICT for DISTRICT'S share of the software platform fees. The DISTRICT'S share of the software platform fees may be included in the DISTRICT's claim for reimbursement based on actual costs paid.

Current third party administrator under contract with SUPERINTENDENT is Public Consulting Group Inc. (PCG). The original contract term was for a period of three years ending September 30, 2017 and has been extended one year to conclude September 30, 2018. RMTS Software Platform Fees are currently structured on a monthly participant rate based on an aggregate participant count statewide of all LECs utilizing the PCG RMTS system each quarter. Since the California Department of Health Care Services (DHCS) does not require a time study for quarter 1, the July-September quarter, these charges will be half the rate of the monthly fee and based on prior quarter participant count.

<b>Quarter</b>	<b>Monthly Rate/Participant</b>
Q1: July - September	\$0.27/participant/month
Q2: October – December	\$0.54/ participant/month
Q3: January – March	\$0.54/ participant/month
Q4: April – June	\$0.54/ participant/month

**SUPERINTENDENT'S LEC Fee for Administrative Support**

After SUPERINTENDENT has received reimbursement from the STATE for DISTRICT'S quarterly SMAA claim(s), SUPERINTENDENT will transfer to DISTRICT an amount equal to the Federal share of cost received as reimbursement for DISTRICT'S SMAA claim submitted by DISTRICT, less four and one-half percent (4.5%) fee per quarterly claim which will be used to support SUPERINTENDENT'S SMAA administration. The four and one-half percent (4.5%) LEC fee may be amended as necessary to support compliance with all Federal, STATE and SUPERINTENDENT'S program requirements.

Included in the LEC fee is the DISTRICT'S share of the STATE Participation Fee assessed to each LEC region, based on the STATE'S cost for administering the SMAA claiming process. Also, if needed, the

SUPERINTENDENT will assist the DISTRICT with the calculation or transmission of student data files to the DHCS for calculation of the Medi-Cal Eligibility Rate or “Data Match percentage”.

**SUPERINTENDENT'S OPTIONAL SERVICES Fee**

The following optional service is offered to support the administrative SMAA program. If the DISTRICT selects the optional service, an additional two percent (2.0%) will be in addition to the LEC Fee percentage but billed separately by the SUPERINTENDENT so that the DISTRICT may submit the optional service costs for claim reimbursement based on actual costs paid.

SUPERINTENDENT will create and provide to DISTRICT a fiscal workbook to assist in gathering and preparing the fiscal information required to complete the SMAA invoice claim. The Time Study Participant pool lists and RMTS results will be integrated with the fiscal workbook which will reduce data entry and support consistency of information. SUPERINTENDENT will prepare SMAA invoice claims in accordance with program guidelines approved by DHCS, based on information supplied by the DISTRICT for each fiscal quarter during the Term of the Agreement. DISTRICT will print, sign and submit final invoice claim to SUPERINTENDENT for final review, audit and submission to DHCS for processing.

SUPERINTENDENT will provide annual training to the DISTRICT SMAA Coordinator and relevant finance/business office staff.

Please indicate below, the DISTRICT’s response to the optional service being offered and return with the fully executed AGREEMENT.

Optional Service		Effective Date
<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	July 1, 2017 – June 30, 2018

Tim LARSON

Name

6/7/17

Date

Santee

District Name

**CERTIFICATION REGARDING LOBBYING**

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency of the United States Government, a Member of Congress in connection with the making, awarding or entering into this Federal contract, Federal grant, or cooperative agreement, and the extension, continuation, renewal, amendment, or modification of this Federal contract, grant, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency of the United States Government, a Member of Congress, an officer or employee of Congress, or an employee of a Member Congress in connection with this Federal contract, grant, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL., 'Disclosure of Lobbying Activities' in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-contractors, sub-grants, and contracts under grants and cooperative agreements) of \$100,000 or more, and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

DISTRICT: Santee School District

BY: \_\_\_\_\_  
Authorized Signature

PRINTED NAME: Tim Larson

TITLE: Asst. Superintendent

DATE: 6/7/17

Consent Item E.4.4. Approval to Submit a Kaiser Permanente Southern California Regional San Diego Medical Center Grant Application

Prepared by Tim Larson  
June 6, 2017

### **BACKGROUND:**

Kaiser Permanente has a community grant for the Southern California Region that specifically targets San Diego County with grants up to \$25,000. The funding priorities focused on supporting behavioral health, cardiovascular disease and obesity/type 2 diabetes and their related strategic priorities. Santee TLC would like to apply for the mental and behavioral health portion which includes the following criteria:

- a) Integrate healthcare with community-based mental health services
- b) Support school and youth development organizations in learning about and addressing mental and behavioral health, including suicide prevention and trauma-informed care
- c) Enhance access to high quality substance abuse treatment

Santee TLC has been a collective impact initiative to support attendance and academics at Cajon Park School funded by the United Way of San Diego County. The group involves 25 community partners and has approached the work using a trauma informed lens. This group of community partners will make a presentation to the Board of Education on July 18, 2017 on the amazing work that has been accomplished and the focus for the future.

Santee TLC has received interest from Jamboree Housing funding to hire a community engagement person for Woodglen Vista Apartments that would support Santee TLC. This person will be hired by a community agency and work with all the partners. Santee TLC proposes to convene a cross-sector group to conduct deep community listening to inform a needs assessment related to how trauma impacts our community today.

Santee TLC would like to apply for a Kaiser Permanente grant to address behavioral health and help the community develop an understanding of trauma informed care that can eventually reach the entire Santee community using a collective impact approach to increase the reach of TLC initiative beyond Cajon Park. Santee School District would serve as the fiscal agent for this grant and enable us to leverage the Jamboree funding and others to complete the project.

Santee TLC will use Kaiser Permanente funding to spread the Santee TLC trauma informed lens to other school sites. The grant would pay for staff training, materials for cool down kits, teacher stipends to participate in Santee TLC, supervision for additional MFT and LPCC interns from SDSU, evaluation and coordination.

Outcomes for this project are expected to increase attendance and academics for students at Pepper Drive School and to continue the increases in attendance and academics at Cajon Park School.

**RECOMMENDATION:**

It is recommended that the Board of Education approve the submission for a Kaiser Permanente grant to look at behavioral health.

**FISCAL IMPACT:**

Kaiser Permanente grant could provide \$24,900 for one year of work to increase the scope of Santee TLC.

**STUDENT ACHIEVEMENT:**

By providing support for students, these students will be better prepared to learn in the classroom.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item E.4.4.

## Santee School District: Grant Application Checklist

Date	School/Department	Responsible Staff Member	Grantor (Entity Providing Grant)	Grant Title	Deadline for Application	Total Grant Amount
5/30/2017	Pupil Services	Meredith Riffel	Alliance Healthcare Foundation	Kaiser Permanente Health Foundation	June 15, 2017	\$24,900

Category	Factor	Question	Response
<b>FISCAL</b>	<b>Budget Impact</b>	If multiple year grant, how much is to be distributed each year?	Only 1 year
		When will the grant start and when will it end?	August 2017-June 2018
		When must the grant funds be fully expended?	
		What percentage of the total grant amount will be used to pay for existing expenditures already budgeted or planned for, if any?	None
		What percentage of the total grant amount will be used to pay for new expenditures not previously budgeted or planned for? What change in services will be necessary for the expenditures?	Grant will fund expansion of the Santee TLC initiative to a listening and learning campaign for funding in the community
		Will the grant require hiring additional staff? Describe the staffing requirements.	Not district staff but community contractor to complete the facilitation of initiative
		How much of the grant budget is paying for on-going expenditures (those that will continue over more than 1 year)?	None
		What is the amount/percentage of matching funds or in-kind services that must be provided by the District, if any?	None
		What is the amount/percentage of matching funds or in-kind services that will require new expenditures not previously budgeted or planned for? Describe.	None
		Are there requirements or expectations for the school or District to continue the services, program, or project paid for by the grant after the grant expires? If so, describe and quantify the potential costs to be continued past the grant period.	No



## Santee School District: Grant Application Checklist

<u>Category</u>	<u>Factor</u>	<u>Question</u>	<u>Response</u>
	<b>Indirect Costs</b>	Does the grant allow indirect costs to be charged? If so, at what rate?	I think so
	<b>Cash Flow</b>	How are grant funds paid to the school or District: up-front, pre-determined apportionment schedule, reimbursement for costs incurred, other method (describe)?	We will know if selected for site review in July 2017
<b>ADMINISTRATION</b> 177	<b>Structure</b>	Is the school or District planning to apply as a single applicant or combined with other entities in a consortium type arrangement?	The District will serve as the fiscal agent for Santee TLC/Collaborative but not the hiring or program agent
	<b>Fiscal Oversight</b>	If multiple entities are applying together, will the District be the fiscal agent responsible for distributing funds and obtaining necessary expenditure reports from other entities? Describe the duties and requirements of the fiscal agent and benefits derived by the District.	Yes. It is estimated that only 1 report will be needed. More information will be available if selected for a site review in July 2017.
	<b>Program Oversight</b>	If multiple entities are applying together, will the District be responsible for overseeing program implementation and obtaining reports from other entities? Describe the duties and requirements of the program agent and benefits derived by the District.	No but participate in the program oversight.
	<b>Expenditure Reports</b>	What are the types, frequency, depth, and content of expenditure reports required to be submitted?	Not mentioned
	<b>Program Reports</b>	What are the types, frequency, depth, and content of program reports required to be submitted?	N
	<b>PROGRAM IMPLEMENTATION AND MONITORING</b>	<b>Purpose of Grant Funds</b>	What are the grant funds to be used for? Describe the services, project, additional staff, and/or program(s) to be provided by the grant funds.
<b>Vision and Goal Alignment</b>		How will the grant align with the District's or school's vision and goals?	The areas of LCAP that this grant addresses are parent involvement and school climate

## Santee School District: Grant Application Checklist

<u>Category</u>	<u>Factor</u>	<u>Question</u>	<u>Response</u>
178	<b>Interest</b>	What efforts have been made to inform the recipient schools and groups of the grant and services or goods to be provided and what is their level of interest and enthusiasm?	The purpose of asking for this money to determine the community support for the project
	<b>Outcomes</b>	What are the outcomes or results expected by the grantor and/or District?	Increase family connection on campus including subgroup participation Increase attendance and decrease AR or other discipline needed
	<b>Program Evaluation</b>	How will the program, project or services be evaluated for implementation and effectiveness by the grantor and/or District?	See matrix from Santee TLC.
	<b>Other Impacts and Benefits</b>	What other impacts to the District's operations and programs are probable and what other benefits will be derived by the District?	The benefit is to see attendance improve, habitual attendance decrease and add additional ADA to district. Estimate that parent connection will improve and academic success for all subgroups

Executive Council Member Approval	Approval Date	Board Authorization Date

**INSTRUCTIONS:**

- 1) Complete the Grant Application Checklist and Checklist for Donations, Gifts, Grants, and Bequests (Board Policy 3290 Exhibit) and submit both to Business Services prior to submitting application. Enter N/A for any questions that are not applicable.
- 2) Grants of \$10,000 or more require Board authorization prior to submission. Allow at least 3 weeks to complete this process.
- 3) Do not apply until approval is received from Executive Council.
- 4) Grants received with a value over \$50 must be accepted by the Board prior to expenditure/use.

**Item F. DISCUSSION AND/OR ACTION ITEMS**

*The Board invites citizens to address the Board about any of the items listed under Discussion and/or Action. Citizens wishing to address the Board about a Discussion and/or Action item are requested to submit a Request to Speak card in advance.*

Agenda Item F.

Discussion and/or Action Item F.1.1.  
 Prepared by Karl Christensen  
 June 6, 2017

Projects on Office of Public School Construction  
 (OPSC) Unfunded Approvals List

**BACKGROUND:**

The District currently has three projects on the Office of Public School Construction (OPSC) Unfunded Approvals List more fully described below:

Site	Project Description	Application Number	SAB Project Cost	State Grant Amount	District Match Required by SAB	Revised Project Cost	Estimated District Match Already Expended	Estimated District Match Remaining	Position on Jan 2017 Unfunded Approvals List
Pepper Drive	Replace 3 portables, renovate 2 portables; site data and electrical infrastructure upgrade	57/68361-00-011	3,760,200	2,256,120	1,504,080	4,000,000	100,000	1,643,880	75,568,461
Rio Seco	Replacement of 4 Project SAFE portables	57/68361-00-010	432,017	259,210	172,807	500,000	50,000	190,790	30,195,941
Cajon Park	*YALE Preschool expansion to old JH site; rooftop solar on new JH building	57/68361-00-012	704,507	422,704	281,803	1,500,000	50,000	1,027,296	99,084,020
<b>District Total:</b>			<b>4,896,724</b>	<b>2,938,034</b>	<b>1,958,690</b>	<b>6,000,000</b>	<b>200,000</b>	<b>2,861,966</b>	

\*\$2 million project cost if solar included

On June 5, 2017, the State Allocation Board (SAB) is scheduled to act to move all projects on the Unfunded Approvals List to the Unfunded Approvals with Lack of AB55 Funds List. This action is one of several steps towards having the projects funded by new State Bond authority provided by the voters at the November 2016 State Election. The steps toward funding after being placed on the Unfunded Approvals List are as follows:

1. SAB moves projects to Unfunded Approvals with Lack of AB55 Funds List
2. District submits for priority funding during one of two periods scheduled annually
  - a. If District does not submit, one (1) occurrence is recorded. When two (2) occurrences are accumulated, project is moved to bottom of Unfunded Approvals List.
3. State issues bonds
4. SAB apportions funds to projects
5. District must have let a contract for construction and submit Funding Release Request within 90 days of SAB apportionment action
  - a. If District does not submit, project(s) is/are taken off the Unfunded Approvals List and a new application for State Grant Funding must be submitted

In accordance with regulations adopted several years ago, the OPSC opens two periods annually during which districts on the Unfunded Approvals List can apply for priority funding certifying that they are, or will be, "shovel ready". These two periods occur in May/June and November/December. The priority funding round for May/June closes June 8, 2017 and generally pertains to distribution of proceeds from a Fall State Bond sale. The priority funding round for November/December generally pertains to distribution of

proceeds from a Spring State Bond sale. The deadline for submitting for the May/June priority funding round is June 8, 2017.

Administration is seeking Board direction on next steps for projects on the OPSC Unfunded Approvals List.

**RECOMMENDATION:**

This is an information item. Action, if any, is at the discretion of the Board of Education.

This recommendation supports the following District goals:

**Learning Environment**

- Provide a safe, engaging environment that promotes creativity, innovation, and personalized learning.

**Fiscal Accountability**

- Financially support the vision, mission, and goals of the District by maximizing resources, controlling expenses, and managing assets to ensure fiscal solvency and flexibility.

**FISCAL IMPACT:**

Up to \$2.9 million in State Grant Funding

**STUDENT ACHIEVEMENT IMPACT:**

This is a fiscal item. All fiscal resources impact student achievement.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item F.1.1.

Discussion and/or Action Item F.1.2.  
Prepared By Karl Christensen  
June 6, 2017

Approval of YALE Preschool Program  
Fee Increase

**BACKGROUND:**

At the May 16, 2017 Board meeting, Administration presented information regarding the revenue and expenditure patterns for the YALE Preschool Program and the need to increase fees to address a structural deficit (on-going expenditures exceed on-going revenues). At that meeting, Administration was proposing an approximate 15% increase to full-time program rates and 20% for part-time program rates.

The last fee increase for YALE was 6.5% effective for the 2014-15 school year. Administration is recommending a fee increase starting August 21, 2017 in order to mitigate the impact of the following cost pressures:

- Negotiated Compensation Increases: From 2014-15 through 2016-17, the District provided all employees a combined 14.11% compensation increase which impacts YALE salary and benefit costs
- Step & Column Salary Increases: Estimated at \$15,500 annually
- PERS Contribution Rate Increases: Estimated at \$8,700 annually
- Minimum Wage Increases: The current hourly rate at Step A for the lowest paid YALE position is \$12.85 per hour. The current minimum wage is \$10.50 per hour and will increase each year to the following rates:
  - \$11.00 Jan 1, 2018
  - \$12.00 Jan 1, 2019
  - \$13.00 Jan 1, 2020
  - \$14.00 Jan 1, 2021
  - \$15.00 Jan 1, 2022

At the May 16, 2017 meeting, the Board requested that staff consider not only future compensation increases related to negotiations and the minimum wage, but also the effectiveness of the YALE salary structure for attracting and retaining staff. In order to provide a sufficient cushion for these possible compensation changes, staff analyzed additional fee increase scenarios that would provide this cushion and still allow YALE to maintain its relative competitive position to other preschool programs in the area. Below is a table showing the current rates and new proposed rates:

Plan	Scenario	Hrs/Day	Dys/Wk	Daily Rate	Weekly Rate	Monthly Rate	Hourly Rate	% Chg
<b>Full-Time</b>	Current	11.50	5	\$36.85	\$184.25	\$737.00	\$3.20	
	New	11.50	5	\$43.50	\$217.50	\$870.00	\$3.78	
	<b>Change</b>			<b>\$6.65</b>	<b>\$33.25</b>	<b>\$133.00</b>	<b>\$0.58</b>	<b>18.05%</b>
<b>Part Time</b>	Current	3.25	5	\$20.20	\$101.00	\$404.00	\$6.22	
	New	3.25	5	\$24.60	\$123.00	\$492.00	\$7.57	
	<b>Change</b>			<b>\$4.40</b>	<b>\$22.00</b>	<b>\$88.00</b>	<b>\$1.35</b>	<b>21.78%</b>
	Current	3.25	3	\$20.67	\$62.00	\$248.00	\$6.36	
	New	3.25	3	\$25.25	\$75.75	\$303.00	\$7.77	
	<b>Change</b>			<b>\$4.58</b>	<b>\$13.75</b>	<b>\$55.00</b>	<b>\$1.41</b>	<b>22.18%</b>
	Current	3.25	2	\$22.50	\$45.00	\$180.00	\$6.92	
New	3.25	2	\$27.50	\$55.00	\$220.00	\$8.46		
<b>Change</b>			<b>\$5.00</b>	<b>\$10.00</b>	<b>\$40.00</b>	<b>\$1.54</b>	<b>22.22%</b>	

Below is a projection of revenue and expenditures for the 3-year period from 2017-18 through 2019-20 with the proposed fee increase and expenditure reductions (NOTE: this analysis does not include the impact of any future negotiated compensation increases, minimum wage increases, or reclassification of positions):

Fee Increase	Description	2017-18	2018-19	2019-20
<b>18% Full-Time, 22% Part-Time Effective 8-21-17</b>	Total Revenue	\$1,014,928	\$1,014,928	\$1,014,928
	Salary & Benefit Expenditures	\$800,434	\$821,695	\$842,957
	Non-Salary Expenditures	\$120,679	\$123,093	\$125,555
	Total Estimated Expenditures	\$921,113	\$944,788	\$968,512
	<b>Operating Surplus(Deficit)</b>	<b>\$93,815</b>	<b>\$70,140</b>	<b>\$46,416</b>
	Salaries and Benefits as a % of Revenue	78.87%	80.96%	83.06%
	One-Time Revenue Adjustment	\$0	\$0	\$0
	One-Time Expenditure Adjustment	\$0	\$0	\$0
<b>Estimated Structural Surplus(Deficit)</b>	<b>\$93,815</b>	<b>\$70,140</b>	<b>\$46,416</b>	

Below is a summary that compares the current and new proposed hourly rates to the other preschool programs in the surrounding area:

Current Rates											
Full-Time		Hrly. Rate	PT 5-Day		Hrly. Rate	PT 3-Day		Hrly. Rate	PT 2-Day		Hrly. Rate
1	Children's Choice	\$3.04	1	Children's Choice	\$5.09	1	YALE	\$6.36	1	YALE	\$6.92
2	YALE	\$3.20	2	Little Learners	\$5.83	2	Little Learners	\$8.33	2	Little Learn	\$10.42
3	Kindercare	\$3.84	3	YALE	\$6.22	3	Kindercare	\$11.25	3	Kindercare	\$13.50
4	Little Learners	\$3.91	4	Tutor Time	\$8.40	4	Tutor Time	\$12.00	4	Tutor Time	\$14.60
5	Tutor Time	\$4.12	5	Kindercare	\$9.00	5	*		5	*	
18% & 22%											
Full-Time		Hrly. Rate	PT 5-Day		Hrly. Rate	PT 3-Day		Hrly. Rate	PT 2-Day		Hrly. Rate
1	Children's Choice	\$3.04	1	Children's Choice	\$5.09	1	YALE	\$7.77	1	YALE	\$8.46
2	YALE	\$3.78	2	Little Learners	\$5.83	2	Little Learners	\$8.33	2	Little Learn	\$10.42
3	Kindercare	\$3.84	3	YALE	\$7.57	3	Kindercare	\$11.25	3	Kindercare	\$13.50
4	Little Learners	\$3.91	4	Tutor Time	\$8.40	4	Tutor Time	\$12.00	4	Tutor Time	\$14.60
5	Tutor Time	\$4.12	5	Kindercare	\$9.00	5	*		5	*	

**RECOMMENDATION:**

It is recommended that the Board of Education approve an approximate 18% increase to the full-time program rates and an approximate 22% increase to the part-time program rates effective August 21, 2017.

This recommendation supports the following District goals:

**Learning Environment**

- Provide a safe, engaging environment that promotes creativity, innovation, and personalized learning.

**Fiscal Accountability**

- Financially support the vision, mission, and goals of the District by maximizing resources, controlling expenses, and managing assets to ensure fiscal solvency and flexibility.

**FISCAL IMPACT:**

Revenue increase estimated to be approximately \$149,000 annually.

**STUDENT ACHIEVEMENT:**

This is a fiscal item. All fiscal resources impact student achievement.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item F.1.2.



**BACKGROUND:**

In response to the incidents occurring in Flint Michigan and direction from the Governor, in 2016 the State Water Resources Control Board (SWRCB) adopted regulations requiring water authorities to conduct lead testing of drinking water at public schools, at no cost to schools, upon written request from a school or school district. These regulations stipulate that, when requested, the water authority is to test up to 5 locations within the school using specific protocols established by the SWRCB.

The District is served by two water authorities; Padre Dam Municipal Water District serving 8 schools, and Helix Water District serving 1 school. Tests were conducted at all 9 District schools in late March. Results were received by Helix and Padre Dam from the labs in early to mid-April. The District received phone calls soon after the lab results were available reporting that all tests were either “not detectable” or below the action level for lead content established by the Environmental Protection Agency (EPA) and the State of California. In the case of the Padre Dam tests, District staff met with the individual conducting the tests in early May to understand the results.

The EPA has established the level at which remedial action is recommended (Action Level) at 15 parts per billion (ppb) or higher. The State of California has the same standard and also established the standard at which lead content would be considered detectable at 5 ppb or higher.

Below are the lead testing results summarized by school:

School or Facility	# of Locations Tested	Tested By	Results
Cajon Park	4	Padre Dam Municipal Water District	3 Not Detectable 1 Below Action Level
Cajon Park Annex	1	Padre Dam Municipal Water District	1 Below Action Level
Carlton Hills	5	Padre Dam Municipal Water District	All Not Detectable
Carlton Oaks	5	Padre Dam Municipal Water District	All Not Detectable
Chet F Harritt	5	Padre Dam Municipal Water District	All Not Detectable
Hill Creek	5	Padre Dam Municipal Water District	All Not Detectable
Pepper Drive	5	Helix Water District	All Not Detectable
PRIDE Academy	5	Padre Dam Municipal Water District	All Not Detectable
Rio Seco	5	Padre Dam Municipal Water District	All Not Detectable
Sycamore Canyon	5	Padre Dam Municipal Water District	All Not Detectable

Out of an abundance of caution, the two locations with detectable lead content, but below the EPA action level, were temporarily taken out of service on May 24, 2017 in order to retest these locations after new fixtures were installed. In the case of the Cajon Park Annex, due to their location and lack of student and adult access to other water fountain options, bottled water was provided pending the results of the retest with the new fixture.

Below are the results of the retests:

School or Facility	# of Locations Retested	Tested By	Results
Cajon Park	1	Padre Dam Municipal Water District	Below Action Level
Cajon Park Annex	1	Padre Dam Municipal Water District	Below Action Level

Administration is researching options for the two locations with detectable lead content, but below the EPA action level. One such option is to install water bottle refill stations that filter for lead. Until options are fully vetted, these two locations will remain out of service and bottled water will continue to be provided for the Cajon Park Annex.

**RECOMMENDATION:**

This is an information item. Action, if any, is at the discretion of the Board of Education.

This recommendation supports the following District goal:

**Learning Environment**

- Provide a safe, engaging environment that promotes creativity, innovation, and personalized learning.

**FISCAL IMPACT:**

The fiscal impact is to be determined.

**STUDENT ACHIEVEMENT IMPACT:**

This is a fiscal item. All fiscal resources impact student achievement.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item F.1.3.

Discussion and/or Action Item F.1.4.  
Prepared by Karl Christensen  
June 6, 2017

Adoption of Resolution No. 1617-45 of the Board of Education of the Santee School District Authorizing the Sale and Issuance of Not To Exceed \$14,000,000 Aggregate Principal Amount of Santee School District General Obligation Refunding Bonds, in One or More Series, Approving the Forms of and Authorizing the Execution and Delivery of One or More Escrow Agreements Bond Purchase Agreements and Continuing Disclosure Certificates, Approving the Form, and Authorizing a Method for Review and Approval by Members of Said Board, of One or More Official Statements, and Authorizing the Execution of Necessary Documents and Certificates and Related Actions in Connection Therewith

**BACKGROUND:**

This Resolution authorizes the issuance and sale of General Obligation Refunding Bonds of the District in the maximum principal amount of \$14 million for the purpose of refunding prior series of general obligation bonds which were authorized at the 2006 Bond election. The prior series of bonds consist of the Series B Bonds issued in 2008. Proceeds of the Refunding Bonds will be used to provide funds to pay the redemption price of the prior bonds on the redemption date. The refunding is expected to result in significant savings to District taxpayers. This Resolution authorizes the sale of the Refunding Bonds by negotiated sale to an underwriting firm.

**RECOMMENDATION:**

It is recommended that the Board of Education Adopt Resolution No. 1617-45 of the Board of Education of the Santee School District Authorizing the Sale and Issuance of Not To Exceed \$14,000,000 Aggregate Principal Amount of Santee School District General Obligation Refunding Bonds, in One or More Series, Approving the Forms of and Authorizing the Execution and Delivery of One or More Escrow Agreements, Bond Purchase Agreements and Continuing Disclosure Certificates, Approving the Form, and Authorizing a Method for Review and Approval by Members of Said Board, of One or More Official Statements, and Authorizing the Execution of Necessary Documents and Certificates and Related Actions in Connection Therewith.

This recommendation supports the following District goal:

**Fiscal Accountability**

- Financially support the vision, mission, and goals of the District by maximizing resources, controlling expenses, and managing assets to ensure fiscal solvency and flexibility.

**FISCAL IMPACT:**

The fiscal impact will not be known until sale of the General Obligation Bonds is completed.

**STUDENT ACHIEVEMENT IMPACT:**

This is a fiscal item. All fiscal resources impact student achievement.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item F.1.4.

**RESOLUTION NO. 1617-45**

**A RESOLUTION OF THE BOARD OF EDUCATION OF THE SANTEE SCHOOL DISTRICT AUTHORIZING THE SALE AND ISSUANCE OF NOT TO EXCEED \$14,000,000 AGGREGATE PRINCIPAL AMOUNT OF SANTEE SCHOOL DISTRICT GENERAL OBLIGATION REFUNDING BONDS, IN ONE OR MORE SERIES, APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE ESCROW AGREEMENTS, BOND PURCHASE AGREEMENTS, AND CONTINUING DISCLOSURE CERTIFICATES, APPROVING THE FORM, AND AUTHORIZING A METHOD FOR REVIEW AND APPROVAL BY MEMBERS OF SAID BOARD, OF ONE OR MORE OFFICIAL STATEMENTS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, the Santee School District (the "District"), located in the County of San Diego, California (the "County"), has heretofore issued the Santee School District (San Diego County, California) General Obligation Bonds, 2006 Election, Series B (the "Prior Bonds") in the original aggregate principal amount of \$12,385,076.75; and

**WHEREAS**, pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code and other applicable law (the "Act"), the District is authorized to issue refunding bonds to refund all or a portion of the Prior Bonds; and

**WHEREAS**, it is desirable that all or a portion of the Prior Bonds be refunded (such refunded Prior Bonds being referred to herein as the "Refunded Bonds" and each series of Refunded Bonds, individually, a "Series of Refunded Bonds"); and

**WHEREAS**, in order to refund all or a portion of the Prior Bonds, it is desirable that the District issue one or more series of refunding bonds to be designated the "Santee School District (San Diego County, California) General Obligation Refunding Bonds," with such additional or other series designations as may be approved as herein provided (collectively, the "Refunding Bonds" and each series of Refunding Bonds, individually, a "Series of Refunding Bonds"), according to the terms and in the manner herein provided; and

**WHEREAS**, the District desires to secure the timely payment of all or a portion of the principal of and interest on each Series of Refunding Bonds by obtaining a bond insurance policy with respect thereto, if such a policy is available and determined to be economically advantageous; and

**WHEREAS**, the moneys to redeem the Prior Bonds to be refunded will be applied to such purpose pursuant to one or more Escrow Agreements by and between the District and U.S. Bank National Association, as escrow bank (each such Escrow Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as an "Escrow Agreement"); and

**WHEREAS**, the Board of Education of the District (the “Board of Education”) desires to authorize the sale of each Series of Refunding Bonds by a negotiated sale pursuant to one or more Bond Purchase Agreements (each such Bond Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as a “Bond Purchase Agreement”) to be entered into with RBC Capital Markets, LLC, as underwriter (the “Underwriter”); and

**WHEREAS**, the District desires to appoint the Treasurer-Tax Collector of the County (together with any authorized deputy thereof, the “County Treasurer”) as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the “Paying Agent”) for each Series of Refunding Bonds and execute and deliver a Paying Agent Agreement by and between the District and the County with respect to each Series of Refunding Bonds (each such Paying Agent Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as a “Paying Agent Agreement”); and

**WHEREAS**, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”) requires that, in order to be able to purchase or sell the Refunding Bonds, the underwriter thereof must have reasonably determined that the District has undertaken in a written agreement or contract for the benefit of the holders of the Refunding Bonds to provide disclosure of certain financial and operating information and certain enumerated events on an ongoing basis; and

**WHEREAS**, in order to cause such requirement to be satisfied, the District desires to execute and deliver one or more Continuing Disclosure Certificates (each such Continuing Disclosure Certificate, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as a “Continuing Disclosure Certificate”); and

**WHEREAS**, a form of the Preliminary Official Statement to be distributed in connection with a public offering of the initial Series of Refunding Bonds has been prepared (such Preliminary Official Statement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Preliminary Official Statement”); and

**WHEREAS**, the San Diego County Superintendent of Schools has jurisdiction over the District; and

**WHEREAS**, this Board of Education desires that the County levy and collect a tax on all taxable property within the District sufficient to provide for payment of each Series of Refunding Bonds, and intends by the adoption of this Resolution to notify the Board of Supervisors of the County (the “Board of Supervisors”), the Auditor and Controller of the County (together with any authorized deputy thereof, the “County Auditor-Controller”), the County Treasurer and other officials of the County that they should take such actions as shall be necessary to provide for the levy and collection of such a tax and payment of each Series of Refunding Bonds and such portion of the Prior Bonds as shall remain outstanding following the issuance of the related Series of Refunding Bonds; and

**WHEREAS**, there have been prepared and submitted to this meeting forms of:

- (a) the Escrow Agreement;
- (b) the Bond Purchase Agreement;
- (c) the Paying Agent Agreement;
- (d) the Continuing Disclosure Certificate; and
- (e) the Preliminary Official Statement; and

**WHEREAS**, the District desires to proceed to issue and sell one or more Series of Refunding Bonds and to authorize the execution of such documents and the performance of such acts as may be necessary or desirable to effect the offering, sale and issuance of each such Series of Refunding Bonds; and

**WHEREAS**, all acts, conditions and things required by the Constitution and laws of the State of California (the "State") to exist, to have happened and to have been performed precedent to and in connection with the consummation of the actions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such actions for the purpose, in the manner and upon the terms herein provided;

**NOW, THEREFORE, BE IT RESOLVED** by this Board of Education of the Santee School District, County of San Diego, California, as follows:

**Section 1. Recitals.** All of the above recitals are true and correct and the Board of Education so finds and determines.

**Section 2. Determination.** This Board of Education hereby determines that prudent management of the fiscal affairs of the District requires that, subject to the provisions of Section 4 hereof, the District issue one or more Series of Refunding Bonds under the provisions of the Act to refund all or a portion of the Prior Bonds.

**Section 3. Authorization and Designation of Refunding Bonds.** Subject to the provisions of Section 4 hereof, the issuance from time to time (but not later than one year from the date of adoption hereof) of one or more Series of Refunding Bonds, in the aggregate principal amount of not to exceed \$14,000,000, on the terms and conditions set forth, and subject to the limitations specified, herein, is hereby authorized and approved. Each Series of Refunding Bonds shall be dated, shall accrue interest at the rates, shall mature on the dates, and shall be as otherwise provided in the related Bond Purchase Agreement, as the same shall be completed as provided in this Resolution.

**Section 4. Sale of Bonds.** Because of the need for flexibility in timing the sale of the Refunding Bonds in order to achieve maximum interest cost savings, the Board of Education hereby determines to sell each Series of Refunding Bonds by a negotiated sale. The Bond



Purchase Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. The President of this Board of Education, and such other member of this Board of Education as the President may designate, the Superintendent of the District and the Assistant Superintendent, Business Services, and such other officer or employee of the District as the Superintendent may designate (the "Authorized Officers") are, and each of them is, hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the District, to execute and deliver one or more Bond Purchase Agreements in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the applicable Bond Purchase Agreement by such Authorized Officer; provided, however, that (i) no Series of Refunding Bonds shall be authorized in a principal amount which, when combined with the principal amount of all Series of Refunding Bonds previously authorized and issued pursuant hereto, is in excess of \$14,000,000, (ii) no Series of Refunding Bonds shall have a final maturity date later than the latest maturity date of the corresponding Refunded Bonds, (iii) the total net interest cost to maturity of each applicable Series of Refunding Bonds, plus the principal amount of such Series of Refunding Bonds, shall not be in excess of the total net interest cost to maturity of the applicable Refunded Bonds, plus the principal amount of such Refunded Bonds, and (iv) the underwriter's discount (not including any original issue discount) shall not exceed 1.00% of the aggregate principal amount of the corresponding Series of Refunding Bonds.

**Section 5. Designated Costs of Issuing Refunding Bonds.** The refunding of all or a portion of the Prior Bonds is hereby approved. Each such refunding shall be accomplished by paying the principal of and interest on the Refunded Bonds due and payable through and including the earliest practicable date for which notice of redemption can be given (the "Redemption Date") and redeeming such Refunded Bonds on the Redemption Date and paying the redemption price therefor, plus unpaid, accrued interest thereon to the Redemption Date. In accordance with Section 53553 of the Act, with respect to each Series of Refunding Bonds, this Board of Education hereby designates the following costs and expenses as the "designated costs of issuing the refunding bonds:"

(i) all expenses incident to the calling, retiring, or paying of the applicable Refunded Bonds and incident to the issuance of such Series of Refunding Bonds, including the charges of any escrow agent or trustee in connection with the issuance of such Series of Refunding Bonds or in connection with the redemption or retirement of such Refunded Bonds;

(ii) the interest upon the applicable Refunded Bonds from the date of sale of such Series of Refunding Bonds to the date upon which the applicable Refunded Bonds will be paid pursuant to call; and

(iii) any premium necessary in the calling or retiring of such Refunded Bonds.

**Section 6. Escrow Agreement.** The form of Escrow Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, is hereby approved. The Authorized Officers are, and each of them is, hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the District, to execute and

deliver one or more Escrow Agreements in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the applicable Escrow Agreement by such Authorized Officer.

**Section 7. Form of Bonds; Execution.** (a) *Form of Refunding Bonds.* Each Series of Refunding Bonds shall be issued in fully registered form without coupons. The Refunding Bonds, and the certificate of authentication and registration and the forms of assignment to appear on each of them, shall be in substantially the form attached hereto as Exhibit A, with necessary or appropriate variations, omissions and insertions as permitted or required by this Resolution.

(b) *Execution of Refunding Bonds.* The Refunding Bonds shall be signed by the manual or facsimile signature of the President of the Board of Education, and countersigned by the manual or facsimile signature of the Clerk of the Board of Education (or the designee of either such respective officers if the President or the Clerk of the Board of Education are unavailable). The Refunding Bonds shall be authenticated by a manual signature of a duly authorized signatory of the Paying Agent (as defined herein).

(c) *Valid Authentication.* Only such of the Refunding Bonds as shall bear thereon a certificate of authentication and registration as described in subsection (a) of this Section, executed by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of authentication and registration shall be conclusive evidence that the Refunding Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Resolution.

(d) *Identifying Number.* The Paying Agent shall assign each Refunding Bond authenticated and registered by it a distinctive letter, or number, or letter and number, and shall maintain a record thereof at its principal office, which record shall be available to the District and the County for inspection.

**Section 8. Terms of Bonds.** (a) *Date of Refunding Bonds.* Each Series of Refunding Bonds shall be dated the date of their delivery, or such other date as shall be set forth in the applicable Bond Purchase Agreement.

(b) *Denominations.* Each Series of Refunding Bonds shall be issued in denominations of \$5,000 principal amount or any integral multiple thereof, or such other denominations as shall be designated in the applicable Bond Purchase Agreement.

(c) *Maturity.* Each Series of Refunding Bonds shall mature on the date or dates, in each of the years, in the principal amounts and in the aggregate principal amount as shall be set forth in the applicable Bond Purchase Agreement. No Refunding Bond shall mature later than the latest maturity date of the corresponding Refunded Bonds. No Refunding Bond shall have principal maturing on more than one principal maturity date.

(d) *Interest.* Each Series of Refunding Bonds shall bear interest at an interest rate or rates not to exceed 12.00% per annum, payable on such semiannual dates of each year as shall be set forth in the applicable Bond Purchase Agreement, commencing on the date set forth in the

applicable Bond Purchase Agreement (each, an “Interest Payment Date”), computed on the basis of a 360-day year of twelve 30-day months. Each Refunding Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless it is authenticated after the close of business on the 15th day of the calendar month immediately preceding such Interest Payment Date, whether or not such day is a business day, or such other date or dates as may be set forth in the Bond Purchase Agreement (each, a “Record Date”), and on or prior to such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from its dated date; provided, however, that if, at the time of authentication of any Refunding Bond, interest is in default on any outstanding Refunding Bonds of such Series, such Refunding Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Refunding Bonds of such Series.

(e) *Tax Exempt or Taxable.* Each Series of Refunding Bonds may be issued such that the interest on such Series of Refunding Bonds is Tax-Exempt or such that the interest on such Series of Refunding Bonds is not Tax-Exempt. The term “Tax-Exempt” means, with respect to interest on any obligations of a state or local government, that such interest is excluded from the gross income of the holders thereof for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Internal Revenue Code of 1986 (the “Code”). The term “Taxable Bonds” means those Refunding Bonds the interest on which is not Tax-Exempt. The Board of Education hereby finds and determines that, pursuant to Section 5903 of the California Government Code, the interest payable on each Series of Refunding Bonds issued as Taxable Bonds will be subject to federal income taxation under the Code in existence on the date of issuance of such Series of Refunding Bonds.

**Section 9. Payment of Bonds.** (a) *Request for Tax Levy.* The money for the payment of principal, redemption premium, if any, and interest on each Series of Refunding Bonds, and fees and expenses of the paying agent as permitted by Section 15232 of the California Education Code, shall be raised by taxation upon all taxable property in the District and provision shall be made for the levy and collection of such taxes in the manner provided by law and for such payment out of the interest and sinking fund of the District. The Board of Supervisors and officers of the County are obligated by statute to provide for the levy and collection of property taxes in each year sufficient to pay all principal and interest coming due on each Series of Refunding Bonds in such year, and to pay from such taxes all amounts due on such Refunding Bonds. The Board of Supervisors, the County Auditor-Controller, the County Treasurer and other officials of the County are hereby requested to take and authorize such actions as may be necessary pursuant to law to provide for the levy and collection of a property tax on all taxable property of the District sufficient to provide for payment of all principal of and interest on each Series of Refunding Bonds, and all fees and expenses of the paying agent as permitted by Section 15232 of the California Education Code, as the same shall become due and payable, and to apply moneys in the District’s interest and sinking fund as necessary to the payment of such Series of Refunding Bonds, as provided herein, and to provide for the payment of any portion of any Prior Bonds which are to remain outstanding pursuant to the authorizing resolution or paying agent agreement, as applicable, under which such bonds were issued. The Authorized Officers

are, and each of them is, hereby authorized, and any one of the Authorized Officers is hereby directed, (i) to transmit a certified copy of this Resolution and the debt service schedule for each Series of Refunding Bonds to the Board of Supervisors, the County Auditor-Controller and the County Treasurer in sufficient time to permit the County to establish tax rates and necessary funds or accounts for each Series of Refunding Bonds, and (ii) to formally request that the Board of Supervisors adopt a resolution to levy the appropriate taxes as herein provided.

(b) *Principal.* The principal of each Series of Refunding Bonds shall be payable in lawful money of the United States of America to the person whose name appears on the books for the registration and transfer of the Refunding Bonds maintained by the Paying Agent in accordance with Section 11(d) hereof (the "Registration Books") as the registered Owner thereof (the "Owner"), upon the surrender thereof at the principal corporate trust office of the Paying Agent.

(c) *Interest; Record Date.* The interest on each Series of Refunding Bonds shall be payable on each Interest Payment Date in lawful money of the United States of America to the Owner thereof as of the Record Date preceding such Interest Payment Date, such interest to be paid by check or draft mailed on such Interest Payment Date (if a business day, or on the next business day if the Interest Payment Date does not fall on a business day) to such Owner at such Owner's address as it appears on the Registration Books or at such address as the Owner may have filed with the Paying Agent for that purpose except that the payment shall be made by wire transfer of immediately available funds to any Owner of at least \$1,000,000 of outstanding Refunding Bonds of a Series who shall have requested in writing such method of payment of interest prior to the close of business on the Record Date immediately preceding any Interest Payment Date.

(d) *Interest and Sinking Fund.* Principal and interest due on each Series of Refunding Bonds shall be paid from the interest and sinking fund of the District as provided in Section 15146 of the California Education Code. If requested by the County Auditor-Controller, the Board of Education hereby authorizes and directs the County Auditor-Controller to create and maintain an account within the interest and sinking fund of the District for the payment of any Series of Refunding Bonds, which shall be maintained as a separate account, distinct from all other funds or accounts of the District.

(e) *Obligation of the District.* No part of any fund or account of the County is pledged or obligated to the payment of the Refunding Bonds. The obligation for repayment of the Refunding Bonds is the sole obligation of the District.

(f) *Pledge of Taxes.* The District hereby pledges all revenues from the property taxes collected from the levy by the Board of Supervisors of the County for the payment of Bonds (as defined below) of the District and amounts on deposit in the interest and sinking fund of the District to the payment of the principal or redemption price of and interest on the Bonds. This pledge shall be valid and binding from the date hereof for the benefit of the owners of the Bonds and successors thereto. The property taxes and amounts held in the interest and sinking fund shall be immediately subject to this pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in the interest and sinking fund to secure the payment of the Bonds and shall be effective, binding, and enforceable

against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. The pledge is an agreement between the District and the owners of Bonds to provide security for the Bonds in addition to any statutory lien that may exist, and the Bonds secured by the pledge are or were issued to finance (or refinance) one or more of the projects specified in the applicable voter-approved measure. "Bonds" for purpose of this pledge means all bonds, including refunding bonds, of the District heretofore or hereafter issued pursuant to voter approved measures of the District, including bonds approved by the voters of the District on November 7, 2006, as all such Bonds are required by State law to be paid from the interest and sinking fund of the District.

(g) *Insurance.* The payment of principal of and interest on all or a portion of any Series of Refunding Bonds may be secured by a municipal bond insurance policy as shall be described in the applicable Bond Purchase Agreement. The applicable Bond Purchase Agreement may provide that no municipal bond insurance policy shall be obtained. The Authorized Officers are each hereby authorized and directed to apply for, or cause to be applied for, municipal bond insurance for each Series of Refunding Bonds and to obtain such insurance if doing so puts such Series of Refunding Bonds (or portion thereof) and the marketing thereof on a economically advantageous basis, and is deemed to be in the best interests of the District. The Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver a contract or contracts for such insurance if such contract is deemed by the Authorized Officer executing the same to be in the best interests of the District, such determination to be conclusively evidenced by such Authorized Officer's execution and delivery of such contract. If the Authorized Officers so deem and obtain municipal bond insurance, and such insurance is issued by a mutual insurance company, the Authorized Officers are each hereby authorized and directed to enter into any required mutual insurance agreement substantially in such insurer's standard form with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of such agreement by such Authorized Officer.

**Section 10. Redemption Provisions.** (a) *Optional Redemption.* Each Series of Refunding Bonds may be subject to redemption, at the option of the District, on the dates and terms as shall be designated in the applicable Bond Purchase Agreement. The applicable Bond Purchase Agreement may provide that the related Series of Refunding Bonds shall not be subject to optional redemption.

(b) *Selection.* If less than all of a Series of Refunding Bonds, if any, are subject to such redemption and are called for redemption, such Refunding Bonds shall be redeemed as directed by the District, or if not so directed, in inverse order of maturities (or as otherwise set forth in the Bond Purchase Agreement), and if less than all of the Refunding Bonds of any given maturity of a Series are called for redemption, the portions of such Refunding Bonds of a given maturity to be redeemed shall be determined by lot (or as otherwise set forth in the Bond Purchase Agreement).

(c) *Mandatory Sinking Fund Redemption.* The Refunding Bonds, if any, which are designated in a Bond Purchase Agreement as term bonds shall also be subject to redemption

prior to their stated maturity dates, without a redemption premium, in part by lot (or as otherwise set forth in the applicable Bond Purchase Agreement), from mandatory sinking fund payments in the amounts and in accordance with the terms to be specified in such Bond Purchase Agreement. Unless otherwise provided in the applicable Bond Purchase Agreement, the principal amount of each mandatory sinking fund payment of any maturity shall be reduced proportionately or as otherwise directed by the District by the amount of any Refunding Bonds of that maturity redeemed in accordance with subsection (a) of this Section prior to the mandatory sinking fund payment date. The applicable Bond Purchase Agreement may provide that the Refunding Bonds of a Series shall not be subject to mandatory sinking fund redemption. The County Auditor-Controller is hereby authorized to create such sinking funds or accounts for the term Refunding Bonds as shall be necessary to accomplish the purposes of this Section.

(d) *Notice of Redemption.* Notice of any redemption of the Refunding Bonds of a Series shall be mailed by the Paying Agent, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date (i) by first class mail to the County and the respective Owners thereof at the addresses appearing on the Registration Books, and (ii) as may be further required in accordance with the applicable Continuing Disclosure Certificate.

Each notice of redemption shall state (i) the date of such notice; (ii) the name of the Series of Refunding Bonds and the date of issue of such Series of Refunding Bonds; (iii) the redemption date; (iv) the redemption price; (v) the dates of maturity or maturities of Refunding Bonds to be redeemed; (vi) if less than all of the Refunding Bonds of any maturity of a Series are to be redeemed, the distinctive numbers of the Refunding Bonds of each maturity of such Series to be redeemed; (vii) in the case of Refunding Bonds of a Series redeemed in part only, the respective portions of the principal amount of the Refunding Bonds of each maturity of such Series to be redeemed; (viii) the CUSIP number, if any, of each maturity of Refunding Bonds to be redeemed; (ix) a statement that such Refunding Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent; (x) notice that further interest on such Refunding Bonds will not accrue after the designated redemption date; and (xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice.

(e) *Effect of Notice.* A certificate of the Paying Agent that notice of redemption has been given to Owners as herein provided shall be conclusive as against all parties. Neither the failure to receive the notice of redemption as provided in this Section, nor any defect in such notice shall affect the sufficiency of the proceedings for the redemption of the Refunding Bonds called for redemption or the cessation of interest on the date fixed for redemption.

When notice of redemption has been given substantially as provided for herein, and when the redemption price of the Refunding Bonds called for redemption is set aside for the purpose as described in subsection (g) of this Section, the Refunding Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Refunding Bonds at the place specified in the notice of redemption, such Refunding Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Refunding Bonds so called for redemption after such redemption date shall be entitled to

payment thereof only from the interest and sinking fund or the trust fund established for such purpose. All Refunding Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

(f) *Right to Rescind Notice.* The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Refunding Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the interest and sinking fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Refunding Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Refunding Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

(g) *Funds for Redemption.* Prior to or on the redemption date of any Refunding Bonds there shall be available in the interest and sinking fund of the District, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the redemption prices as in this Resolution provided, the Refunding Bonds designated in the notice of redemption. Such monies shall be applied on or after the redemption date solely for payment of principal of, interest and premium, if any, on the Refunding Bonds to be redeemed upon presentation and surrender of such Refunding Bonds, provided that all monies in the interest and sinking fund of the District shall be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date shall be paid from the interest and sinking fund of the District, unless otherwise provided to be paid from such monies held in trust. If, after all of the Refunding Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the interest and sinking fund of the District or otherwise held in trust for the payment of redemption price of the Refunding Bonds, the monies shall be held in or returned or transferred to the interest and sinking fund of the District for payment of any outstanding bonds of the District payable from such fund; provided, however, that if the monies are part of the proceeds of bonds of the District, the monies shall be transferred to the fund created for the payment of principal of and interest on such bonds. If no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

(h) *Defeasance of Refunding Bonds.* If at any time the District shall pay or cause to be paid or there shall otherwise be paid to the Owners of any or all of the outstanding Refunding Bonds of a Series all or any part of the principal, interest and premium, if any, on such Refunding Bonds at the times and in the manner provided herein and in such Refunding Bonds, or as provided in the following paragraph, or as otherwise provided by law consistent herewith, then such Owners of such Refunding Bonds shall cease to be entitled to the obligation of the District as provided in Section 9 hereof, and such obligation and all agreements and covenants of the District and of the County to such Owners hereunder and under such Refunding Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal, interest and premium, if any, represented by such Refunding Bonds, but only out of monies on deposit in the interest and sinking fund or otherwise

held in trust for such payment; and provided further, however, that the provisions of subsection (i) of this Section shall apply in all events.

For purposes of this Section, the District may pay and discharge any or all of the Refunding Bonds of a Series by depositing in trust with the Paying Agent or an escrow agent, selected by the District, at or before maturity, money and/or non-callable direct obligations of the United States of America (including zero interest bearing State and Local Government Series) or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount which will, together with the interest to accrue thereon and available monies then on deposit in the interest and sinking fund of the District, be fully sufficient to pay and discharge the indebtedness on such Refunding Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

(i) *Unclaimed Monies.* Any money held in any fund created pursuant to this Resolution, or by the Paying Agent or an escrow agent in trust, for the payment of the principal of, redemption premium, if any, or interest on a Series of Refunding Bonds and remaining unclaimed for two years after the principal of all of such Series of Refunding Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to the interest and sinking fund of the District for payment of any outstanding bonds of the District payable from the fund; or, if no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

**Section 11. Paying Agent.** (a) *Appointment; Payment of Fees and Expenses.* This Board of Education does hereby appoint the County Treasurer to act Paying Agent for each Series of Refunding Bonds. The County Treasurer is authorized to contract with any third party to perform the services of Paying Agent under this Resolution. All fees and expenses of the Paying Agent shall be the sole responsibility of the District, and to the extent not paid from the proceeds of sale of the applicable Series of Refunding Bonds, or from the interest and sinking fund of the District, insofar as permitted by law, including specifically by Section 15232 of the California Education Code, such fees and expenses shall be paid by the District.

(b) *Resignation, Removal and Replacement of Paying Agent.* The Paying Agent initially appointed or any successor Paying Agent may resign from service as Paying Agent and may be removed at any time by the County. If at any time the Paying Agent shall resign or be removed, the County Treasurer shall appoint a successor Paying Agent, which shall be any bank, trust company, national banking association or other financial institution doing business in and having a corporate trust office in California, with at least \$100,000,000 in net assets.

(c) *Principal Corporate Trust Office.* Unless otherwise specifically noted, any reference herein to the Paying Agent shall initially mean the County Treasurer and his or her designated agents or his or her successors or assigns, acting in the capacity of Paying Agent, and any reference herein to the "principal corporate trust office" of the Paying Agent for purposes of transfer, registration, exchange, payment, and surrender of the Refunding Bonds shall initially mean the office of the County Treasurer or the principal corporate trust office of his or her designated agent bank or other office of his or her designated agent bank designated thereby for a particular purpose; provided, however, that in the event that "Paying Agent" shall refer to any



successor paying agent, bond registrar, authenticating agent or transfer agent for the Refunding Bonds, “principal corporate trust office” shall include the principal corporate trust office or other office of such successor Paying Agent designated thereby for a particular purpose.

(d) *Registration Books.* The Paying Agent shall keep or cause to be kept at its principal corporate trust office sufficient books for the registration and transfer of the Refunding Bonds, which shall at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred on the Registration Books, Refunding Bonds as provided in Sections 12 and 13 hereof. The Paying Agent shall keep accurate records of all funds administered by it and of all Refunding Bonds paid and discharged by it. Such records shall be provided, upon reasonable request, to the District in a format mutually agreeable to the Paying Agent and the District.

(e) *Merger or Consolidation.* Any bank, national banking association or trust company into which the Paying Agent may be merged or converted or with which it may be consolidated or any bank, national banking association or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, national banking association or trust company to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided such bank, national banking association or trust company shall be eligible under subsection (b) of this Section shall be the successor to such Paying Agent, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

(f) *Paying Agent Agreement.* The form of Paying Agent Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, is hereby approved. The Authorized Officers are, and each of them is, hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the District, to execute and deliver one or more Paying Agent Agreements in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution of the applicable Paying Agent Agreement by such Authorized Officer.

**Section 12. Transfer Under Book-Entry System; Discontinuation of Book-Entry System.** (a) Unless otherwise specified in the applicable Bond Purchase Agreement, The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors as securities depository for a Series of Refunding Bonds, including any such successor thereto appointed pursuant to this Section (“DTC”), is hereby appointed depository for each Series of Refunding Bonds and each Series of Refunding Bonds shall be issued in book-entry form only, and shall be initially registered in the name of “Cede & Co.,” as nominee of DTC (“Cede & Co.”). One bond certificate shall be issued for each maturity of each Series of Refunding Bonds; provided, however, that if different CUSIP numbers are assigned to Refunding Bonds of a Series maturing in a single year or, if Refunding Bonds of a Series maturing in a single year are issued with different interest rates, additional bond certificates shall be prepared for each such maturity. Registered ownership of such Refunding

Bonds of each such maturity, or any portion thereof, may not thereafter be transferred except as provided in this Section or Section 13 hereof:

(i) To any successor of DTC, or its nominee, or to any substitute depository designated pursuant to clause (ii) of this Section (a “substitute depository”); provided, however that any successor of DTC, as nominee of DTC or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) To any substitute depository not objected to by the District, upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the District to substitute another depository for DTC (or its successor) because DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided, that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person as provided below, upon (1) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository; provided that no substitute depository which is not objected to by the District can be obtained, or (2) a determination by the District that it is in the best interests of the District to remove DTC or its successor (or any substitute depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) of this Section, upon receipt of the outstanding Refunding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, a new Refunding Bond for each maturity of each Series shall be executed and delivered (in the aggregate principal amount of such Refunding Bonds then outstanding), registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to clause (iii) of subsection (a) of this Section, upon receipt of the outstanding Refunding Bonds by the Paying Agent together with a written request of the District to the Paying Agent, new Refunding Bonds shall be executed and delivered in such denominations, numbered in the manner determined by the Paying Agent, and registered in the names of such persons, as are requested in such written request of the District, subject to the limitations of Section 8 hereof and the receipt of such a written request of the District, and thereafter, the Refunding Bonds shall be transferred pursuant to the provisions set forth in Section 13 hereof; provided, however, that the Paying Agent shall not be required to deliver such new Refunding Bonds within a period of less than 60 days after the receipt of any such written request of the District.

(c) In the case of partial redemption or an advance refunding of a Series of Refunding Bonds evidencing all or a portion of the principal amount then outstanding, DTC shall make an appropriate notation on the Refunding Bonds of such Series indicating the date and amounts of such reduction in principal.

(d) The District and the Paying Agent shall be entitled to treat the person in whose name any Refunding Bond is registered as the owner thereof, notwithstanding any notice to the

contrary received by the District or the Paying Agent; and the District and the Paying Agent shall have no responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Refunding Bonds, and neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to the beneficial owners or to any other party, including DTC or its successor (or substitute depository or its successor), except for the Owner of any Refunding Bonds.

(e) So long as the outstanding Refunding Bonds are registered in the name of Cede & Co. or its registered assigns, the District and the Paying Agent shall cooperate with Cede & Co., as sole registered Owner, or its registered assigns in effecting payment of the principal of and interest on the Refunding Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

**Section 13. Transfer and Exchange.** (a) *Transfer.* Following the termination or removal of DTC or successor depository pursuant to Section 12 hereof, or upon the initial delivery of a Series of Refunding Bonds not registered in the name of Cede & Co., as nominee of DTC, any Refunding Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Refunding Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent.

Whenever any Refunding Bond or Refunding Bonds shall be surrendered for transfer, the designated District officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 7 hereof, a new Refunding Bond or Refunding Bonds, of the same series, maturity, interest payment dates and interest rate or rates (for a like aggregate principal amount). The Paying Agent may require the payment by any Owner of Refunding Bonds requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No transfer of any Refunding Bond shall be required to be made by the Paying Agent (i) during the period established by the Paying Agent for selection of the applicable Series of Refunding Bonds for redemption, and (ii) after any Refunding Bond has been selected for redemption.

(b) *Exchange.* The Refunding Bonds of a Series may be exchanged for Refunding Bonds of other authorized denominations of the same series, maturity, interest payment dates and interest rate or rates, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Refunding Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed request for exchange in a form approved by the Paying Agent.

Whenever any Refunding Bond or Refunding Bonds shall be surrendered for exchange, the designated District officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 7 hereof, a new Refunding Bond or Refunding Bonds of the same series, maturity, interest payment dates and interest rate or rates (for a like aggregate principal

amount). The Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No exchange of any Refunding Bonds shall be required to be made by the Paying Agent (i) during the period established by the Paying Agent for selection of the Refunding Bonds for redemption, and (ii) after any Refunding Bond has been selected for redemption.

**Section 14. Continuing Disclosure Certificate.** The form of Continuing Disclosure Certificate, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, is hereby approved. The Authorized Officers are, and each of them is, hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the District, to execute and deliver one or more Continuing Disclosure Certificates in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution of the applicable Continuing Disclosure Certificate by such Authorized Officer.

**Section 15. Preliminary Official Statement.** The form of Preliminary Official Statement relating to the first issuance of Refunding Bonds, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, with such changes therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of such Refunding Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized, and any one of the Authorized Officers is hereby directed, to certify on behalf of the District that the information contained in such Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12). If and to the extent it is necessary to make substantial changes to such Preliminary Official Statement prior to the offering and sale of the initial Refunding Bonds, the use of the Preliminary Official Statement in connection with the offering and sale of such Refunding Bonds, and the certification of its finality within the meaning of Rule 15c2-12 by an Authorized Officer, shall follow the distribution to this Board of Education of a revised draft of such Preliminary Official Statement with accompanying directions and instructions to members of this Board of Education to review such revised Preliminary Official Statement and provide comments to such Authorized Officer. For subsequent Series of Refunding Bonds, the preparation of a Preliminary Official Statement with respect each such subsequent Series of Refunding Bonds, similar in form and content to the Preliminary Official Statement relating to the first Series of Refunding Bonds but with such updates as shall be deemed necessary, is hereby authorized and approved, and the certification of its finality within the meaning of Rule 15c2-12 by an Authorized Officer and its use in connection with the offering and sale of each such subsequent Series of Refunding Bonds, which are also hereby authorized, shall follow the distribution to this Board of Education of a substantially complete draft of a Preliminary Official Statement relating to such Series of Refunding Bonds with accompanying directions and instructions to members of this Board of Education to review such Preliminary Official Statement and provide comments to such Authorized Officer.

**Section 16. Official Statement.** The preparation and delivery of a final Official Statement with respect to a Series of Refunding Bonds (each, and “Official Statement”) and its

use in connection with the offering and sale of such Series of Refunding Bonds are hereby authorized and approved. Each Official Statement shall be in substantially the form of the related Preliminary Official Statement, with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are, and each of them is, hereby authorized, and any one of the Authorized Officers is hereby directed, to execute each final Official Statement, and any amendment or supplement thereto, for and in the name of the District.

**Section 17. Tax Covenants.** (a) The District shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on a Tax-Exempt Series of Refunding Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the District hereby covenants that it will comply with the requirements of the Tax Certificate (each, a "Tax Certificate") to be executed by the District on the date of issuance of each Tax-Exempt Series of Refunding Bonds. The provisions of this subsection (a) shall survive payment in full or defeasance of the Refunding Bonds.

(b) In the event that at any time the District is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any monies held by the County Treasurer on behalf of the District, in accordance with this Resolution or pursuant to law, the District shall so request of the County Treasurer in writing, and the District shall make its best efforts to ensure that the County Treasurer shall take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provision of this Section, if the District shall provide to the County Treasurer an opinion of counsel of nationally recognized standing in the field of law relating to municipal bonds ("Opinion of Bond Counsel") that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Tax-Exempt Series of Refunding Bonds under Section 103 of the Code, the County Treasurer may conclusively rely on such Opinion of Bond Counsel in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

**Section 18. Cost of Issuance.** The Authorized Officers are each hereby authorized to cause to be deposited in a costs of issuance account, which may be held by a bank, national banking association or trust company meeting the qualifications necessary to be a paying agent set forth in Section 11, as cost of issuance administrator, proceeds of the sale of each Series of Refunding Bonds, in an amount as shall be set forth in the applicable Bond Purchase Agreement, for the purposes of paying the costs associated with the issuance of such Series of Refunding Bonds.

**Section 19. Professional Services.** In connection with the issuance of Refunding Bonds, Dale Scott & Company, Inc., is hereby appointed to serve as Financial Advisor to the District, RBC Capital Markets, LLC is hereby appointed to serve as the Underwriter for the Refunding Bonds, and Orrick, Herrington & Sutcliffe LLP is hereby appointed to serve as Bond Counsel and Disclosure Counsel to the District.

**Section 20. Delegation of Authority.** The officers and employees of the District are, and each of them hereby is, authorized and directed to execute and deliver, for and on behalf of the District, any and all documents and instruments and to do and cause to be done any and all acts and things necessary or advisable in order to consummate the transactions contemplated by this Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

**Section 21. Approval of Actions.** All actions heretofore taken by the officers and employees of the District with respect to the issuance and sale of the Refunding Bonds, or in connection with or related to any of the agreements or documents referred to herein, are hereby approved, confirmed and ratified.

**Section 22. Contract with Bondholders.** The provisions of this Resolution shall be a contract with each and every owner of Bonds and the duties of the District and of the Board of Education and the officers of the District shall be enforceable by any owner of Bonds by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction.

**Section 23. Amendments.** This Resolution may be modified or amended without the consent of the Owners in order to cure ambiguities or provide clarification, provided that such modification or amendment does not materially adversely affect the rights of owners of Bonds. For any other purpose, this Resolution may be modified or amended only with the consent of the Owners of a majority of the aggregate principal amount of all Refunding Bonds then outstanding; provided that any such modification or amendment to Section 9(f) or Section 22 shall require the consent of the owners of a majority of the aggregate principal amount of all Bonds then outstanding. No such modification or amendment shall extend the maturity of, reduce the interest rate or redemption premium on or principal amount of any Refunding Bond or reduce the percentage of consent required for amendment hereof without the express consent of all the owners so affected.

**Section 24. Interpretation.** The terms of this Resolution shall be interpreted broadly to effect the purpose of providing broad and clear authority for the officers and employees of the District to provide for the issuance of, and issue, from time to time, one or more Series of Refunding Bonds in accordance with the provisions of the documents described herein and the Act on the terms set forth in this Resolution.

**Section 25. Effective Date.** This Resolution shall take effect from and after its date of adoption.

**PASSED AND ADOPTED** this day, June 6, 2017.

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President of the Board of Education of the  
Santee School District

ATTEST:

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Clerk of the Board of Education of the  
Santee School District

**EXHIBIT A**

**FORM OF REFUNDING BOND**

**Number** **UNITED STATES OF AMERICA** **Amount**  
**R-\_\_** **STATE OF CALIFORNIA** **\$ \_\_\_\_\_**  
**COUNTY OF SAN DIEGO**

**SANTEE SCHOOL DISTRICT**  
**(SAN DIEGO COUNTY, CALIFORNIA)**  
**GENERAL OBLIGATION REFUNDING BONDS, SERIES 20\_\_**

Maturity Date Interest Rate Dated as of CUSIP No.  
August 1, 20\_\_ % \_\_\_\_, 20\_\_ \_\_\_\_\_

Registered Owner: CEDE & CO.

Principal Amount: \_\_\_\_\_ DOLLARS

Santee School District, County of San Diego, State of California (the "District"), acknowledges itself obligated to and promises to pay to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date set forth above or upon prior redemption hereof, the Principal Amount specified above in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond (unless this bond is authenticated after the close of business on a Record Date (as defined herein) and on or prior to the succeeding interest payment date, in which event it shall bear interest from such interest payment date, or unless this Bond is authenticated on or before \_\_\_\_\_ 15, 20\_\_, in which event it shall bear interest from the date hereof) at the Interest Rate per annum stated above, payable commencing on \_\_\_\_\_ 1, 20\_\_, and thereafter on February 1 and August 1 in each year, until payment of the Principal Amount. This Bond is issued pursuant to a Resolution adopted by the Board of Education of the District on June 6, 2017 (the "Resolution"). Capitalized undefined terms used herein have the meanings ascribed thereto in the Resolution.

The principal hereof is payable to the Registered Owner hereof upon the surrender hereof at the principal corporate trust office of the paying agent/registrar and transfer agent of the District (the "Paying Agent"), initially the Treasurer-Tax Collector of the County of San Diego. The interest hereon is payable to the person whose name appears on the bond registration books of the Paying Agent as the Registered Owner hereof as of the close of business on the 15<sup>th</sup> day of the month preceding an interest payment date (the "Record Date"), whether or not such day is a business day, such interest to be paid by check or draft mailed to such Registered Owner at the owner's address as it appears on such registration books, or at such other address filed with the Paying Agent for that purpose. Upon written request, given no later than the Record Date immediately preceding an interest payment date, of the owner of Refunding Bonds aggregating at least \$1,000,000 in principal amount, interest will be paid by wire transfer in immediately available funds to an account maintained in the United States as specified by the Registered



Owner in such request. So long as Cede & Co. or its registered assigns shall be the Registered Owner of this Bond, payment shall be made in immediately available funds as provided in the Resolution hereinafter described.

This Bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, maturities and redemption provisions), in the aggregate principal amount of \$\_\_\_\_\_, and designated as “Santee School District (San Diego County, California) General Obligation Refunding Bonds, Series 20\_\_” (the “Bonds”). The Bonds were authorized by the Resolution and are issued pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and other applicable law. The Bonds are issued and sold by the Board of Education of the District pursuant to and in strict conformity with the provisions of the Constitution and laws of the State, and of the Resolution, and subject to the more particular terms specified in the Bond Purchase Agreement, dated \_\_\_\_\_, 2017 (the “Bond Purchase Agreement”), by and between the District and RBC Capital Markets, LLC, as underwriter.

The Bonds are issuable as fully registered bonds without coupons in the denomination of \$5,000 principal amount or any integral multiple thereof, provided that no Bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Resolution, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same tenor and maturity of other authorized denominations.

This Bond is transferable by the Registered Owner hereof, in person or by attorney duly authorized in writing, at the principal corporate trust office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination or denominations of the same tenor, interest payments, and same aggregate principal amount will be issued to the transferee in exchange herefor.

The District and the Paying Agent may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the District and the Paying Agent shall not be affected by any notice to the contrary.

The Bonds are subject to redemption on the terms and subject to the conditions specified in the Resolution and the Bond Purchase Agreement. If this Bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.

The Board of Education of the District hereby certifies and declares that the total amount of indebtedness of the District, including the amount of this Bond, is within the limit provided by law; that all acts, conditions and things required by law to be done or performed precedent to and in the issuance of this Bond have been done and performed in strict conformity with the laws authorizing the issuance of this Bond; and that this Bond is in substantially the form prescribed by order of the Board of Education duly made and entered on its minutes. The Bonds represent an obligation payable out of the interest and sinking fund of the District, and the money for the

payment of principal of, premium, if any, and interest hereon, shall be raised by taxation upon the taxable property of the District.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Paying Agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

**IN WITNESS WHEREOF**, the Board of Education of the Santee School District, County of San Diego, State of California, has caused this bond to be signed by its President and countersigned by the Clerk of said Board, as of the date set forth above.

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President of the Board of Education of the  
Santee School District

Countersigned:

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Clerk of the Board of Education of the  
Santee School District

**CERTIFICATE OF AUTHENTICATION AND REGISTRATION**

This is one of the Bonds described in the within-mentioned Resolution and authenticated and registered on \_\_\_\_\_.

**U.S. BANK NATIONAL  
ASSOCIATION**, as agent

By: \_\_\_\_\_  
Authorized Officer

**ASSIGNMENT**

For value received the undersigned do(es) hereby sell, assign and transfer unto \_\_\_\_\_ the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) \_\_\_\_\_ attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

I.D. Number \_\_\_\_\_

\_\_\_\_\_  
Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

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

Signature Guarantee: \_\_\_\_\_  
Note: Signature must be guaranteed by an eligible guarantor institution.

## CLERK'S CERTIFICATE

I, Ken Fox, Clerk of the Board of Education of the Santee School District, County of San Diego, California, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Education of said District duly and regularly held at the regular meeting place thereof on June 6, 2017, and entered in the minutes thereof, of which meeting all of the members of the Board of Education had due notice and at which a quorum thereof was present, and that at said meeting the resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of the meeting was posted at least 72 hours before the meeting at 9625 Cuyamaca Street, Santee, California, a location freely accessible to members of the public, and a brief description of the resolution appeared on the agenda.

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; the foregoing resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: June 6, 2017

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Clerk of the Board of Education of  
Santee School District

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**ESCROW AGREEMENT**

**by and between**

**SANTEE SCHOOL DISTRICT**

**and**

**U.S. BANK NATIONAL ASSOCIATION**

**Dated as of \_\_\_\_\_ 1, 2017**

**Santee School District  
General Obligation Bonds,  
2006 Election, Series B  
(San Diego County, California)**

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## **ESCROW AGREEMENT**

**THIS ESCROW AGREEMENT** (this “Escrow Agreement”), dated as of \_\_\_\_\_ 1, 2017, is by and between the SANTEE SCHOOL DISTRICT, a school district organized and existing under the laws of the State of California (the “District”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as escrow bank (the “Escrow Bank”).

### **WITNESSETH:**

**WHEREAS**, the District, located in the County of San Diego, California (the “County”), has heretofore issued the Santee School District (San Diego County, California) General Obligation Bonds, 2006 Election, Series B (the “Prior Bonds”) in the original aggregate principal amount of \$12,385,076.75; and

**WHEREAS**, the Prior Bonds were issued pursuant to a Resolution adopted by the Board of Education (the “Board”) of the District on July 15, 2008 (the “Resolution”); and

**WHEREAS**, the District has determined that debt service savings can be achieved by refunding a portion of the Prior Bonds maturing on August 1 of each of the years [2020 through 2029, inclusive, 2033, 2038 and 2048] (the “Refunded Bonds”), as further described in Exhibit A hereto; and

**WHEREAS**, the Treasurer-Tax Collector of the County (the “County Treasurer”) serves as paying agent with respect to the Prior Bonds (the “Prior Paying Agent”); and

**WHEREAS**, in order to provide the funds necessary to refund the Refunded Bonds, the District has issued \$ \_\_\_\_\_ aggregate initial principal amount of Santee School District (San Diego County, California) General Obligation Refunding Bonds, Series 2017A (the “Refunding Bonds”); and

**WHEREAS**, the Refunding Bonds are issued pursuant to a resolution adopted by the Board of the District on June 6, 2017 (the “Refunding Resolution”); and

**WHEREAS**, County Treasurer, is the paying agent (the “Paying Agent”) under the Refunding Resolution; and

**WHEREAS**, the District has determined to apply a portion of the proceeds of the Refunding Bonds for the purpose of providing the funds necessary to pay, when due, the interest on the Refunded Bonds to and including August 1, 2018 and to redeem the Refunded Bonds on August 1, 2018 (the “Redemption Date”) at a redemption price (the “Redemption Price”) equal to 100% of the principal amount of the Refunded Bonds; and

**WHEREAS**, the Refunded Bonds are subject to redemption on the Redemption Date and the District has determined to provide for the call for redemption on the Redemption Date of the Refunded Bonds outstanding on the Redemption Date;

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

**Section 1. Definitions.** Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed thereto in the Resolution.

**Section 2. The Escrow Fund.** (a) There is hereby established a fund (the “Escrow Fund”) to be held as an irrevocably pledged escrow by the Escrow Bank, which the Escrow Bank shall keep separate and apart from all other funds of the District and the Escrow Bank and which shall be applied solely as provided in this Escrow Agreement. The Escrow Fund is established for the purpose of refunding the Refunded Bonds and, for purposes of Section 53555 of the California Government Code, shall be deemed to be a fund in the treasury of the District.

Pending application as provided in this Escrow Agreement, amounts on deposit in the Escrow Fund are hereby pledged and assigned solely to the payment of the interest on and principal and Redemption Price of the Refunded Bonds, which amounts shall be held in trust by the Escrow Bank for the Owners of the Refunded Bonds.

(b) Upon the issuance of the Refunding Bonds, there shall be deposited in the Escrow Fund \$ \_\_\_\_\_ received from the proceeds of the sale of the Refunding Bonds.

(c) Upon the deposit of moneys pursuant to Section 2(b), the moneys on deposit in the Escrow Fund will be at least equal to an amount sufficient to purchase the aggregate principal amount of [non-callable direct obligations of the United States of America or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America] (“Defeasance Securities”) set forth in Exhibit B hereto (the “Exhibit B Securities”), which principal, together with all interest due or to become due on such Exhibit B Securities, and any uninvested cash held by the Escrow Bank in the Escrow Fund, will be sufficient to make the payments required by Section 4 hereof.

**Section 3. Use and Investment of Moneys.** (a) The Escrow Bank hereby acknowledges deposit of the moneys described in Section 2(b) and agrees to invest \$ \_\_\_\_\_ of such moneys in the Exhibit B Securities upon receipt of certification by a nationally recognized firm of independent certified public accountants that the Exhibit B Securities will mature in such principal amounts and earn interest in such amounts and, in each case, at such times, so that sufficient moneys will be available from maturing principal and interest on the Exhibit B Securities, together with any uninvested moneys then held by the Escrow Bank in the Escrow Fund, to make all payments required by Section 4 hereof. Except as provided in Section 3(b) or Section 3(c), the balance of the moneys described in Section 2 shall be held uninvested in the Escrow Fund.

(b) Upon the written request of the District, but subject to the conditions and limitations herein set forth, the Escrow Bank shall purchase substitute Defeasance Securities for the Defeasance Securities then held in an Escrow Fund with the proceeds derived from the sale, transfer, redemption or other disposition of Defeasance Securities then on deposit in such Escrow Fund and any uninvested money then held by the Escrow Bank hereunder in accordance with the provisions of this Section. Such sale, transfer, redemption or other disposition of Defeasance Securities then on deposit in such Escrow Fund and substitution of other Defeasance Securities shall be effected by the Escrow Bank upon the written request of the District but only by a simultaneous transaction and only upon receipt of (i) certification by a nationally recognized firm of independent certified public accountants that the Defeasance Securities to be substituted,



together with the Defeasance Securities which will continue to be held in such Escrow Fund, will mature in such principal amounts and earn interest in such amounts and, in each case, at such times so that sufficient moneys will be available from maturing principal and interest on such Defeasance Securities held in such Escrow Fund, together with any uninvested moneys, to make all payments required by Section 4 hereof, which have not previously been made, and (ii) receipt by the Escrow Bank of an opinion of counsel of recognized standing in the field of law relating to municipal bonds to the effect that the sale, transfer, redemption or other disposition and substitution of Defeasance Securities will not adversely affect the exclusion of interest on the Refunded Bonds or the Refunding Bonds from gross income for purposes of federal income taxation.

(c) Upon the written request of the District, but subject to the conditions and limitations herein set forth, the Escrow Bank shall apply any moneys received from the maturing principal of or interest or other investment income on any Defeasance Securities held in an Escrow Fund, or the proceeds from any sale, transfer, redemption or other disposition of Defeasance Securities pursuant to Section 3(b) not required for the purposes of said Section (i) to the extent such moneys will not be required at any time for the purpose of making a payment required by Section 4 hereof, as certified by a nationally recognized firm of independent certified public accountants delivered to the Escrow Bank, such moneys shall be transferred to the County Treasurer for deposit in the District's interest and sinking funds established for the Refunding Bonds upon the written request of the District as received by the Escrow Bank, free and clear of any trust, lien, pledge or assignment securing the Refunded Bonds or otherwise existing hereunder, and (ii) to the extent such moneys will be required for such purpose at a later date, shall, to the extent practicable, be invested or reinvested in Defeasance Securities maturing at times and in amounts sufficient, as certified by a nationally recognized firm of independent certified public accountants delivered to the Escrow Bank, to make such payment required by Section 4 hereof. Prior to investing or reinvesting such moneys in Defeasance Securities pursuant to this subsection (c), the Escrow Bank shall receive an opinion of counsel of recognized standing in the field of law relating to municipal bonds to the effect that the investment or reinvestment of such moneys will not adversely affect the exclusion of interest on the Refunded Bonds or the Refunding Bonds from gross income for purposes of federal income taxation.

(d) All Defeasance Securities purchased pursuant to this Escrow Agreement shall be deposited in and held for the credit of the Escrow Fund. Except as provided in this Section 3, no moneys or Defeasance Securities deposited with the Escrow Bank pursuant to this Escrow Agreement nor principal of, or interest payments or other investment income on, any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Refunded Bonds as provided by Section 4 hereof.

(e) The Owners of the Refunded Bonds shall have a first and exclusive lien on the moneys and Defeasance Securities in the Escrow Fund until such moneys and Defeasance Securities are used and applied as provided in this Escrow Agreement.

(f) If the Escrow Bank learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a subscription of state and local government series securities ("SLGS") that is to be submitted pursuant to this Escrow Agreement, if any, the

Escrow Bank shall promptly request alternative written investment instructions from the District with respect to funds which were to be invested in SLGS. The Escrow Bank shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Bank shall hold such funds uninvested and without liability for interest until receipt of further written instructions from the District. In the absence of investment instructions from the District, the Escrow Bank shall not be responsible for the investment of such funds or interest thereon.

(g) The Escrow Bank shall not be held liable for investment losses resulting from compliance with the provisions of this Escrow Agreement.

**Section 4. Payment of Refunded Bonds.** From the maturing principal of the Defeasance Securities held in the Escrow Fund and the investment income and other earnings thereon and any uninvested money then held in the Escrow Fund, the Escrow Bank shall:

(a) on each Interest Payment Date to and including the Redemption Date, pay interest on the Refunded Bonds then due and payable to the Paying Agent in accordance with the terms of the Resolution and in accordance with debt service schedule set forth in the escrow verification report dated \_\_\_\_\_, 2017 provided by Causey Demgen & Moore P.C. (the “Escrow Verification Report”), attached hereto as Exhibit C; and

(b) on the Redemption Date, pay the Redemption Price to the Paying Agent in accordance with the terms of the Resolution and in accordance with the Escrow Verification Report, attached hereto as Exhibit C.

To the extent that the amount on deposit in the Escrow Fund on the Redemption Date is in excess of the amount necessary to make the required payments with respect to the Refunded Bonds, as shown in the Escrow Verification Report, attached hereto as Exhibit C, such excess shall be transferred to the County Treasurer for deposit in the District’s interest and sinking funds established for the Refunding Bonds.

**Section 5. Irrevocable Instructions to Mail Notices.** The District hereby irrevocably designates the Refunded Bonds for prior redemption on the Redemption Date as indicated in Section 4 hereof and hereby irrevocably instructs the Paying Agent, to (a) give, in accordance with Section 10(d) of the Resolution, notice of redemption of the Refunded Bonds, (b) file, in accordance with the continuing disclosure certificate of the District for the Refunded Bonds, notice of such early redemption and the defeasance of the Refunded Bonds on the Electronic Municipal Market Access (EMMA) website.

**Section 6. Performance of Duties.** The Escrow Bank agrees to perform the duties set forth herein and agrees that the irrevocable instructions to the Escrow Bank herein provided are in a form satisfactory to it.

**Section 7. Escrow Bank’s Authority to Make Investments.** The Escrow Bank shall have no power or duty to invest any funds held under this Escrow Agreement except as provided in Section 3 hereof. The Escrow Bank shall have no power or duty to transfer or otherwise dispose of the moneys held hereunder except as provided in this Escrow Agreement.

**Section 8. Compensation.** The District shall from time to time pay or cause to be paid to the Escrow Bank the agreed upon compensation for its services to be rendered hereunder, and reimburse the Escrow Bank for all of its reasonable advances, expenses and charges, including, without limitation, legal fees and expenses, in the exercise and performance of its duties hereunder; provided, however, that under no circumstances shall the Escrow Bank be entitled to any lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services rendered or expenses incurred by the Escrow Bank under this Escrow Agreement or otherwise.

**Section 9. Indemnification.** To the extent permitted by law, the District shall indemnify and save the Escrow Bank and its officers, directors, agents and employees harmless against any liabilities, losses, costs, expenses (including, without limitation, legal fees and expenses), suits, judgments and claims which it or they may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or its willful misconduct. The indemnity contained in this Section shall survive the termination of this Escrow Agreement and the earlier removal or resignation of the Escrow Bank.

**Section 10. Responsibilities of Escrow Bank.** The Escrow Bank and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the acceptance of the moneys or any securities deposited therein, the purchase of the securities to be purchased pursuant hereto, the retention of such securities or the proceeds thereof, the sufficiency of the securities or any uninvested moneys held hereunder to accomplish the redemption of the Refunded Bonds, or any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Escrow Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Bank made in good faith in the conduct of its duties. The recitals of fact contained in the "Whereas" clauses herein shall be taken as the statements of the District, and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representation as to the sufficiency of the securities to be purchased pursuant hereto and any uninvested moneys to accomplish the redemption of the Refunded Bonds or to the validity of this Escrow Agreement as to the District and, except as otherwise provided herein, the Escrow Bank shall incur no liability in respect thereof. The Escrow Bank shall not be liable in connection with the performance of its duties under this Escrow Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Escrow Agreement. The Escrow Bank may consult with counsel, who may or may not be counsel to the District, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Escrow Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of counsel of recognized standing in the field of law relating to municipal bonds) may be deemed to be conclusively established by a written certification of the District.

No provision of this Escrow Agreement shall require the Escrow Bank to risk or advance its own funds. The Escrow Bank shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bonds or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Escrow Bank may execute any of its powers or duties hereunder through attorneys, agents or receivers and shall not be answerable for the actions of such attorneys, agents or receivers if selected by it with reasonable care.

The Escrow Bank agrees to accept and act upon instructions or directions pursuant to this Escrow Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Bank shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the District elects to give the Escrow Bank e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Bank in its discretion elects to act upon such instructions, the Escrow Bank's understanding of such instructions shall be deemed controlling. The Escrow Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Bank's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The District agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Bank, including without limitation the risk of the Escrow Bank acting on unauthorized instructions, and the risk of interception and misuse by third parties.

**Section 11. Resignation and Removal.** The Escrow Bank may resign by giving written notice to the District, and upon receipt of such notice the District shall promptly appoint a successor Escrow Bank. If the District does not appoint a successor Escrow Bank within thirty days of receipt of such notice, the resigning Escrow Bank may petition a court of competent jurisdiction for the appointment of a successor Escrow Bank, which court may thereupon, upon such notice as it shall deem proper, appoint a successor Escrow Bank. Upon acceptance of appointment by a successor Escrow Bank, the resigning Escrow Bank shall transfer all moneys held by it in the Escrow Fund to such successor Escrow Bank and be discharged of any further obligation or responsibility hereunder.

The District may remove the Escrow Bank at any time by giving written notice of such removal to the Escrow Bank, and thereupon shall appoint a successor Escrow Bank by an instrument in writing. Upon acceptance of appointment by a successor Escrow Bank, the removed Escrow Bank shall transfer all moneys held by it in the Escrow Fund to such successor Escrow Bank and be discharged of any further obligation or responsibility hereunder.

Any successor Escrow Bank appointed under the provisions hereof shall be a trust company or bank having trust powers, having a corporate trust office in California, having a combined capital and surplus of at least \$50,000,000, and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this paragraph the combined capital and surplus of such

bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Any bank, corporation or association into which the Escrow Bank may be merged or converted or with which it may be consolidated, or any bank, corporation or association resulting from any merger, conversion or consolidation to which the Escrow Bank shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Escrow Bank shall be the successor of the Escrow Bank hereunder without the execution or filing of any paper with any parties hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instrument or transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

**Section 12. Amendments.** The District and the Escrow Bank may (but only with the consent of the Owners of all of the Refunded Bonds) amend this Escrow Agreement or enter into agreements supplemental to this Escrow Agreement; provided, however, that such amendments and agreements are limited to (a) insertion of unintentionally omitted material, corrections of mistakes or clarifications of ambiguities, (b) pledging of additional legal security for the benefit of the Owners of the Refunded Bonds, or (c) providing for the deposit of additional cash and/or securities in the Escrow Fund.

**Section 13. Term.** This Escrow Agreement shall terminate on the date upon which the Refunded Bonds have been paid in accordance with this Escrow Agreement.

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

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

**Section 16. Governing Law.** This Escrow Agreement shall be construed under the laws of the State of California.

**SANTEE SCHOOL DISTRICT**

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

**U.S. BANK NATIONAL  
ASSOCIATION, AS ESCROW BANK**

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

Authorized Officer

[Signature Page – Escrow Agreement]

**EXHIBIT A**  
**REFUNDED BONDS**

<u>Maturity Date</u>	<u>Initial Principal Amount</u>	<u>Maturity Value</u>
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**EXHIBIT B**  
**DEFEASANCE SECURITIES**

<b>Type</b>	<b>Maturity Date</b>	<b>Par Amount</b>	<b>Interest Rate</b>	<b>Cost</b>
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**EXHIBIT C**  
**ESCROW VERIFICATION REPORT**

§ \_\_\_\_\_  
**SANTEE SCHOOL DISTRICT  
(SAN DIEGO COUNTY, CALIFORNIA)  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017A**

**BOND PURCHASE AGREEMENT**

\_\_\_\_\_, 2017

Santee School District  
9625 Cuyamaca Street  
Santee, California 92071

The undersigned, RBC Capital Markets, LLC (the “Underwriter”), acting on its own behalf and not as a fiduciary or agent of any other party, hereby offers to enter into this Bond Purchase Agreement (the “Bond Purchase Agreement”) with the Santee School District (the “District”) which, upon the acceptance hereof, will be binding upon the District and the Underwriter. By execution of this Bond Purchase Agreement, the District acknowledges the terms hereof and recognizes that it will be bound by certain of the provisions hereof, and to the extent binding on the District, acknowledges and agrees to such terms. This offer is made subject to the written acceptance of this Bond Purchase Agreement by the District and delivery of such acceptance to the Underwriter at or prior to 11:59 p.m., California time, on the date hereof.

**1. Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the District for reoffering to the public and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of the \$\_\_\_\_\_ aggregate principal amount of the District’s Santee School District (San Diego County, California) General Obligation Refunding Bonds, Series 2017A (the “Bonds”). The Bonds shall be issued in the principal amounts and shall bear interest at the rates set forth in Exhibit A hereto and shall be issued in fully registered form, in the authorized denominations of \$5,000 or any integral multiple thereof. The Bonds shall bear interest payable from the date thereof and such interest shall be payable on each February 1 and August 1, commencing \_\_\_\_\_ 1, 20\_\_.

The Underwriter shall purchase the Bonds at a price of \$\_\_\_\_\_ (which represents the aggregate principal amount of the Bonds, plus [net] original issuance [premium/discount] of \$\_\_\_\_\_, and less Underwriter’s discount in the amount of \$\_\_\_\_\_) in immediately available funds by check, draft or wire transfer to or upon the order of the District.

The District acknowledges and agrees that: (a) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm’s-length commercial transaction between the District and the Underwriter; (b) the Underwriter is acting solely as an underwriter and principal in connection with the matters contemplated by and with respect to all communications under this

Bond Purchase Agreement and is not acting as the agent or fiduciary or Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) of the District and its advisors in connection with the matters contemplated by this Bond Purchase Agreement; (c) the Underwriter has financial and other interests that differ from those of the District; (d) the Underwriter has not assumed any other obligation to the District except the obligations expressly set forth in this Bond Purchase Agreement, and this Bond Purchase Agreement expresses the entire relationship between the parties hereto; and (e) in connection with the purchase and sale of the Bonds, the District has consulted its own financial and other advisors to the extent it has deemed appropriate. The District also acknowledges that it previously received from the Underwriter a letter regarding the Municipal Securities Rulemaking Board (“MSRB”) Rule G-17 Disclosures, and that it has provided to the Underwriter an acknowledgement of such letter.

**2. The Bonds.** The Bonds shall be dated the date of delivery, and shall mature on the dates and be subject to redemption prior to their maturity all as set forth in the Exhibit A hereto. The Bonds shall otherwise be as described in and shall be issued and secured pursuant to the provisions of the resolution of the Board of Trustees of the District (the “Board of Trustees”) adopted on June 6, 2017 (the “Resolution”), which provides for the terms of the Bonds, this Bond Purchase Agreement and Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Act”). The Bonds are being issued (i) to refund a portion of the District’s outstanding Santee School District (San Diego County, State of California) General Obligation Bonds, 2006 Election, Series B, maturing on August 1 of each of the years 2020 through 2029, inclusive, 2033, 2038 and 2048 (the “Prior Bonds”) and (ii) to pay costs of issuance of the Bonds.

The District and U.S. Bank National Association, as escrow bank (the “Escrow Bank”), will enter into the Escrow Agreement, dated as of \_\_\_\_\_ 1, 2017 (the “Escrow Agreement”), relating to the Prior Bonds. In order to assist the Underwriter with compliance with Rule 15c2-12 of the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended (the “Rule”), the District will enter into the Continuing Disclosure Certificate, dated \_\_\_\_\_, 2017 (the “Continuing Disclosure Certificate”). Capitalized terms used herein and not defined herein shall have the meanings set forth in the Resolution.

The Bonds shall be executed and delivered under and in accordance with the provisions of this Bond Purchase Agreement and the Resolution. The Bonds shall be in definitive form, shall bear CUSIP numbers, and shall be in fully registered form, registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York (“DTC”).

**3. Use of Documents.** The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Bonds, this Bond Purchase Agreement, the Preliminary Official Statement (defined below), the Official Statement (defined below), the Resolution, the Escrow Agreement, the Continuing Disclosure Certificate and all information contained herein and therein and all of the documents, certificates or statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Bond Purchase Agreement.

**4. Public Offering of the Bonds.** The Underwriter agrees to make a bona fide public offering of all the Bonds at the initial public offering prices or yields as set forth in Exhibit A

hereto. Subsequent to such initial public offering, the Underwriter reserves the right to change such initial public offering prices or yields as it deems necessary in connection with the marketing of the Bonds; provided, however, that the Underwriter shall not change the interest rates set forth in Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

Prior to delivery of the Bonds, as a condition to such delivery, the Underwriter shall be required to provide to the District initial offering price information in form and substance as Bond Counsel (defined below) may require for purposes of determining the yield on the Bonds.

**5. Official Statement.** The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated \_\_\_\_\_, 2017 (as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the "Preliminary Official Statement"). The District represents that it deems the Preliminary Official Statement to be final as of its date, except for either revisions or additions to the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to the Rule. By the execution of this Bond Purchase Agreement, the District ratifies the use by the Underwriter of the Preliminary Official Statement.

The District hereby agrees to deliver or cause to be delivered to the Underwriter, within seven business days after the date hereof, copies of the Official Statement, consisting of the Preliminary Official Statement with such changes as may be made with the approval of the District and the Underwriter (the "Official Statement"), in such reasonable quantity as the Underwriter shall request. The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, and agrees that prior to the time the final Official Statement relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) not later than the first business day following the date upon which each such request is received. The Underwriter agrees to file the Official Statement with the MSRB through its Electronic Municipal Market Access system.

Each party hereto agrees that it will notify the other party hereto if, within the period from the date of this Bond Purchase Agreement to and including the date which is 25 days following the End of the Underwriting Period (as hereinafter defined), such party discovers any pre-existing or subsequent fact or becomes aware of the occurrence of any event, in any such case which might cause the Official Statement (as the same may have been theretofore supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the written opinion of the District or the Underwriter, the preparation and publication of a supplement or amendment to the Official Statement is, as a result of such fact or event (or any other event which becomes known to the District or the Underwriter during such period), necessary so that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the District shall, at its expense,

supplement or amend the Official Statement in such a manner so that the Official Statement, as so supplemented or amended, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and furnish copies of such supplement or amendment to the Underwriter in such numbers as the Underwriter may reasonably request. The District and the Underwriter agree that they will cooperate in the preparation of any such amendment or supplement. As used herein, the term "End of the Underwriting Period" means the later of such time as (a) the District delivers the Bonds to the Underwriter, or (b) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the "End of the Underwriting Period" shall be deemed to be the Closing Date (as defined herein). Any notice delivered pursuant to this provision shall be written notice delivered to the District at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the End of the Underwriting Period.

6. **Closing.** At 8:30 a.m., California time, on \_\_\_\_\_, 2017, or at such other time or on such other date as shall have been mutually agreed upon by the parties hereto (the "Closing" or "Closing Date"), the District shall direct U.S. Bank National Association, as the paying agent (the "Paying Agent"), to deliver to the Underwriter, through the facilities of DTC, or at such other place as the District and the Underwriter may mutually agree upon, the Bonds in fully registered book-entry form, duly executed, and shall cause the other documents hereinafter mentioned to be delivered at the offices of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel") in Los Angeles, California. Upon fulfillment of all conditions to closing herein, the Underwriter shall accept such delivery and pay the purchase price thereof in immediately available funds (by wire transfer or such other manner of payment as the Underwriter and the District shall reasonably agree upon) to the account of the District.

7. **Representations, Warranties and Agreements of the District.** The District hereby represents, warrants and agrees with the Underwriter that:

(a) The District is a school district duly organized and validly existing under the laws of the State of California (the "State"), with the power to issue the Bonds pursuant to the Act;

(b) (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds, (ii) the Resolution was duly adopted at a meeting of the Board of Trustees, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting at the time of adoption, and the Resolution has not been amended, modified or rescinded, (iii) the District has full legal right, power and authority to enter into this Bond Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Certificate, to adopt the Resolution, to issue and to deliver the Bonds to the Underwriter, to perform its obligations under each such document or instrument and to carry out and effectuate the transactions contemplated by this Bond Purchase Agreement, the Escrow Agreement and the Resolution, (iv) the execution and delivery or adoption of and the performance by the District of the obligations represented by, the Bonds, the Resolution, the Escrow Agreement, the Continuing Disclosure Certificate and this Bond Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of

the Closing, (v) this Bond Purchase Agreement constitutes, and, when executed and delivered, each of the Escrow Agreement and the Continuing Disclosure Certificate will constitute, a valid and legally binding obligation of the District, enforceable against the District in accordance with its terms, and (vi) the District has duly authorized the consummation by it of all transactions contemplated by this Bond Purchase Agreement;

(c) No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, or which have not been taken or obtained;

(d) The District has complied with the Internal Revenue Code of 1986, as amended, with respect to the Bonds;

(e) As of the time of acceptance hereof and as of the time of the Closing, the District is not and will not be, in any manner which would adversely affect the transactions contemplated hereby and by the Resolution, in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or is otherwise subject and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute, in any manner which would adversely affect the transactions contemplated hereby and by the Resolution, a default or event of default under any such instrument; and, as of such times, to the best knowledge of the District, the issuance of the Bonds, the execution, delivery and performance of this Bond Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Certificate and the compliance with the provisions hereof and thereof and of the Resolution do not conflict with or constitute on the part of the District a violation of, or material default under, any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or is otherwise subject and do not conflict with or result in a violation or breach of, or constitute a material default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject;

(f) As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending (in which service of process has been completed against the District) or, to the best knowledge of the District, otherwise pending or threatened against the District (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices of the titles of the officials of the District to such offices, (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds or the levy of any taxes

contemplated by the Resolution, or in any way contesting or affecting the validity or enforceability of the Bonds, this Bond Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Certificate or the Resolution or contesting the powers of the District or its authority with respect to the Bonds, this Bond Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Certificate or the Resolution, (iii) contesting the completeness or accuracy of the Preliminary Official Statement, or (iv) in which a final adverse decision could (A) result in any material adverse impact on the financial condition of the District, (B) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Bond Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Certificate or the Resolution, (C) declare this Bond Purchase Agreement to be invalid or unenforceable in whole or in material part, or (D) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes or the exemption of such interest on the Bonds from California personal income taxation;

(g) Preparation and distribution of the Preliminary Official Statement and the Official Statement have been duly authorized by the Board of Trustees; the information contained therein (excluding the statements and information relating to the book entry system and any information provided by the Underwriter, and so identified as source thereof, for inclusion in the Official Statement) is true and correct in all material respects and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except that no representation and warranty is made concerning statements and information relating to the book entry system or any information provided by the Underwriter, and so identified as source thereof, for inclusion in the final Official Statement;

(h) The Preliminary Official Statement was as of its date, and the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement contain, and up to and including the Closing will contain, no material misstatement of any material fact and do not, and up to and including the Closing will not, omit any statement necessary to make the statements contained therein, in light of the circumstances in which such statements were made, not misleading. At the time of the Closing, there shall not have been any material adverse changes in the financial condition of the District since the date of the Official Statement;

(i) The District agrees that if at any time before the Closing any event occurs as a result of which the Official Statement as then in effect would include any untrue statement of a material fact or omit to state any fact necessary to make the statements made therein not misleading in any material respect, the District shall promptly prepare an amendment or supplement that will correct such statement or omission. The District will advise the Underwriter promptly of any proposal to so amend or supplement the Official Statement and will effect such amendment or supplement in a form and manner approved by the Underwriter;

(j) The District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter if and as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations or such states and jurisdictions, provided, however, that the District shall not be required to consent to service of process in any jurisdiction in which they are not so subject as of the date hereof;

(k) To assist the Underwriter in complying with the Rule, the District will undertake, pursuant to the Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement;

(l) Except as disclosed in the Official Statement, in the preceding five years, the District has not failed to comply in all material respects with any previous undertakings with regard to the Rule to provide annual reports or notices of certain events;

(m) Between the date hereof and the Closing, without the prior written consent of the Underwriter, the District will not have issued any bonds, notes or other obligations for borrowed money except for such borrowing as may be described in or contemplated by the Official Statement;

(n) The District agrees to take all steps required by law and by the County of San Diego (the "County") to ensure that the Board of Supervisors of the County annually levies a tax upon all taxable property in the District sufficient to pay the principal of and interest on the Bonds as and when the same become due;

(o) The audited financial statements of the District for the fiscal year ended June 30, 2015, were prepared in accordance with generally accepted accounting principles consistently applied and fairly present the financial position and results of operation of the District for the period and at the date set forth therein, and there has been no material adverse change in the business, affairs, financial position, results of operations or condition, financial or otherwise, of the District since the date of such financial statements, except as otherwise disclosed in the Official Statement;

(p) The District hereby represents that it has not entered into any contract or agreement that would limit or restrict the District's ability to refund the Prior Bonds or enter into this Bond Purchase Agreement for the sale of the Bonds to the Underwriter;

(q) The District will apply the proceeds from the Sale of the Bonds for the purposes specified in the Resolution and as described in the Official Statement; and

(r) Any certificates signed by any officer of the District and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter, but not by the person signing the same, as to the statements made therein.

**8. Representations, Warranties and Agreements of the Underwriter.** The Underwriter hereby represents, warrants and agrees with the District that:



(a) The Underwriter is duly authorized to execute this Bond Purchase Agreement and to take any action under this Bond Purchase Agreement required to be taken by it; and

(b) The Underwriter has, and has had, no financial advisory relationship (as such term is defined in California Government Code Section 53590) with the District with respect to the Bonds, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship (as such term is defined in California Government Code Section 53590).

**9. Conditions to Closing.** The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations and warranties of the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter's obligations under this Bond Purchase Agreement are and shall be subject at the option of the Underwriter, to the following further conditions at the Closing:

(a) The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the District shall be in compliance with each of the agreements made by it in this Bond Purchase Agreement;

(b) At the time of the Closing, (i) the Official Statement, this Bond Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Certificate and the Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the parties hereto; (ii) all actions under the Act which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or have performed all of its obligations required under or specified in this Bond Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Certificate, or the Official Statement to be performed at or prior to the Closing;

(c) No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Bond Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, shall be pending (in which service of process has been completed against the District) or threatened (either in state or federal courts) (A) seeking to restrain or enjoin the execution, sale or delivery of any of the Bonds, (B) in any way contesting or affecting the authority for the execution, sale or delivery of the Bonds, this Bond Purchase Agreement, the Escrow Agreement or the Continuing Disclosure Certificate, or (C) in any way contesting the existence or powers of the District, or contesting in any way the completeness or accuracy of the Official Statement;

(d) Between the date hereof and the Closing, the market price for the Bonds, or the market for or marketability or the ability of the Underwriter to enforce contracts for the sale of the Bonds at the initial offering prices set forth in the Official Statement, shall not have been materially adversely affected by reason of any of the following:

(1) legislation enacted by the Congress of the United States, or by the legislature of the State, or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court of the United States or the State or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service or other federal or State authority, which would have the purpose or effect of changing, directly or indirectly, the federal income tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof or State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof; or

(ii) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Resolution is not exempt from qualification under the Trust Indenture Act of 1939, as amended;

(2) the declaration of war or engagement in or escalation of major military hostilities by the United States or the occurrence of any other national or international emergency or calamity or crisis relating to the effective operation of the government or the financial community in the United States;

(3) the declaration of a general banking moratorium by federal, New York or State authorities having jurisdiction, or the general suspension of trading on any national securities exchange or fixing of minimum or maximum prices for trading or maximum ranges for prices for securities on any national securities exchange, whether by virtue or a determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction or a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred;

(4) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Bond Purchase Agreement or by the Official Statement, or any other

document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Exchange Act and the Trust Indenture Act;

(5) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(6) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws, as amended and then in effect;

(7) the occurrence of any adverse change of material nature of the financial condition, results of operation or properties of the District;

(8) there shall have occurred or any notice shall have been given of any intended downgrade, suspension, withdrawal or negative change in credit watch status by any national credit agency of the District's outstanding indebtedness;

(9) the suspension by the Securities and Exchange Commission of trading in the outstanding securities of the District;

(10) any proceeding shall have been commenced or be threatened in writing by the Securities and Exchange Commission against the District;

(11) any amendment shall have been made to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the District, its property, income securities (or interest thereon) or the validity or enforceability of the levy of taxes to pay principal of and interest on the Bonds;

(12) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission; or

(13) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information set forth in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make

the statements made therein, in light of the circumstances under which they were made, not misleading;

(e) At or prior to the Closing, the Underwriter shall have received the following documents, in each case satisfactory in form and substance to the Underwriter:

(1) A certificate of the Clerk of the Board of Trustees to the effect that (i) the copy of the Resolution attached thereto is a true and correct copy thereof, and (ii) the Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the Closing; Date;

(2) Executed copies of the Escrow Agreement, the Continuing Disclosure Certificate and the Official Statement;

(3) An approving opinion of Bond Counsel, substantially in the form attached as Appendix C to the Official Statement, relating to the Bonds, dated the Closing Date and addressed to the District;

(4) A reliance letter from Bond Counsel to the effect that the Underwriter may rely upon the approving opinion described in (e)(3) above;

(5) A certificate, dated the Closing Date, signed by an appropriate official of the District, to the effect that (i) such official is authorized to execute the Escrow Agreement, the Continuing Disclosure Certificate and this Bond Purchase Agreement, (ii) the representations and warranties of the District herein are true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of the Escrow Agreement, the Continuing Disclosure Certificate and this Bond Purchase Agreement to be complied with by the District prior to or concurrently with the Closing and the Escrow Agreement, the Continuing Disclosure Certificate and this Bond Purchase Agreement are in full force and effect; (iv) to the best of such official's knowledge, no litigation is pending or threatened (either in state or federal courts) (A) seeking to restrain or enjoin the execution, sale or delivery of any of the Bonds, (B) in any way contesting or affecting the authority for the execution, sale or delivery of the Bonds, the Escrow Agreement, the Continuing Disclosure Certificate or this Bond Purchase Agreement, or (C) in any way contesting the existence or powers of the District, (v) such official has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, (vi) each of the conditions listed in Section 9(e) of this Bond Purchase Agreement has been satisfied on the date hereof and the District is not aware of any other condition of this Bond Purchase Agreement that has not been satisfied on the date hereof, and (vii) the Bonds being delivered on the Closing Date to the Underwriter under this Bond Purchase Agreement substantially conform to the descriptions thereof contained in the Resolution and this Bond Purchase Agreement;

(6) A supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriter, to the effect that (i) statements contained in the Official Statement under the captions “THE REFUNDING BONDS” (excluding any and all information contained under the subheadings “– Authority for Issuance; Plan of Finance,” “– Estimated Sources and Uses of Funds,” “– Debt Service,” “– Outstanding Bonds,” and “– Aggregate Debt Service”) and “TAX MATTERS,” excluding any material that may be treated as included under such captions by cross-reference, insofar as such statements expressly summarize certain provisions of the Bonds and the Resolution, and the form and content of Bond Counsel’s approving opinion, are accurate in all material respects, (ii) assuming due authorization, execution and delivery by all the parties thereto other than the District, the Continuing Disclosure Certificate, the Escrow Agreement and this Bond Purchase Agreement have each been duly executed and delivered by the District and constitute valid and binding obligations of the District, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors’ rights and except as their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought (provided that no opinion need be rendered regarding the adequacy of the Continuing Disclosure Certificate for purposes of the Rule), and (iii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(7) The opinion of Orrick, Herrington & Sutcliffe LLP, as disclosure counsel to the District (“Disclosure Counsel”), addressed to the District and the Underwriter, dated the Closing Date, to the effect that based on such counsel’s participation in conferences with representatives of the Underwriter, the District, the Paying Agent, their respective counsel, Dale Scott & Company, Inc., as financial advisor to the District, and others, during which conferences the contents of the Official Statement and related matters were discussed (but with no inquiry made of other attorneys in such counsel’s firm not working directly on the issuance of the Bonds who may have information material to the issue), and in reliance thereon and on the records, documents, certificates and opinions described therein, such counsel advises the District and the Underwriter, as a matter of fact and not opinion, that, during the course of its engagement as disclosure counsel no facts came to the attention of such counsel’s attorneys rendering legal services in connection with such representation which caused such counsel to believe that the Official Statement as of its date and as of the Closing Date (except for any CUSIP numbers, financial, accounting, statistical, economic or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about DTC or its book-entry system, litigation, ratings, rating agencies, the Underwriter, underwriting, and Appendices B, E, F and G, included or referred to therein, as to which such counsel need express no opinion or view) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(8) A non-arbitrage certificate of the District relating to the Bonds in form satisfactory to Bond Counsel;

(9) Evidence satisfactory to the Underwriter that any ratings described in the Official Statement are in full force and effect as of the Closing Date;

(10) A certificate of the Escrow Bank dated the Closing Date, signed by a duly authorized officer of the Escrow Bank, and in form and substance satisfactory to the Underwriter, to the effect that (i) to the best of such officer's knowledge, the representations and agreements of the Escrow Bank in the Escrow Agreement are true and correct as of the Closing Date, (ii) the Escrow Agreement has been duly authorized, executed and delivered and, assuming due execution by the other parties thereto, is enforceable against the Escrow Bank in accordance with its terms; and (iii) to such officer's knowledge, no litigation is pending or threatened (either in state or federal courts) in any way contesting or affecting any authority of the Escrow Bank for or in connection with its performance of the Escrow Agreement;

(11) A report by Causey Demgen & Moore P.C., verifying the arithmetical accuracy of the computation of projected receipts for and of payments to retire the Prior Bonds (the "Verification Report");

(12) A defeasance opinion of Bond Counsel, dated the Closing Date and addressed to the District and the Underwriter, to the effect that, upon the deposit of cash and certain proceeds of the Bonds into the escrow funds established under the Escrow Agreement as provided in the resolutions pursuant to which the Prior Bonds were issued, and the investment of money and securities in accordance with the provisions of the Escrow Agreement, the Prior Bonds will have been satisfied and discharged and are no longer outstanding under said resolutions. In rendering this opinion, Bond Counsel may rely on the Verification Report as to the mathematical accuracy of the schedules with respect to the sufficiency of the escrow funds established to pay the Prior Bonds and will not independently verify the accuracy of the information contained in the Verification Report;

(13) An opinion of Dannis Woliver Kelley, Attorneys at Law, as Underwriter's Counsel, addressed to the Underwriter in form and substance satisfactory to the Underwriter; and

(14) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence (i) compliance by the District and the Paying Agent with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained, and (iii) the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

If the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Bond Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement may be canceled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the District in writing, or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

**10. Conditions to Obligations of the District.** The performance by the District of its obligations is conditioned upon (a) the performance by the Underwriter of its obligations hereunder; and (b) receipt by the District and the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than the District.

**11. Expenses.** The District shall to the extent permitted by applicable law pay all expenses incident to the performance of its obligations hereunder from the proceeds of the sale of the Bonds, including, but not limited to (a) the costs of the preparation and reproduction of the Resolution, the Bonds, this Bond Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Certificate, (b) the cost of the printing and distribution of the Preliminary Official Statement and the Official Statement, (c) the cost of the preparation, printing and delivery of the Bonds, (d) the fees and disbursements of Bond Counsel and Disclosure Counsel, and any other consultants to the District, including the District's financial advisor, (e) the fees for the Bond rating, including all necessary expenses for travel relating to such rating, (f) the initial fees of the Paying Agent and the fees of the Escrow Bank, (g) the costs of the preparation of the Verification Report, and (h) all other fees and expenses incident to the issuance and sale of the Bonds. All out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory Commission fee, expenses for travel (except in connection with securing a rating on the Bonds or sale of the Bonds), the fees and disbursements of Underwriter's counsel and other expenses (except as provided above) shall be paid by the Underwriter.

**12. Notices.** Any notice or other communication to be given under this Bond Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the District, to the Santee School District at 9625 Cuyamaca Street, Santee, California 92071, Attention: Assistant Superintendent, Business Services, or if to the Underwriter, to RBC Capital Markets, LLC, 777 South Figueroa Street, Suite 850, Los Angeles, California 90017, Attention: Christen Villalobos.

**13. Severability.** In the event any provision of this Bond Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**14. Parties in Interest; Survival of Representations and Warranties.** This Bond Purchase Agreement when accepted by the District in writing as heretofore specified shall constitute the entire agreement between the District and the Underwriter. This Bond Purchase Agreement is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter). No person shall acquire or have any rights hereunder or

by virtue hereof. All the representations, warranties and agreements of the District in this Bond Purchase Agreement shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of and payment by the Underwriter for the Bonds hereunder, and (c) any termination of this Bond Purchase Agreement.

**15. Execution in Counterparts.** This Bond Purchase Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

[Remainder of page left intentionally blank.]



**16. Applicable Law.** This Bond Purchase Agreement shall be interpreted, governed and enforced in accordance with the law of the State applicable to contracts made and performed in the State.

Very truly yours,

**RBC CAPITAL MARKETS, LLC**

By: \_\_\_\_\_  
Authorized Representative

Accepted: \_\_\_\_\_, 2017

**SANTEE SCHOOL DISTRICT**

Time: \_\_\_\_\_ p. m.

By: \_\_\_\_\_  
Karl Christensen,  
Assistant Superintendent,  
Business Services

**EXHIBIT A**

**MATURITY SCHEDULE**

\$ \_\_\_\_\_  
**Santee School District**  
**(San Diego County, California)**  
**General Obligation Refunding Bonds, Series 2017A**

\$ \_\_\_\_\_ Serial Bonds

<b><u>Maturity</u></b> <b><u>(August 1)</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>	<b><u>Yield</u></b>
	\$	%	%

\$ \_\_\_\_\_ % Term Bonds Due August 1, 20\_\_ Yield \_\_\_\_\_ %

\$ \_\_\_\_\_ % Term Bonds Due August 1, 20\_\_ Yield \_\_\_\_\_ %

**TERMS OF REDEMPTION**

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

**Mandatory Sinking Fund Redemption.** The \$\_\_\_\_\_ term Bonds maturing on August 1, 20\_\_ are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
	\$

†

\_\_\_\_\_† Maturity.

The principal amount of the \$\_\_\_\_\_ term Bonds maturing on August 1, 20\_\_ to be redeemed in each year shown above will be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000, by any portion of each such term Bonds optionally redeemed prior to the mandatory sinking fund redemption date.

The \$\_\_\_\_\_ term Bonds maturing on August 1, 20\_\_ are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
	\$

†

\_\_\_\_\_† Maturity.

The principal amount of the \$\_\_\_\_\_ term Bonds maturing on August 1, 20\_\_ to be redeemed in each year shown above will be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000, by any portion of each such term Bonds optionally redeemed prior to the mandatory sinking fund redemption date.

## CONTINUING DISCLOSURE CERTIFICATE

**THIS CONTINUING DISCLOSURE CERTIFICATE** (this “Disclosure Certificate”) is executed and delivered by the Santee School District (the “District”) in connection with the issuance of \$ \_\_\_\_\_ aggregate principal amount of Santee School District (San Diego County, California) General Obligation Refunding Bonds, Series 2017A (the “Bonds”). The Bonds are being issued pursuant to a resolution adopted by the Board of Trustees of the District on June 6, 2017 (the “Resolution”). The District covenants and agrees as follows:

**Section 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

**Section 2. Definitions.** In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 hereof.

“Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean Dale Scott & Company, Inc., or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“Holder” shall mean the person in whose name any Bond shall be registered.

“Listed Events” shall mean any of the events listed in Section 5(a) or (b) hereof.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” shall mean the Official Statement, dated \_\_\_\_\_, 2017 (including all exhibits or appendices thereto), relating to the offer and sale of Bonds.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

**Section 3. Provision of Annual Reports.** (a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (which due date shall be March 31 of each year, so long as the fiscal year ends on June 30), commencing with the report for the 2016-17 fiscal year (which is due no later than March 31, 2018), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 hereof; provided, however, that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(e) hereof. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to the date specified in subsection (a), the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the District shall send a notice in a timely manner to the MSRB, in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) (if the Dissemination Agent is other than the District), provide any Annual Report received by it to the MSRB as provided herein; and

(ii) (if the Dissemination Agent is other than the District), file a report with the District certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

**Section 4. Content of Annual Reports.** The District's Annual Report shall contain or include by reference the following:

(a) Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District's audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a) hereof, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statements of the District, the Annual Report shall also include the following:

(i) the average daily attendance in District schools on an aggregate basis for the preceding fiscal year;

(ii) pension plan contributions made by the District for the preceding fiscal year;

(iii) aggregate principal amount of short-term borrowings, lease obligations and long-term borrowings of the District as of the end of the preceding fiscal year;

(iv) description of the amount of general fund revenues and expenditures which have been budgeted for the current fiscal year, together with audited actual budget figures for the preceding fiscal year;

(v) the District's total local control funding formula and State revenue limit for the preceding fiscal year;

(vi) prior fiscal year total secured property tax levy and collections, showing current collections as a percent of the total levy; and

(vii) current fiscal year assessed valuation of taxable properties in the District.

(c) In addition to any of the information expressly required to be provided under subsections (a) and (b) hereof, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been made available to the public on the MSRB's website. The District shall clearly identify each such other document so included by reference.

**Section 5. Reporting of Significant Events.** (a) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds not later than ten business days after the occurrence of the event:

(i) principal and interest payment delinquencies;

(ii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iii) unscheduled draws on credit enhancements reflecting financial difficulties;

(iv) substitution of the credit or liquidity providers or their failure to perform;

(v) adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

(vi) tender offers;

(vii) defeasances;

(viii) rating changes; or

(ix) bankruptcy, insolvency, receivership or similar event of the obligated person.

For the purposes of the event identified in subparagraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, not later than ten business days after the occurrence of the event:

(i) unless described in paragraph 5(a)(v) hereof, other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

(ii) modifications to rights of Bond Holders;

(iii) optional, unscheduled or contingent Bond calls;

(iv) release, substitution, or sale of property securing repayment of the Bonds;

(v) non-payment related defaults;

(vi) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or



(vii) appointment of a successor or additional paying agent or the change of name of a paying agent.

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 4 hereof, as provided in Section 4(b) hereof.

(d) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 5(b) hereof, the District shall determine if such event would be material under applicable federal securities laws.

(e) If the District learns of the occurrence of a Listed Event described in Section 5(a) hereof, or determines that knowledge of a Listed Event described in Section 5(b) hereof would be material under applicable federal securities laws, the District shall within ten business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(vii) or (b)(iii) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

**Section 6. Termination of Reporting Obligation.** The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(e) hereof.

**Section 7. Dissemination Agent.** The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be Dale Scott & Company, Inc.

**Section 8. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Section 3(a) hereof, Section 4 hereof, or Section 5(a) or (b) hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by the Holders in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e) hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**Section 9. Additional Information.** Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**Section 10. Default.** In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate; provided, that any such action may be instituted only in Superior Court of the State of California in and for the County of San Diego or in U.S. District Court in or nearest to the County of San Diego. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

**Section 11. Duties, Immunities and Liabilities of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and (if the Dissemination Agent is other than the District), the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District

under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

**Section 12. Beneficiaries.** This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: \_\_\_\_\_, 2017

**SANTEE SCHOOL DISTRICT**

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

ACCEPTED AND AGREED TO:

**DALE SCOTT & COMPANY, INC., as  
Dissemination Agent**

By: \_\_\_\_\_  
Authorized Signatory

**EXHIBIT A**

**NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD  
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer:                   SANTEE SCHOOL DISTRICT

Name of Issue:                   Santee School District (San Diego County, California) General  
Obligation Refunding Bonds, Series 2017A

Date of Issuance:               \_\_\_\_\_, 2017

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the District, dated \_\_\_\_\_, 2017. [The District anticipates that the Annual Report will be filed by \_\_\_\_\_.]

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

**SANTEE SCHOOL DISTRICT**

PAYING AGENT AGREEMENT

THIS PAYING AGENT AGREEMENT (the "Agreement"), is entered into as of \_\_\_\_\_, 2017, between the Santee School District (the "District"), and the County of San Diego acting through the Office of the Treasurer–Tax Collector, San Diego County, California (the "County"), as Paying Agent and Registrar.

RECITALS

WHEREAS the District has duly authorized and provided for the issuance of its Bonds, entitled the "Santee School District (San Diego County, California) General Obligation Refunding Bonds, Series 2017A" (the "Bonds") in an aggregate principal amount of \$\_\_\_\_\_. The Bonds will be issued as fully registered bonds without coupons;

WHEREAS the District will ensure that all things necessary to make the Bonds the valid obligations of the District, in accordance with their terms and the requirements of State of California ("State") law, will be done upon the issuance, sale and delivery thereof;

WHEREAS the District and the County wish to provide the terms under which County will act as Paying Agent to pay the principal, redemption premium (if any), and interest on the Bonds, in accordance with the terms thereof, and under which the County will act as Registrar for the Bonds;

WHEREAS the County has agreed to serve in such capacities for and on behalf of the District and has full power and authority to perform and serve as Paying Agent and Registrar for the Bonds;

WHEREAS the District and the County have each authorized the execution and delivery of this Agreement; and all things necessary to make this Agreement a valid agreement have been done.

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE

DEFINITIONS

Section 1.01. Definitions.

For all purposes of this Agreement except as otherwise expressly provided or unless the context otherwise requires:

"Bond" or "Bonds" means any one or all of the \$\_\_\_\_\_ in aggregate principal amount of bonds entitled "Santee School District (San Diego County, California) General Obligation Refunding Bonds, Series 2017A."

"Bond Register" means the book or books of registration kept by the County in which are maintained the names and addresses of, and principal amounts registered to, each Registered Owner.

"Bond Resolution" means the Resolution of the District pursuant to which the Bonds were issued.

“County” means the Office of the Treasurer–Tax Collector, County of San Diego, California.

“District” means the Santee School District.

“District Request” means a written request signed in the name of the District and delivered to the County.

“DTC” or “Depository” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York in its capacity as securities depository for the Bonds.

“Fiscal Year” means the fiscal year of the District ending on June 30 of each year.

“Paying Agent” means the County when it is performing the function of paying agent for the Bonds.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government or any entity whatsoever.

“Purchase Agreement” means that certain Bond Purchase Agreement entered into by and between the District and the initial Underwriter of the Bonds. A copy of the Purchase Agreement shall be included in the transcript of proceedings prepared for the Bonds and furnished to the County.

“Registered Owner” means a Person in whose name a Bond is registered in the Bond Register.

“Registrar” means the County when it is performing the function of registrar and/or transfer agent for the Bonds.

## ARTICLE TWO

### APPOINTMENT OF COUNTY AS PAYING AGENT AND REGISTRAR

#### Section 2.01. Appointment and Acceptance.

The District hereby appoints the County to act as Paying Agent with respect to the Bonds, to pay, or to provide for payment, to the Registered Owners in accordance with the terms and provisions of this Agreement and the Bond Resolution, the principal of, redemption premium (if any), and interest on all or any of the Bonds.

The District hereby appoints the County as Registrar with respect to the Bonds. As Registrar, the County shall keep and maintain for and on behalf of the District books and records as to the ownership of the Bonds and with respect to the transfer and exchange thereof as provided herein and in the Bond Resolution.

The County hereby accepts its appointment, and agrees to act as Paying Agent and Registrar.

Section 2.02. Compensation.

As compensation for the County's services as Paying Agent and Registrar, the District hereby agrees to pay the County the fees and amounts set forth in Exhibit A.

In addition, the District agrees to reimburse the County, upon its request, for all reasonable and necessary out-of-pocket expenses, disbursements, and advances, including without limitation the reasonable fees, expenses, and disbursements of its agents and attorneys made or incurred by the County in connection with entering into and performing under this Agreement, and in connection with investigating and defending itself against any claim or liability in connection with its performance hereunder.

ARTICLE THREE

PAYING AGENT

Section 3.01. Duties of Paying Agent.

As Paying Agent, the County, provided sufficient collected funds have been provided to it for such purpose by or on behalf of the District, shall pay on behalf of the District the principal of, redemption premium (if any), and interest on each Bond in accordance with the provisions of the Bond Resolution.

As long as DTC is the registered owner of the Bonds and DTC's book-entry method is used for the Bonds, the Paying Agent will send any notice of redemption or other notices to owners only to DTC.

Section 3.02. Payment Dates.

The District hereby instructs the County to pay the principal of, redemption premium (if any), and interest on the Bonds on the dates specified in the Bond Resolution.

ARTICLE FOUR

REGISTRAR

Section 4.01. Initial Delivery of Bonds.

The Bonds will be initially registered and delivered to or upon the order of the purchaser designated by the District as one Bond for each maturity. If such purchaser delivers a written request to the County not later than five business days prior to the date of initial delivery, the County will, on the date of initial delivery, deliver Bonds of authorized denominations, registered in accordance with the instructions in such written request.

Section 4.02. Duties of Registrar.

The County shall provide for the proper registration of transfer, exchange and replacement of the Bonds. Every Bond surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature of which has been guaranteed by an eligible guarantor institution, in a form acceptable to the County, duly executed by the Registered Owner thereof or his attorney duly authorized in writing. The Registrar may request any supporting documentation it deems necessary or appropriate to effect a re-registration.

Any Bond may be exchanged for Bonds of the same series of like tenor, maturity and principal amount upon presentation and surrender at the principal office of the Paying Agent together with a request for exchange signed by the owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent.

Section 4.03. Unauthenticated Bonds.

The District shall provide to the County on a continuing basis, an adequate inventory of unauthenticated Bonds to facilitate transfers. The County agrees that it will maintain such unauthenticated Bonds in safekeeping.

Section 4.04. Form of Bond Register.

The County as Registrar will maintain its records as Bond Registrar in accordance with the County's general practices and procedures in effect from time to time. The County as Paying Agent will keep or cause to be kept at its principal office sufficient books for the registration and transfer of the Bonds, which upon reasonable notice shall be open to inspection by the District.

Section 4.05. Reports.

The District may request the information in the Bond Register at any time the County is customarily open for business, provided that reasonable time is allowed the County to provide an up-to-date listing and to convert the information into written form.

The County will not release or disclose the content of the Bond Register to any person other than to the District at its written request, except upon receipt of a subpoena or court order or as may otherwise be required by law. Upon receipt of a subpoena or court order the County will notify the District.

Section 4.06. Cancelled Bonds.

All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the County, shall be promptly cancelled by it and, if surrendered to the District, shall be delivered to the County and, if not already cancelled, shall be promptly cancelled by the County. The District may at any time deliver to the County for cancellation any Bonds previously authenticated and delivered which the District may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the County. All cancelled Bonds shall be held by the County for its retention period then in effect and shall thereafter be destroyed and evidence of such destruction furnished to the District upon its written request.



ARTICLE FIVE

THE COUNTY

Section 5.01. Duties of County.

The County undertakes to perform the duties set forth herein. No implied duties or obligations shall be read into this Agreement against the County. The County hereby agrees to use the funds deposited with it for payment of the principal of, redemption premium (if any), and interest on the Bonds to pay the same as it shall become due and further agrees to establish and maintain such accounts and funds as may be required for the County to function as Paying Agent.

Section 5.02. Reliance on Documents, Etc.

The County may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the County by the District.

No provision of this Agreement shall require the County to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

The County may rely, or be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The County need not examine the ownership of any Bond, but shall be protected in acting upon receipt of Bonds containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Registered Owner or agent of the Registered Owner.

The County has no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership or interest on the Bonds.

The County may consult with counsel, and the written advice or opinion of counsel shall be full authorization and protection with respect to any action taken, suffered or omitted by it hereunder in good faith and reliance thereon.

The County may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys and shall not be liable for the actions of such agent or attorney if appointed by it with reasonable care.

Section 5.03. Recitals of District.

The recitals contained in the Bond Resolution and the Bonds shall be taken as the statements of the District, and the County assumes no responsibility for their correctness.

Section 5.04. May Own Bonds.

The County, in its individual or any other capacity, may become the owner or pledgee of Bonds with the same rights it would have if it were not the Paying Agent and Registrar for the Bonds.

Section 5.05. Money Held by County.

Money held by the County hereunder need not be segregated from other funds. Money held hereunder will be deposited in the District's interest and sinking fund and invested in the County investment pool and invested by the County Treasurer pursuant to its duties as Treasurer prior to the principal and interest payment dates of the Bonds and the District is entitled to receive interest earnings on such funds.

Any money deposited with or otherwise held by the County for the payment of the principal, redemption premium (if any), or interest on any Bond and remaining unclaimed for one year after such deposit will be paid by the County to the District, and the District and the County agree that the Registered Owner of such Bond shall thereafter look only to the District for payment thereof, and that all liability of the County with respect to such moneys shall thereupon cease.

Section 5.06. Other Transactions.

The County may engage in or be interested in any financial or other transaction with the District.

Section 5.07. Interpleader.

The District and the County agree that the County may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in a court of competent jurisdiction. The District and the County further agree that the County has the right to file an action in interpleader in any court of competent jurisdiction to determine the rights of any person claiming any interest herein.

Section 5.08. Indemnification.

The District shall indemnify the County, its officers, directors, employees and agents ("Indemnified Parties") for, and hold them harmless against any loss, cost, claim, liability or expense arising out of or in connection with the County's acceptance or administration of the County's duties hereunder or under the Bond Resolution (except any loss, liability or expense as may be adjudged by a court of competent jurisdiction to be attributable to the County's negligence or willful misconduct), including the cost and expense (including its counsel fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement. Such indemnity shall survive the termination or discharge of this Agreement or discharge of the Bonds.

## ARTICLE SIX

### MISCELLANEOUS PROVISIONS

Section 6.01. Amendment.

This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02. Assignment.

This Agreement may not be assigned by either party without the prior written consent of the other party.

Section 6.03. Notices.

Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the District or the County shall be mailed or delivered to the District or the County, respectively, at the address shown herein, or such other address as may have been given by one party to the other by fifteen (15) days written notice.

Section 6.04. Effect of Headings.

The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 6.05. Successors and Assigns.

All covenants and agreements herein by the District and the County shall bind their successors and assigns, whether so expressed or not.

Section 6.06. Severability.

If any provision of this Agreement shall be determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 6.07. Benefits of Agreement.

Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim hereunder.

Section 6.08. Entire Agreement.

This Agreement and the Bond Resolution constitute the entire agreement between the parties hereto relative to the County acting as Paying Agent and Registrar. In the event of any conflict between any provision of this Agreement and the Bond Resolution, the terms of the Bond Resolution shall govern.

Section 6.09. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an

original and all of which shall constitute one and the same Agreement.

Section 6.10. Term and Termination.

This Agreement shall be effective from and after its date and until the County resigns or is removed by an instrument filed with the County and signed by the District in accordance with the Bond Resolution. The County may resign at any time and be discharged of its duties and obligations by giving written notice thereof to the District. If the County shall resign, be removed or become incapable of acting, the District shall promptly appoint a successor Paying Agent and Registrar. A successor Paying Agent shall be appointed by the District with the written consent of the County Treasurer, which consent shall not be unreasonably withheld. If an instrument of acceptance by a successor Paying Agent and Registrar shall not have been delivered to the County within thirty days after the County gives notice of resignation, the County may petition any court of competent jurisdiction at the expense of the District for the appointment of a successor Paying Agent and Registrar. In the event of resignation or removal of the County as Paying Agent and Registrar, upon the written request of the District and upon payment of all amounts owing to the County hereunder the County shall deliver to the District or its designee all funds and unauthenticated Bonds, and a copy of the Bond Register. The provisions of Section 5.08 hereof shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.11. Governing Law.

This Agreement shall be construed in accordance with and shall be governed by the laws of the State of California.

Section 6.12. Documents to be Filed with County.

At the time of the County's appointment as Paying Agent and Registrar, the District shall file with the County the following documents: (a) certified copies of the Bond Resolution and a specimen Bond; (b) a copy of the opinion of bond counsel provided to the District in connection with the issuance of the Bonds; (c) a District Request containing written instructions to the County with respect to the issuance and delivery of the Bonds, including the name of the Registered Owners and the denominations of the Bonds; and (d) if bond proceeds are to be held at the County, a Closing Memorandum Addendum, to be reviewed by Bond Counsel, providing instructions to the County for the deposit of all bond proceeds.

IN WITNESS WHEREOF, the District has caused this Paying Agent Agreement to be signed in its name by its representative thereunto duly authorized, and the County has caused this Paying Agent Agreement to be signed in its name by its officer thereunto duly authorized, all as of the day and year first above written.

\_\_\_\_\_ **SCHOOL DISTRICT**

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

**COUNTY OF SAN DIEGO, OFFICE OF THE  
TREASURER-TAX COLLECTOR OF THE  
COUNTY OF SAN DIEGO, CALIFORNIA, as  
Paying Agent**

By \_\_\_\_\_  
Treasurer-Tax Collector or Designee

**APPROVED AS TO FORM:**

By \_\_\_\_\_  
Senior Deputy County Counsel

EXHIBIT A PAYING AGENT FEE SCHEDULE

Service Type	Fee	Frequency
A bond with no series	\$1500	At closing and annually
A bond with series Each additional series	\$1,000 per issue Add \$500 per series	At closing and \$1500 annually

Note: The District is responsible for any extraordinary costs associated with paying agent activities as provided in Section 2.02. The District will be notified of any extraordinary costs.

NEW ISSUE — BOOK-ENTRY ONLY

Rating: S&P “\_\_\_”  
(See “MISCELLANEOUS – Rating” herein.)

*In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Refunding Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Refunding Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Refunding Bonds. See “TAX MATTERS” herein.*

§ \_\_\_\_\_ \*

**SANTEE SCHOOL DISTRICT**  
**(San Diego County, California)**  
**General Obligation Refunding Bonds, Series 2017**

**Dated: Date of Delivery**

**Due: August 1, as shown herein**

*This cover page is not a summary of this issue; it is only a reference to the information contained in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.*

The Santee School District (San Diego County, California) General Obligation Refunding Bonds, Series 2017 (the “Refunding Bonds”) are being issued by the Santee School District (the “District”), located in the County of San Diego (the “County”), (i) to advance refund a portion of the outstanding Santee School District (San Diego County, California) General Obligation Bonds, 2006 Election, Series B, and (ii) to pay costs of issuance of the Refunding Bonds. The Refunding Bonds are being issued under the laws of the State of California (the “State”) and pursuant to a resolution of the Board of Education of the District, adopted on [June 6], 2017.

The Refunding Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the State Constitution and other State law. The Board of Supervisors of the County is empowered and obligated to levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Refunding Bonds, all as more fully described herein. See “SECURITY AND SOURCE OF PAYMENT FOR THE REFUNDING BONDS” herein.

The Refunding Bonds will be issued as current interest bonds as set forth on the inside front cover hereof. Interest on the Refunding Bonds is payable on each February 1 and August 1 to maturity, commencing February 1, 2018. Principal of the Refunding Bonds is payable on August 1 in each of the years and in the amounts set forth on the inside front cover hereof. The Refunding Bonds will be issued in denominations of \$5,000 principal amount or any integral multiple thereof as shown on the inside front cover hereof.

[As more fully described herein, the District may obtain a municipal bond insurance policy to guarantee the scheduled payment of principal of and interest on the Refunding Bonds as such payments become due. The District’s decision whether or not to obtain such a policy will be made at or about the time of pricing of the Refunding Bonds and will be based upon, among other things, market conditions at the time of such pricing. No assurance can be given as to whether the District will obtain such a policy, and, if so, whether such policy will cover all or less than all of the Refunding Bonds.]

The Refunding Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Refunding Bonds. Individual purchases of the Refunding Bonds will be made in book-entry form only. Purchasers will not receive physical delivery of the Refunding Bonds purchased by them. See “THE REFUNDING BONDS – Form and Registration” herein. Payments of the principal of and interest on the Refunding Bonds will be made by the Treasurer-Tax Collector of the County, as paying agent, registrar and transfer agent with respect to the Refunding Bonds, to DTC for subsequent disbursement to DTC Participants, who will remit such payments to the beneficial owners of the Refunding Bonds. See “THE REFUNDING BONDS – Payment of Principal and Interest” herein.

**The Refunding Bonds are subject to redemption prior to maturity as described herein. See “THE REFUNDING BONDS —Redemption” herein.**

*The Refunding Bonds will be offered when, as and if issued by the District and received by the Underwriter, subject to the approval of legality by Orrick, Herrington & Sutcliffe LLP, Irvine, California, Bond Counsel to the District. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, Irvine, California, as Disclosure Counsel to the District; and for the*

\* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

*Underwriter by Dannis Woliver Kelley, Long Beach, California, as Underwriter's Counsel. It is anticipated that the Refunding Bonds, in definitive form, will be available for delivery through the facilities of DTC on or about \_\_\_\_\_, 2017.*



**RBC Capital Markets**

Dated: \_\_\_\_\_, 2017.



**MATURITY SCHEDULE\***  
**BASE CUSIP†: 802853**

\$ \_\_\_\_\_  
**SANTEE SCHOOL DISTRICT**  
**(San Diego County, California)**  
**General Obligation Refunding Bonds, Series 2017**

\$ \_\_\_\_\_ **Serial Refunding Bonds**

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP Number†
2018	\$	%	%	
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
2047				
2048				

\$ \_\_\_\_\_ % Term Refunding Bonds Due August 1, 20\_\_ Yield \_\_\_\_\_ % -- CUSIP Number† -- \_\_\_\_\_

\$ \_\_\_\_\_ % Term Refunding Bonds Due August 1, 20\_\_ Yield \_\_\_\_\_ % -- CUSIP Number† -- \_\_\_\_\_

\* Preliminary; subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2017 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Underwriter or their agents or counsel assumes responsibility for the accuracy of such numbers.

**SANTEE SCHOOL DISTRICT  
(SAN DIEGO COUNTY, CALIFORNIA)**

**BOARD OF EDUCATION**

Elana Levens-Craig, *President*

Dianne El-Hajj, *Vice President*

Ken Fox, *Clerk*

Dustin Burns, *Member*

Barbara Ryan, *Member*

**DISTRICT ADMINISTRATORS**

Kristin Baranski, *Superintendent*

Karl Christensen, MBA, *Assistant Superintendent, Business Services*

**PROFESSIONAL SERVICES**

**Municipal Advisor**

Dale Scott & Company  
*San Francisco, California*

**Bond Counsel and Disclosure Counsel**

Orrick, Herrington & Sutcliffe LLP  
*Irvine, California*

**Paying Agent**

County of San Diego Treasurer-Tax Collector  
*San Diego, California*

**Escrow Agent**

U.S. Bank National Association  
*Los Angeles, California*

**Verification Agent**

Causey Demgen & Moore P.C.  
*Denver, Colorado*

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This Official Statement does not constitute an offering of any security other than the original offering of the Refunding Bonds by the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The Refunding Bonds are exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)2 thereof. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy Refunding Bonds in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein other than that furnished by the District, although obtained from sources which are believed to be reliable, is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Refunding Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used, such as "plan," "expect," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when their expectations, or events, conditions or circumstances on which such statements are based, occur.

The District maintains a website. However, the information presented there is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Refunding Bonds.

**In connection with this offering, the Underwriter may overallocate or effect transactions which stabilize or maintain the market prices of the Refunding Bonds at levels above those that might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Refunding Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside front cover page hereof and said public offering prices may be changed from time to time by the Underwriter.**

§ \_\_\_\_\_\*

**SANTEE SCHOOL DISTRICT**  
**(San Diego County, California)**  
**General Obligation Refunding Bonds, Series 2017**

**INTRODUCTION**

*This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Refunding Bonds to potential investors is made only by means of the entire Official Statement.*

**General**

This Official Statement, which includes the cover page and appendices hereto, is provided to furnish information in connection with the sale of \$ \_\_\_\_\_\* aggregate principal amount of Santee School District (San Diego County, California) General Obligation Refunding Bonds, Series 2017 (the “Refunding Bonds”), to be offered by the Santee School District (the “District”).

This Official Statement speaks only as of its date, and the information contained herein is subject to change. The District has no obligation to update the information in this Official Statement, except as required by the Continuing Disclosure Certificate to be executed by the District. See “OTHER LEGAL MATTERS – Continuing Disclosure.”

The purpose of this Official Statement is to supply information to prospective buyers of the Refunding Bonds. Quotations from and summaries and explanations of the Refunding Bonds, the resolutions of the Board of Education of the District providing for the issuance of the Refunding Bonds, and the constitutional provisions, statutes and other documents described herein, do not purport to be complete, and reference is hereby made to said documents, constitutional provisions and statutes for the complete provisions thereof.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or owners of any of the Refunding Bonds.

Copies of documents referred to herein and information concerning the Refunding Bonds are available from the District by contacting: Santee School District, 9625 Cuyamaca Street, Santee, California 92071, Attention: Assistant Superintendent, Business Services. The District may impose a charge for copying, handling and mailing such requested documents.

**The District**

The District, established in 1893, encompasses approximately 16.56 square miles in the eastern portion of the County of San Diego (the “County”). The District is located in the City of Santee, and it serves portions of the Cities of Santee, El Cajon, and San Diego, and an unincorporated area of San Diego County. The District provides public education services for grades pre-kindergarten through eight. The District operates one elementary school serving grades kindergarten through six, eight elementary schools

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\* Preliminary; subject to change.

servings grades kindergarten through eight, an alternative home school program and three preschool programs. Enrollment in the District for fiscal year 2016-17 is 6,761 students. The District operates under the jurisdiction of the San Diego County Superintendent of Schools.

For additional information about the District, see APPENDIX A – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET” and APPENDIX B – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2016.”

## **THE REFUNDING BONDS**

### **Authority for Issuance; Plan of Finance**

The Refunding Bonds are issued by the District pursuant to the Constitution and laws of the State, including Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code and other applicable provisions of law, and pursuant to a resolution adopted by the Board of Education of the District on [June 6], 2017, providing for the issuance of the Refunding Bonds (the “Resolution”). Proceeds from the Refunding Bonds will be used (i) to refund, on an advance basis, a portion of the outstanding Santee School District (County of San Diego, California) General Obligation Bonds, 2006 Election, Series B (the “Series 2006B Bonds”), and (ii) to pay costs of issuance of the Refunding Bonds. See “–Plan of Refunding” and “–Estimated Sources and Uses of Funds” below.

### **[Possible Municipal Bond Insurance**

In connection with the issuance of the Refunding Bonds, the District has applied for, and may obtain a municipal bond insurance policy to guarantee the scheduled payment of principal of and interest on all or a portion of the Refunding Bonds as such payments shall become due.

No assurance can be given as to whether a commitment will be issued by an insurer to the District and, if a commitment is issued by an insurer to the District, no assurance can be given as to (a) whether the District will decide to obtain an insurance policy from an insurer in connection with the issuance of the Refunding Bonds, or (b) whether the District will insure all or less than all of the Refunding Bonds. If a commitment is issued by an insurer to the District, the District’s decision as to whether or not the insurance policy will be obtained from an insurer with respect to all or a portion of the Refunding Bonds will be made at or about the time of the pricing of the Refunding Bonds and will be based upon, among other things, market conditions at the time of such pricing. If the District does decide to obtain an insurance policy from an insurer, it will be a condition to the issuance of the Refunding Bonds that such insurance policy be issued concurrently with the issuance of the Refunding Bonds.

In the event the District does decide to obtain a municipal bond insurance policy from an insurer, the insured Refunding Bonds (the “Insured Bonds”) would be assigned an insured rating from the rating agency assigning the underlying rating to the Refunding Bonds based solely as a result of the issuance of such insurance policy, and such rating would reflect the rating agency’s views of the claims-paying ability and financial strength of the applicable insurer. The financial strength and claims paying ability of any insurer are predicated upon a number of factors which could change over time. Neither the District nor the Underwriter has made any independent investigation into the claims paying ability of any insurer, and no assurance or representation regarding the financial strength or projected financial strength of any insurer is given. In addition, no assurance is made that any insured rating of the Insured Bonds would not be subject to downgrade. The existence of any insurance policy will not, of itself, negatively affect the underlying rating assigned to the Refunding Bonds. Without regard to any bond insurance, the Refunding Bonds are payable from the proceeds of an *ad valorem* tax approved by the voters of the District pursuant to all applicable laws and constitutional requirements, and required to be levied by the County on property within

the District in an amount sufficient for the timely payment of principal of and interest on the Refunding Bonds. See “SECURITY AND SOURCE OF PAYMENT FOR THE REFUNDING BONDS.” However, any downward revision or withdrawal of any rating of an insurer may have an adverse effect on the market price of the Insured Bonds or the marketability (liquidity) for the Insured Bonds.

In the event of default of the payment of principal of or interest on the Insured Bonds, if any, when all or some becomes due, any owner of the Insured Bonds would have a claim under any applicable municipal bond insurance policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of optional redemption or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments would be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. No municipal bond insurance policy would insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional redemption of the Insured Bonds by the issuer which is recovered from an Insured Bond owner as a voidable preference under applicable bankruptcy law would be covered by any municipal bond insurance policy; however, such payments would be made by the applicable insurer at such time and in such amounts as would have been due absent such redemption unless the insurer were to choose to pay such amounts at an earlier date.

In the event any insurer becomes obligated to make payments with respect to any Insured Bonds, no assurance is given that such event will not adversely affect the market price of the Insured Bonds or the marketability (liquidity) for the Insured Bonds. The obligations of any insurer are contractual obligations and, in an event of default by an insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.]

**Form and Registration**

The Refunding Bonds will be issued in fully registered form only, without coupons, in denominations of \$5,000 principal amount or integral multiples thereof. The Refunding Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository of the Refunding Bonds. Purchases of Refunding Bonds under the DTC book-entry system must be made by or through a DTC participant, and ownership interests in Refunding Bonds will be recorded as entries on the books of said participants. Except in the event that use of this book-entry system is discontinued for the Refunding Bonds, beneficial owners (“Beneficial Owners”) will not receive physical certificates representing their ownership interests. See APPENDIX F – “BOOK-ENTRY ONLY SYSTEM.”

**Payment of Principal and Interest**

*Interest.* The Refunding Bonds will be dated as of their date of delivery, and bear interest at the rates set forth on the inside front cover page of this Official Statement, payable on February 1 and August 1 of each year (each, an “Interest Payment Date”), commencing on February 1, 2018, computed on the basis of a 360-day year consisting of twelve 30-day months. Each Refunding Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless it is authenticated after the close of business on the 15th day of the calendar month immediately preceding an Interest Payment Date (the “Record Date”) and on or prior to the succeeding Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from its dated date; provided, however, that if, at the time of authentication of any Refunding Bond, interest is in default on any outstanding Refunding Bonds, such Refunding Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Refunding Bonds.



**Payment of Refunding Bonds.** The principal of the Refunding Bonds is payable in lawful money of the United States of America upon the surrender thereof at the office of the Treasurer-Tax Collector of the County, as paying agent (the "Paying Agent"), at the maturity thereof or upon redemption prior to maturity.

Interest on the Refunding Bonds is payable in lawful money of the United States of America by check mailed on each Interest Payment Date (if a business day, or on the next business day if the Interest Payment Date does not fall on a business day) to the registered owner thereof (the "Owner") at such Owner's address as it appears on the bond registration books kept by the Paying Agent or at such address as the Owner may have filed with the Paying Agent for that purpose, except that the payment shall be made by wire transfer of immediately available funds to any Owner of at least \$1,000,000 of outstanding Refunding Bonds who shall have requested in writing such method of payment of interest prior to the close of business on a Record Date. So long as the Refunding Bonds are held by Cede & Co., as nominee of DTC, payment shall be made by wire transfer. See APPENDIX F – "BOOK-ENTRY ONLY SYSTEM."

**Redemption\***

**Optional Redemption.** The Refunding Bonds maturing on or before August 1, 2027, are not subject to optional redemption prior to their respective stated maturity dates. The Refunding Bonds maturing on or after August 1, 2028, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 2027, at a redemption price equal to the principal amount of the Refunding Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

**Mandatory Sinking Fund Redemption.** The \$\_\_\_\_\_ term Refunding Bonds maturing on August 1, 20\_\_ are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
†	\$
† Maturity.	

The principal amount of the \$\_\_\_\_\_ term Refunding Bonds maturing on August 1, 20\_\_ to be redeemed in each year shown above will be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000, by any portion of each such term Refunding Bonds optionally redeemed prior to the mandatory sinking fund redemption date.

The \$\_\_\_\_\_ term Refunding Bonds maturing on August 1, 20\_\_ are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set

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\* Preliminary: subject to change.

forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
_____	\$
†	
_____	

The principal amount of the \$\_\_\_\_\_ term Refunding Bonds maturing on August 1, 20\_\_ to be redeemed in each year shown above will be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000, by any portion of each such term Refunding Bonds optionally redeemed prior to the mandatory sinking fund redemption date.

**Notice of Redemption.** Notice of any redemption of the Refunding Bonds shall be mailed by the Paying Agent, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date (i) by first class mail to the County and the respective Owners thereof at the addresses appearing on the Registration Books, and (ii) as may be further required in accordance with the applicable Continuing Disclosure Certificate.

Each notice of redemption shall state (i) the date of such notice; (ii) the name of the Refunding Bonds and the date of issue of the Refunding Bonds; (iii) the redemption date; (iv) the redemption price; (v) the dates of maturity or maturities of Refunding Bonds to be redeemed; (vi) if less than all of the Refunding Bonds of any maturity are to be redeemed, the distinctive numbers of the Refunding Bonds of each maturity to be redeemed; (vii) in the case of Refunding Bonds redeemed in part only, the respective portions of the principal amount of the Refunding Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of Refunding Bonds to be redeemed; (ix) a statement that such Refunding Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent; (x) notice that further interest on such Refunding Bonds will not accrue after the designated redemption date; and (xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice.

**Effect of Notice of Redemption.** A certificate of the Paying Agent that notice of redemption has been given to Owners as herein provided shall be conclusive as against all parties. Neither the failure to receive the notice of redemption as provided in this Section, nor any defect in such notice shall affect the sufficiency of the proceedings for the redemption of the Refunding Bonds called for redemption or the cessation of interest on the date fixed for redemption.

When notice of redemption has been given substantially as provided for herein, and when the redemption price of the Refunding Bonds called for redemption is set aside for the purpose of redeeming the Refunding Bonds, the Refunding Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Refunding Bonds at the place specified in the notice of redemption, such Refunding Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Refunding Bonds so called for redemption after such redemption date shall be entitled to payment thereof only from the interest and sinking fund of the District within the County

treasury (the "Interest and Sinking Fund of the District") or the trust fund established for such purpose. All Refunding Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

***Right to Rescind Notice.*** The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Refunding Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the Interest and Sinking Fund of the District or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Refunding Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Refunding Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

***Funds for Redemption.*** Prior to or on the redemption date of any Refunding Bonds there shall be available in the Interest and Sinking Fund of the District, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the redemption prices as provided in the Resolution provided, the Refunding Bonds designated in the notice of redemption. Such monies shall be applied on or after the redemption date solely for payment of principal of, interest and premium, if any, on the Refunding Bonds to be redeemed upon presentation and surrender of such Refunding Bonds, provided that all monies in the Interest and Sinking Fund of the District shall be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date shall be paid from the Interest and Sinking Fund of the District, unless otherwise provided to be paid from such monies held in trust. If, after all of the Refunding Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the Interest and Sinking Fund of the District or otherwise held in trust for the payment of redemption price of the Refunding Bonds, the monies shall be held in or returned or transferred to the Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from such fund; provided, however, that if the monies are part of the proceeds of bonds of the District, the monies shall be transferred to the fund created for the payment of principal of and interest on such bonds. If no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

### **Defeasance of Refunding Bonds**

The District may pay and discharge any or all of any series of the Refunding Bonds by depositing in trust with the Paying Agent or an escrow agent, selected by the District, at or before maturity, money and/or non-callable direct obligations of the United States of America or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount which will, together with the interest to accrue thereon and available moneys then on deposit in the Interest and Sinking Fund of the District within the County treasury, be fully sufficient to pay and discharge the indebtedness on such Refunding Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

### **Unclaimed Moneys**

Any money held in any fund created by the Resolution or by the Paying Agent or an escrow agent in trust, for the payment of the principal of, redemption premium, if any, or interest on the Refunding Bonds and remaining unclaimed for two years after the principal of all of the Refunding Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to the Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from said fund; or, if no

such bonds of the District are at such time outstanding, said moneys shall be transferred to the general fund of the District as provided and permitted by law.

**Plan of Refunding\***

The proceeds of the Refunding Bonds will be issued (i) to refund and defease, on an advance basis, the District’s outstanding Series 2006B Bonds, maturing on August 1 in the years 2020 through 2029, inclusive, 2033, 2038 and 2048 (the “Prior Bonds”), and (ii) to pay certain costs of issuance of the Refunding Bonds.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
Prior Bonds to be Refunded\***

Maturities to be Refunded	Principal Amount to be Refunded	CUSIP Number <sup>1</sup>	Redemption Date	Redemption Price
2020	\$ 190,000	802853 FS5	August 1, 2018	100%
2021	195,000	802853 FT3	August 1, 2018	100
2022	205,000	802853 FU0	August 1, 2018	100
2023	215,000	802853 FV8	August 1, 2018	100
2024	225,000	802853 FW6	August 1, 2018	100
2025	235,000	802853 FX4	August 1, 2018	100
2026	245,000	802853 FY2	August 1, 2018	100
2027	255,000	802853 FZ9	August 1, 2018	100
2028	265,000	802853 GA3	August 1, 2018	100
2029	280,000	802853 GB1	August 1, 2018	100
2033	1,260,000	802853 GF2	August 1, 2018	100
2038	1,960,000	802853 GL9	August 1, 2018	100
2048	5,710,000	802853 GW5	August 1, 2018	100

The maturities of the District’s outstanding Series 2006B Bonds listed in the following table will not be refunded with proceeds of the Refunding Bonds.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
Unrefunded Series 2006B Bonds**

**Capital Appreciation Bonds**

Maturity Date	Unrefunded Principal Amount	Maturity Value for CABs	CUSIP Number <sup>(1)</sup>
2017	\$67,431.00	\$190,000	802853 FP1
2018	60,013.40	190,000	802853 FQ9
2019	95,936.70	190,000	802853 FR7

The District and U.S. Bank National Association, as escrow bank (the “Escrow Bank”) will enter into the Escrow Agreement, dated as of [\_\_\_\_], 2017 (the “Escrow Agreement”), with respect to the

\* Preliminary; subject to change.

<sup>(1)</sup> CUSIP numbers are provided for convenience of reference only. None of the District, the Underwriter or their agents or counsel assumes responsibility for the accuracy of such CUSIP numbers.

Prior Bonds being refunded, pursuant to which the District will deposit a portion of the proceeds from the sale of the Refunding Bonds into a special fund to be held by the Escrow Bank. The amounts deposited with the Escrow Bank with respect to the Prior Bonds, which will be held pursuant to the Escrow Agreement, will be used to purchase direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, the principal of which and interest on which (together with any uninvested amount) will be sufficient to enable the Escrow Bank to pay the interest due on the Prior Bonds being refunded to the redemption date (August 1, 2018), and to redeem such Prior Bonds at a redemption price equal to 100% of the principal amount of such Prior Bonds being refunded on the redemption date in accordance with the schedule set forth in the Escrow Agreement. See “ESCROW VERIFICATION” herein. Amounts on deposit with the Escrow Bank pursuant to the Escrow Agreement are not available to pay debt service on the Refunding Bonds.

**Estimated Sources and Uses of Funds**

The proceeds of the Refunding Bonds are expected to be applied as follows:

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
General Obligation Refunding Bonds, Series 2017**

**Estimated Sources and Uses of Funds**

Sources of Funds:

Aggregate Principal Amount of Refunding Bonds	\$	
[Plus/Less] [Net] Original Issue [Premium/Discount]		
Total Sources of Funds	\$	

Uses of Funds:

Escrow Fund	\$	
Costs of Issuance <sup>(1)</sup>		
Total Uses of Funds	\$	

<sup>(1)</sup> Includes legal fees, rating agency fees, municipal advisor fees, underwriter’s discount, verification agent fees, printing fees, bond insurance premium, if any, and other miscellaneous expenses.

**Debt Service**

Debt service on the Refunding Bonds, assuming no early redemptions, is as set forth in the following table.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
General Obligation Refunding Bonds, Series 2017**

Period Ending August 1,	Principal	Interest	Total Debt Service
2018	\$	\$	\$
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
Total:	\$	\$	\$

## Outstanding Bonds

In addition to the Refunding Bonds (and not accounting for the planned refunding of the Prior Bonds with proceeds of the Refunding Bonds), the District has outstanding seven additional series of general obligation bonds, each of which is secured by *ad valorem* taxes upon all property subject to taxation by the District on a parity with the Refunding Bonds.

The District received authorization at an election held on November 7, 2006 to issue bonds of the District in an aggregate principal amount of not-to-exceed \$60,000,000 to finance construction, reconstruction and/or rehabilitation of its school facilities, including the furnishing and equipping of its school facilities, acquisition, or lease of real property for its school facilities and construction management (the “2006 Authorization”). The District issued five series of bonds under the 2006 Authorization. On May 1, 2007, the County, on behalf of the District, issued the Santee School District General Obligation Bonds, Election of 2006, Series A (San Diego County, California), in the aggregate principal amount of \$18,000,000 (the “Series 2006A Bonds”) as its first series of authorized bonds to be issued under the 2006 Authorization. On September 11, 2008, County, on behalf of the District, issued simultaneously (i) the Series 2006B Bonds in the aggregate initial principal amount of \$12,385,076.75, (ii) the Santee School District (San Diego County, California) General Obligation Bonds, Election of 2006, Series C, in the aggregate initial principal amount of \$2,869,039.35 (the “Series 2006C Bonds”), and (iii) the Santee School District (San Diego County, California) General Obligation Bonds, Election of 2006, Series D, in the aggregate initial principal amount of \$7,840,155.20 (the “Series 2006D Bonds”), as its second, third and fourth, respectively, series of authorized bonds to be issued under the 2006 Authorization. On May 12, 2011, the District issued its 2011 General Obligation Bonds, Election of 2006, Series E (San Diego County, California) in the aggregate initial principal amount of \$3,534,306.75 (the “Series 2006E Bonds”), as its fifth series of authorized bonds to be issued under the 2006 Authorization. The amount of \$15,371,421.95 remains authorized but unissued under the 2006 Authorization.

On December 30, 2015, the District issued its General Obligation Refunding Bonds, Series 2015, in the aggregate initial principal amount of \$26,715,103.95 (the “Series 2015 Refunding Bonds”) to advance refund a portion of the Series 2006A Bonds and to repurchase a portion of the Series 2006D Bonds. On February 3, 2016, the District issued its General Obligation Refunding Bonds, Series 2016A in the aggregate initial principal amount of \$9,025,021.75 (the “Series 2016A Refunding Bonds”) to repurchase a portion of the Series 2006E Bonds. The Refunding Bonds are being issued by the District to advance refund a portion of the outstanding Series 2006B Bonds. See “– Plan of Refunding” herein.

A summary of the District’s outstanding general obligation bonded debt is set forth on the following page.

**Aggregate Debt Service**

The following table sets forth the annual aggregate debt service requirements of all outstanding bonds of the District (including the Refunding Bonds), assuming no early redemptions.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
General Obligation Bonds – Aggregate Debt Service**

Period Ending August 1,	Series 2006A Bonds	Series 2006B Bonds <sup>(1)</sup>	Series 2006C Bonds	Series 2006D Bonds	Series 2006E Bonds	Series 2015 Refunding Bonds	Series 2016A Refunding Bonds	Series 2017 Refunding Bonds	Aggregate Total Debt Service <sup>(2)</sup>
2017	\$338,000	\$ 740,543	\$ 185,000	-	-	\$ 1,133,841	\$ 92,460	\$ -	\$ -
2018	-	740,543	210,000	-	-	1,624,757	14,245	\$ -	\$ -
2019	-	740,543	225,000	-	-	1,631,349	85,058	\$ -	\$ -
2020	-	740,543	240,000	-	-	1,695,167	104,741	\$ -	\$ -
2021	-	737,943	255,000	-	-	1,760,618	124,465	\$ -	\$ -
2022	-	739,753	260,000	-	-	1,860,298	121,811	\$ -	\$ -
2023	-	740,938	270,000	-	-	1,730,696	343,294	\$ -	\$ -
2024	-	741,531	275,000	-	-	1,809,430	367,166	\$ -	\$ -
2025	-	741,406	285,000	-	-	1,987,087	295,883	\$ -	\$ -
2026	-	740,831	290,000	-	\$ 35,000	2,072,853	322,366	\$ -	\$ -
2027	-	739,500	295,000	-	75,000	2,163,448	348,533	\$ -	\$ -
2028	-	737,388	300,000	-	115,000	2,263,629	371,927	\$ -	\$ -
2029	-	739,800	295,000	-	160,000	2,486,601	285,102	\$ -	\$ -
2030	-	741,500	295,000	-	210,000	2,696,152	211,561	\$ -	\$ -
2031	-	736,750	295,000	-	270,000	2,807,715	239,881	\$ -	\$ -
2032	-	736,500	2,825,000	-	325,000	647,257	21,852	\$ -	\$ -
2033	-	740,500	225,000	\$2,725,000	390,000	654,284	34,339	\$ -	\$ -
2034	-	738,500	-	1,282,775	455,000	2,097,131	419,692	\$ -	\$ -
2035	-	740,750	-	1,339,968	530,000	2,496,397	122,480	\$ -	\$ -
2036	-	737,000	-	1,403,798	610,000	2,310,811	414,540	\$ -	\$ -
2037	-	737,500	-	1,465,727	695,000	2,199,915	637,621	\$ -	\$ -
2038	-	737,000	-	1,485,000	895,000	302,227	2,585,261	\$ -	\$ -
2039	-	740,500	-	1,436,221	1,160,000	1,497,689	1,456,282	\$ -	\$ -
2040	-	737,750	-	1,434,188	1,430,000	185,000	2,801,558	\$ -	\$ -
2041	-	739,000	-	1,435,158	1,720,000	-	3,005,505	\$ -	\$ -
2042	-	739,000	-	1,435,361	423,388	-	3,035,497	\$ -	\$ -
2043	-	737,750	-	1,435,000	489,639	-	3,061,565	\$ -	\$ -
2044	-	740,250	-	1,997,415	555,354	-	2,524,785	\$ -	\$ -
2045	-	741,250	-	1,994,125	628,544	-	2,555,000	\$ -	\$ -
2046	-	740,750	-	1,995,765	705,000	-	-	\$ -	\$ -
2047	-	738,750	-	1,999,115	1,054,307	-	-	\$ -	\$ -
2048	-	740,250	-	2,000,000	1,165,554	-	-	\$ -	\$ -
2049	-	-	-	-	2,497,646	-	-	\$ -	\$ -
2050	-	-	-	-	2,614,550	-	-	\$ -	\$ -
2051	-	-	-	-	2,745,000	-	-	\$ -	\$ -
<b>Total<sup>(2)</sup></b>	<b>\$338,000</b>	<b>\$23,662,509</b>	<b>\$7,025,000</b>	<b>\$26,864,616</b>	<b>\$21,953,982</b>	<b>\$42,114,352</b>	<b>\$26,004,468</b>	<b>\$ -</b>	<b>\$ -</b>

<sup>(1)</sup> Does not reflect the planned refunding of the Prior Bonds from proceeds of the Refunding Bonds.

<sup>(2)</sup> Numbers may not add due to rounding.



## SECURITY AND SOURCE OF PAYMENT FOR THE REFUNDING BONDS

### General

In order to provide sufficient funds for repayment of principal and interest when due on the Refunding Bonds, the Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). Such taxes are in addition to other taxes levied upon property within the District. When collected, the tax revenues will be deposited by the County in the Interest and Sinking Fund of the District, which is required to be maintained by the County and to be used solely for the payment of bonds of the District.

The Refunding Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the California Constitution and other State law, and are not a debt or obligation of the County. No fund of the County is pledged or obligated to repayment of the Refunding Bonds.

### Statutory Lien on Taxes (Senate Bill 222)

Pursuant to Section 53515 of the California Government Code (which became effective on January 1, 2016), all general obligation bonds issued by local agencies, including refunding bonds, will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax. Section 53515 provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board, and will be valid and binding from the time the bonds are executed and delivered. Section 53515 further provides that the revenues received pursuant to the levy and collection of the tax will be immediately subject to the lien, and the lien will immediately attach to the revenues and be effective, binding and enforceable against the local agency, its successor, transferees and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

### Pledge of Tax Revenues

The District has pledged all revenues from the property taxes collected from the levy by the Board of Supervisors of the County for the payment of all bonds, including the Refunding Bonds (collectively, the "Bonds"), of the District heretofore or hereafter issued pursuant to voter approved measures of the District and amounts on deposit in the Interest and Sinking Fund of the District to the payment of the principal or redemption price of and interest on the Bonds. The Bond Resolution provides that the property taxes and amounts held in the Interest and Sinking Fund of the District shall be immediately subject to this pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in the Interest and Sinking Fund of the District to secure the payment of the Bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. The Resolution provides that this pledge constitutes an agreement between the District and the owners of Bonds to provide security for the Bonds in addition to any statutory lien that may exist, and the Bonds secured by the pledge are or were issued to finance (or refinance) one or more of the projects specified in the applicable voter-approved measure.

### Property Taxation System

Property tax revenues result from the application of the appropriate tax rate to the total assessed value of taxable property in the District. School districts receive property taxes for payment of voter-approved bonds as well as for general operating purposes.

Local property taxation is the responsibility of various county officers. For each school district located in a county, the county assessor computes the value of locally assessed taxable property. Based on the assessed value of property and the scheduled debt service on outstanding bonds in each year, the county auditor-controller computes the rate of tax necessary to pay such debt service, and presents the tax rolls (including rates of tax for all taxing jurisdictions in the county) to the county board of supervisors for approval. The county treasurer-tax collector prepares and mails tax bills to taxpayers and collects the taxes. In addition, the county treasurer-tax collector, the superintendent of schools of which has jurisdiction over the school district, holds school district funds, including taxes collected for payment of school bonds, and is charged with payment of principal and interest on the bonds when due, as ex-officio treasurer of the school district.

### **Assessed Valuation of Property Within the District**

Taxable property located in the District has a fiscal year 2016-17 assessed value of \$5,882,815,884. All property (real, personal and intangible) is taxable unless an exemption is granted by the California Constitution or United States law. Under the State Constitution, exempt classes of property include household and personal effects, intangible personal property (such as bank accounts, stocks and bonds), business inventories, and property used for religious, hospital, scientific and charitable purposes. The State Legislature may create additional exemptions for personal property, but not for real property. Most taxable property is assessed by the assessor of the county in which the property is located. Some special classes of property are assessed by the State Board of Equalization, as described below.

Taxes are levied for each fiscal year on taxable real and personal property assessed as of the preceding January 1, at which time the lien attaches. The assessed value is required to be adjusted during the course of the year when property changes ownership or new construction is completed. State law also affords an appeal procedure to taxpayers who disagree with the assessed value of any property. When necessitated by changes in assessed value during the course of a year, a supplemental assessment is prepared so that taxes can be levied on the new assessed value before the next regular assessment roll is completed. See “– *Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*” below.

Under the State Constitution, the State Board of Equalization assesses property of State-regulated transportation and communications utilities, including railways, telephone and telegraph companies, and companies transmitting or selling gas or electricity. The Board of Equalization also is required to assess pipelines, flumes, canals and aqueducts lying within two or more counties. The value of property assessed by the Board of Equalization is allocated by a formula to local jurisdictions in the county, including school districts, and taxed by the local county tax officials in the same manner as for locally assessed property. Taxes on privately owned railway cars, however, are levied and collected directly by the Board of Equalization. Property used in the generation of electricity by a company that does not also transmit or sell that electricity is taxed locally instead of by the Board of Equalization. Thus, the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies, as often occurred under electric power deregulation in California, affects how those assets are assessed, and which local agencies benefit from the property taxes derived. In general, the transfer of State-assessed property located in the District to non-utility companies will increase the assessed value of property in the District, since the property’s value will no longer be divided among all taxing jurisdictions in the County. The transfer of property located and taxed in the District to a State-assessed utility will have the opposite effect: generally reducing the assessed value in the District, as the value is shared among the other jurisdictions in the County. The District is unable to predict future transfers of State-assessed property in the District and the County, the impact of such transfers on its utility property tax revenues, or whether future legislation or litigation may affect ownership of utility assets, the State’s methods of assessing utility property, or the method by which tax revenues of utility property is allocated to local taxing agencies, including the District.

Locally taxed property is classified either as “secured” or “unsecured,” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State-assessed property and property (real or personal) for which there is a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. All other property is “unsecured,” and is assessed on the “unsecured roll.” Secured property assessed by the State Board of Equalization is commonly identified for taxation purposes as “utility” property.

The following table sets forth the assessed valuation of the various classes of property in the District’s boundaries from fiscal year 2007-08 through 2016-17.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
Assessed Valuations  
Fiscal Years 2007-08 through 2016-17**

Fiscal Year	Local Secured	Utility	Unsecured	Total
2007-08	\$4,772,885,551	\$0	\$200,149,848	\$4,973,035,399
2008-09	4,955,020,388	0	211,869,779	5,166,890,167
2009-10	4,755,224,761	0	206,373,408	4,961,598,169
2010-11	4,738,864,565	0	193,145,473	4,932,010,038
2011-12	4,781,726,558	0	174,798,432	4,956,524,990
2012-13	4,795,501,467	0	172,838,144	4,968,339,611
2013-14	4,933,827,547	0	173,428,626	5,107,256,173
2014-15	5,216,533,401	0	178,109,760	5,394,643,161
2015-16	5,468,418,006	0	172,095,535	5,640,513,541
2016-17	5,707,397,951	0	175,417,933	5,882,815,884

Source: California Municipal Statistics, Inc.

Assessments may be adjusted during the course of the year when real property changes ownership or new construction is completed. Assessments may also be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District’s control, such as a general market decline in land values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, drought, flood, fire, toxic dumping, etc. When necessitated by changes in assessed value in the course of a year, taxes are pro-rated for each portion of the tax year. See also “–*Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*” below.

***Appeals of Assessed Valuation; Blanket Reductions of Assessed Values.*** There are two basic types of property tax assessment appeals provided for under State law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the assessor immediately subsequent to an instance of a change in ownership or completion of new construction. If the base year value assigned by the assessor is reduced, the valuation of the property cannot increase in subsequent years more than 2% annually unless and until another change in ownership and/or additional new construction or reconstruction activity occurs.

The second type of appeal, commonly referred to as a Proposition 8 appeal (which Proposition 8 was approved by the voters in 1978), can result if factors occur causing a decline in the market value of the property to a level below the property’s then current taxable value (escalated base year value). Pursuant to State law, a property owner may apply for a Proposition 8 reduction of the property tax assessment for such owner’s property by filing a written application, in the form prescribed by the State Board of Equalization,

with the appropriate county board of equalization or assessment appeals board. A property owner desiring a Proposition 8 reduction of the assessed value of such owner's property in any one year must submit an application to the county assessment appeals board (the "Appeals Board"). Following a review of the application by the county assessor's office, the county assessor may offer to the property owner the opportunity to stipulate to a reduced assessment, or may confirm the assessment. If no stipulation is agreed to, and the applicant elects to pursue the appeal, the matter is brought before the Appeals Board (or, in some cases, a hearing examiner) for a hearing and decision. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level (escalated to the inflation rate of no more than 2%) following the year for which the reduction application is filed. However, the county assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year and any intervening years as well. In practice, such a reduced assessment may and often does remain in effect beyond the year in which it is granted.

In addition, Article XIII A of the State Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. This measure is computed on a calendar year basis. According to representatives of the County assessor's office, the County has in the past, pursuant to Article XIII A of the State Constitution, ordered blanket reductions of assessed property values and corresponding property tax bills on single family residential properties when the value of the property has declined below the current assessed value as calculated by the County.

No assurance can be given that property tax appeals and/or blanket reductions of assessed property values will not significantly reduce the assessed valuation of property within the District in the future.

See APPENDIX A – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Limitations on Revenues" for a discussion of other limitations on the valuation of real property with respect to *ad valorem* taxes.

**Bonding Capacity.** As an elementary school district, the District may issue bonds in an amount up to 1.25% of the assessed valuation of taxable property within its boundaries. The District's fiscal year 2016-17 gross bonding capacity (also commonly referred to as the "bonding limit" or "debt limit") is approximately \$[73.5] million and its net bonding capacity is approximately \$[18.7] million (taking into account current outstanding debt before issuance of the Refunding Bonds and not accounting for the refunding of the Prior Bonds). Refunding bonds may be issued without regard to this limitation; however, once issued, the outstanding principal of any refunding bonds is included when calculating the District's bonding capacity.

*Assessed Valuation by Jurisdiction.* The following table describes the percentage and value of the total assessed valuation of the property within the District's boundaries that reside in the cities of El Cajon, San Diego and Santee and unincorporated portions of the County for fiscal year 2016-17.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
2016-17 Assessed Valuation and Parcels by Jurisdiction**

Jurisdiction	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of El Cajon	\$208,693,209	3.55%	\$8,445,621,171	2.47%
City of San Diego	57,251,461	0.97	221,006,039,954	0.03
City of Santee	5,314,915,083	90.35	5,325,555,641	99.80
Unincorporated San Diego County	301,956,131	5.13	66,670,464,583	0.45
Total District	\$5,882,815,884	100.00%		
San Diego County	\$5,882,815,884	100.00%	\$467,262,672,018	1.26%

Source: California Municipal Statistics, Inc.

**Assessed Valuation by Land Use.** The following table sets forth a distribution of taxable property located in the District on the fiscal year 2016-17 tax roll by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
2016-17 Assessed Valuation and Parcels by Land Use**

Type of Property	2016-17 Assessed Valuation <sup>(1)</sup>	% of Total	No. of Parcels	% of Total
<b>Non-Residential:</b>				
Agricultural/Rural	\$31,413,640	0.55%	98	0.53%
Commercial	559,305,770	9.80	345	1.87
Vacant Commercial	38,952,623	0.68	47	0.25
Industrial	459,382,359	8.05	442	2.39
Vacant Industrial	12,638,145	0.22	43	0.23
Recreational/Golf	2,023,279	0.04	1	0.01
Government/Social/Institutional	128,873	0.00	198	1.07
Subtotal Non-Residential	<u>\$1,103,844,689</u>	<u>19.34%</u>	<u>1,174</u>	<u>6.36%</u>
<b>Residential:</b>				
Single Family Residence	\$3,388,650,008	59.37%	11,957	64.78%
Condominium/Townhouse	831,543,277	14.57	3,944	21.37
Mobile Home	49,617,341	0.87	910	4.93
Mobile Home Park	67,347,222	1.18	16	0.09
2-4 Residential Units	24,403,431	0.43	98	0.53
5+ Residential Units/Apartments	214,015,115	3.75	57	0.31
Miscellaneous Residential	2,254,628	0.04	69	0.37
Vacant Residential	25,722,240	0.45	233	1.26
Subtotal Residential	<u>\$4,603,553,262</u>	<u>80.66%</u>	<u>17,284</u>	<u>93.64%</u>
<b>Total</b>	<b>\$5,707,397,951</b>	<b>100.00%</b>	<b>18,458</b>	<b>100.00%</b>

<sup>(1)</sup> Local secured assessed valuation, excluding tax-exempt property.  
Source: California Municipal Statistics, Inc.

**Assessed Valuation of Single-Family Homes.** The following table sets forth the assessed valuation of single-family homes in the District’s boundaries for fiscal year 2016–17.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
2016-17 Per Parcel Assessed Valuation of Single Family Homes**

	Number of Parcels	Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	11,957	\$3,388,650,008	\$283,403	\$272,689

2016-17 Assessed Valuation	No. of Parcels <sup>(1)</sup>	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$24,999	22	0.184%	0.184%	\$447,140	0.013%	0.013%
\$25,000 - \$49,999	628	5.252	5.436	26,389,140	0.779	0.792
\$50,000 - \$74,999	543	4.541	9.977	33,839,517	0.999	1.791
\$75,000 - \$99,999	393	3.287	13.264	33,745,055	0.996	2.786
\$100,000 - \$124,999	307	2.568	15.832	34,845,682	1.028	3.815
\$125,000 - \$149,999	531	4.441	20.273	73,535,000	2.170	5.985
\$150,000 - \$174,999	572	4.784	25.056	92,962,207	2.743	8.728
\$175,000 - \$199,999	762	6.373	31.429	143,607,703	4.238	12.966
\$200,000 - \$224,999	862	7.209	38.638	183,162,972	5.405	18.371
\$225,000 - \$249,999	800	6.691	45.329	189,758,317	5.600	23.971
\$250,000 - \$274,999	596	4.985	50.314	156,124,919	4.607	28.578
\$275,000 - \$299,999	556	4.650	54.964	159,588,413	4.709	33.288
\$300,000 - \$324,999	575	4.809	59.773	179,775,735	5.305	38.593
\$325,000 - \$349,999	571	4.775	64.548	192,778,332	5.689	44.282
\$350,000 - \$374,999	691	5.779	70.327	250,633,122	7.396	51.678
\$375,000 - \$399,999	698	5.838	76.165	270,053,620	7.969	59.648
\$400,000 - \$424,999	895	7.485	83.650	367,498,157	10.845	70.493
\$425,000 - \$449,999	630	5.269	88.919	274,074,022	8.088	78.581
\$450,000 - \$474,999	370	3.094	92.013	170,173,146	5.022	83.602
\$475,000 - \$499,999	190	1.589	93.602	92,246,619	2.722	86.325
\$500,000 and greater	765	6.398	100.000	463,411,190	13.675	100.000
Total	11,957	100.000%		\$3,388,650,008	100.000%	

<sup>(1)</sup> Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.  
Source: California Municipal Statistics, Inc.

**Largest Taxpayers in District.** The following table sets forth the 20 taxpayers with the greatest combined ownership of taxable property in the District on the fiscal year 2016-17 tax roll, and the assessed valuation of all property owned by those taxpayers in all taxing jurisdictions within the District, are set forth below.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
Largest 2016-17 Local Secured Taxpayers<sup>(1)</sup>**

	Property Owner	Primary Land Use	2016-17 Assessed Valuation	Percent of Total <sup>(1)</sup>
1.	Vestar Kimco Santee LP	Shopping Center	\$48,276,075	0.85%
2.	Santee Partners LP	Apartments	29,426,449	0.52
3.	Wal-Mart Stores East LP	Commercial	29,006,793	0.51
4.	HCA Arbors Apartments LP	Apartments	28,747,392	0.50
5.	Sycamore Landfill Inc.	Landfill	26,718,045	0.47
6.	MHC Meadowbrook LP	Mobile Home Park	21,490,097	0.38
7.	Santee Retail LP	Commercial	21,366,537	0.37
8.	American Realty Capital Properties Inc.	Commercial	18,846,730	0.33
9.	Target Corp.	Commercial	16,702,932	0.29
10.	Sunridge Apartments LP	Apartments	16,560,171	0.29
11.	Petsmart Inc.	Shopping Center	16,497,107	0.29
12.	Pacific Castle Santee LP	Commercial	15,440,000	0.27
13.	Vons Companies Inc. Alcott Estates	Commercial	15,228,750	0.27
14.	HCA Sunset Trails LP	Apartments	14,886,670	0.26
15.	Santee Senior Retirement Communities	Assisted Living	14,596,150	0.26
16.	Lowes HIW Inc.	Commercial	14,318,825	0.25
17.	Alcott Estates	Commercial	14,071,934	0.25
18.	Costco Wholesale Corporation	Commercial	13,618,799	0.24
19.	Gillespie GH LLC	Commercial	13,500,000	0.24
20.	Kohls Department Stores Inc.	Commercial	13,104,807	0.23
			<u>\$402,404,263</u>	<u>7.05%</u>

<sup>(1)</sup> 2016-17 local secured assessed valuation: \$5,707,397,951  
Source: California Municipal Statistics, Inc.

The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness, if any, in such taxpayer's financial situation and ability or willingness to pay property taxes in a timely manner. Furthermore, assessments may be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District's control. See "*Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*" above.

## Tax Rates

The State Constitution permits the levy of an *ad valorem* tax on taxable property not to exceed 1% of the full cash value of the property, and State law requires the full 1% tax to be levied. The levy of special *ad valorem* property taxes in excess of the 1% levy is permitted as necessary to provide for debt service payments on school bonds and other voter-approved indebtedness.

The rate of tax necessary to pay fixed debt service on the Refunding Bonds in a given year depends on the assessed value of taxable property in that year. (The rate of tax imposed on unsecured property for repayment of the Refunding Bonds is based on the prior year's secured property tax rate.) Economic and other factors beyond the District's control, such as a general market decline in land values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property



owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, fire, toxic dumping, etc., could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Refunding Bonds. Issuance of additional authorized bonds in the future might also cause the tax rate to increase.

**Typical Tax Rate Area.** The following table sets forth *ad valorem* property tax rates for the last five fiscal years in typical Tax Rate Areas of the District: TRA 16-007 and TRA 86-013. TRA 16-007 comprises approximately 18.91% of the total fiscal year 2016-17 assessed value of the District. TRA 86-013 comprises approximately 1.03% of the total fiscal year 2016-17 assessed value of the District.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
Typical Total Tax Rates per \$100 of Assessed Valuation  
Fiscal Years 2012-13 Through 2016-17**

Within the City of Santee: TRA 16-007

	2012-13	2013-14	2014-15	2015-16	2016-17
General	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
Santee School District	.03390	.03405	.03321	.03277	.03964
Grossmont Union High School District	.06103	.06167	.06118	.06053	.05717
Grossmont-Cuyamaca Community College	.03173	.04752	.04650	.04539	.04005
Grossmont Healthcare District	.02005	.02005	.02005	.02352	.02352
Metropolitan Water District	.00350	.00350	.00350	.00350	.00350
<b>Total</b>	<b>\$1.15021</b>	<b>\$1.16679</b>	<b>\$1.16444</b>	<b>\$1.16571</b>	<b>\$1.16388</b>

Within Unincorporated San Diego County: TRA 86-013

	2012-13	2013-14	2014-15	2015-16	2016-17
General	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
Santee School District	.03390	.03405	.03321	.03277	.03964
Grossmont Union High School District	.06103	.06167	.06118	.06053	.05717
Grossmont-Cuyamaca Community College	.03173	.04752	.04650	.04539	.04005
Grossmont Healthcare District	.02005	.02005	.02005	.02352	.02352
Metropolitan Water District	.00350	.00350	.00350	.00350	.00350
<b>Total</b>	<b>\$1.15021</b>	<b>\$1.16679</b>	<b>\$1.16444</b>	<b>\$1.16571</b>	<b>\$1.16388</b>

Source: California Municipal Statistics, Inc.

**Tax Charges and Delinquencies**

A school district’s share of the 1% countywide tax is based on the actual allocation of property tax revenues to each taxing jurisdiction in the county in fiscal year 1978-79, as adjusted according to a complicated statutory process enacted since that time. Revenues derived from special *ad valorem* taxes for voter-approved indebtedness, including the Refunding Bonds, are reserved to the taxing jurisdiction that approved and issued the debt, and may only be used to repay that debt.

The County Treasurer prepares the property tax bills. Property taxes on the regular secured assessment roll are due in two equal installments: the first installment is due on November 1, and becomes

delinquent after December 10. The second installment is due on February 1 and becomes delinquent after April 10. If taxes are not paid by the delinquent date, a 10% penalty attaches and a \$30 cost is added to unpaid second installments. If taxes remain unpaid by June 30, the tax is deemed to be in default, and a \$15 state redemption fee applies. Interest then begins to accrue at the rate of 1.5% per month. The property owner has the right to redeem the property by paying the taxes, accrued penalties, and costs within five years of the date the property went into default. If the property is not redeemed within five years, it is subject to sale at a public auction by the County Treasurer.

Property taxes on the unsecured roll are due in one payment on the lien date, January 1, and become delinquent after August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue on November 1. To collect unpaid taxes, the County Treasurer may obtain a judgment lien upon and cause the sale of all property owned by the taxpayer in the County, and may seize and sell personal property, improvements and possessory interests of the taxpayer. The County Treasurer may also bring a civil suit against the taxpayer for payment.

The date on which taxes on supplemental assessments are due depends on when the supplemental tax bill is mailed.

The following table sets forth real property tax charges with respect to property located in the District for fiscal years 2010-11 through 2015-16. The County utilizes the Teeter Plan for assessment levy and distribution. This method guarantees distribution of 100% of the assessments levied to the taxing entity, with the County retaining all penalties and interest, and the County does not provide a breakdown of the delinquencies with respect to property located in the District. See “–Teeter Plan” below.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
Secured Tax Charges and Delinquencies  
Fiscal Years 2010-11 through 2015-16**

Fiscal Year	Secured Tax Charge <sup>(1)</sup>	Amount Delinquent June 30	Percent Delinquent June 30
2010-11	\$10,403,821	-	-
2011-12	10,358,794	-	-
2012-13	10,458,156	-	-
2013-14	10,103,733	-	-
2014-15	10,692,259	-	-
2015-16	11,222,664	-	-

<sup>(1)</sup> General Fund apportionment.

<sup>(2)</sup> The County utilizes the Teeter Plan for assessment levy and distribution. This method guarantees distribution of 100% of the assessments levied to the taxing entity, with the County retaining all penalties and interest.

Source: California Municipal Statistics, Inc.

**Teeter Plan**

The County has implemented an alternative method for the distribution of secured property taxes to local agencies, known as the “Teeter Plan.” The Teeter Plan provisions are now set forth in Sections 4701 to 4717 of the California Revenue and Taxation Code. Upon adoption and implementation of this method by a county board of supervisors, local agencies for which the county acts as “bank” and certain other public agencies and taxing areas located in the county receive annually the full amount of their share of property taxes on the secured roll, including delinquent property taxes which have yet to be collected. While a county benefits from the penalties associated with these delinquent taxes when they are paid, the

Teeter Plan provides participating local agencies with stable cash flow and the elimination of collection risk.

To implement a Teeter Plan, the board of supervisors of a county generally must elect to do so by July 15 of the fiscal year in which it is to apply. As a separate election, a county may elect to have the Teeter Plan procedures also apply to assessments on the secured roll. The County Board of Supervisors adopted the Teeter Plan on June 29, 1993. The County's Teeter Plan applies to the District and to its outstanding general obligation bonds.

Upon making a Teeter Plan election, a county must initially provide a participating local agency with 95% of the estimated amount of the then-accumulated tax delinquencies (excluding penalties) for that agency. In the case of the initial year distribution of assessments (if a county has elected to include assessments), 100% of the assessment delinquencies (excluding penalties) are to be apportioned to the participating local agency which levied the assessment. After the initial distribution, each participating local agency receives annually 100% of the secured property tax levies to which it is otherwise entitled, regardless of whether the county has actually collected the levies.

If any tax or assessment which was distributed to a Teeter Plan participant is subsequently changed by correction, cancellation or refund, a pro rata adjustment for the amount of the change is made on the records of the treasurer and auditor of the county. Such adjustment for a decrease in the tax or assessment is treated by the County as an interest-free offset against future advances of tax levies under the Teeter Plan.

Once adopted, a county's Teeter Plan will remain in effect in perpetuity unless the board of supervisors orders its discontinuance or unless prior to the commencement of a fiscal year a petition for discontinuance is received and joined in by resolutions of the governing bodies of not less than two-thirds of the participating districts in the county. An electing county may, however, opt to discontinue the Teeter Plan with respect to any levying agency in the county if the board of supervisors, by action taken not later than July 15 of a fiscal year, elects to discontinue the procedure with respect to such levying agency and the rate of secured tax delinquencies in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll by that agency. The County has never discontinued the Teeter Plan with respect to any levying agency.

**Direct and Overlapping Debt**

Set forth below is a schedule of direct and overlapping debt prepared by California Municipal Statistics Inc. effective April 26, 2017 for debt outstanding as of June 1, 2017. The table is included for general information purposes only. The District has not reviewed this table for completeness or accuracy and makes no representations in connection therewith. The first column in the table names each public agency which has outstanding debt as of the date of the schedule and whose territory overlaps the District in whole or in part. Column two sets forth the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount set forth in column three, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

The schedule generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

**SANTEE SCHOOL DISTRICT**  
**(San Diego County, California)**  
**Statement of Direct and Overlapping Bonded Debt**

2016-17 Assessed Valuation: \$5,882,815,884

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 6/1/17</u>
Metropolitan Water District	0.226%	\$169,285
Grossmont-Cuyamaca Community College District	12.998	30,084,568
Grossmont Union High School District	13.327	73,950,639
Santee School District	100.	54,535,125 <sup>(1)</sup>
Grossmont Healthcare District	12.227	<u>32,268,683</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$191,008,300

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
San Diego County General Fund Obligations	1.259%	\$3,665,956
San Diego County Pension Obligation Bonds	1.259	7,623,497
San Diego County Superintendent of Schools	1.259	148,562
Grossmont-Cuyamaca Community College District General Fund Obligations	12.998	102,684
Grossmont Union High School District Certificates of Participation	13.327	45,312
Santee School District Certificates of Participation	100.	30,459,849
City of San Diego General Fund Obligations	0.026	148,320
City of Santee General Fund Obligations	99.800	374,250
Lakeside Fire District Certificates of Participation	0.010	<u>537</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$42,568,967

OVERLAPPING TAX INCREMENT DEBT (Successor Agencies): \$51,771,708

COMBINED TOTAL DEBT \$285,348,975<sup>(2)</sup>

Ratios to 2016-17 Assessed Valuation:

Direct Debt (\$54,535,125).....	0.93%
Total Direct and Overlapping Tax and Assessment Debt.....	3.25%
Combined Direct Debt (\$84,994,974) .....	1.44%
Combined Total Debt .....	4.85%

Ratios to Redevelopment Incremental Valuation (\$1,229,501,526):

Overlapping Tax Increment Debt .....	4.21%
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<sup>(1)</sup> Excludes the Refunding Bonds; includes Prior Bonds.

<sup>(2)</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Source: California Municipal Statistics, Inc.

## TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, bond counsel to the District (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Refunding Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Refunding Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix C hereto.

To the extent the issue price of any maturity of the Refunding Bonds is less than the amount to be paid at maturity of such Refunding Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Refunding Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Refunding Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Refunding Bonds is the first price at which a substantial amount of such maturity of the Refunding Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Refunding Bonds accrues daily over the term to maturity of such Refunding Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Refunding Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Refunding Bonds. Beneficial Owners of the Refunding Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Refunding Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Refunding Bonds in the original offering to the public at the first price at which a substantial amount of such Refunding Bonds is sold to the public.

Refunding Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Refunding Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Refunding Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Refunding Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Refunding Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring),

or any other matters coming to Bond Counsel's attention after the date of issuance of the Refunding Bonds may adversely affect the value of, or the tax status of interest on, the Refunding Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Refunding Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Refunding Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Refunding Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, the presidential budget proposals in previous years have proposed legislation that would limit the exclusion from gross income of interest on the Refunding Bonds to some extent for high-income individuals. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Refunding Bonds. Prospective purchasers of the Refunding Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Refunding Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Refunding Bonds ends with the issuance of the Refunding Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the Beneficial Owners regarding the tax-exempt status of the Refunding Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the District and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Refunding Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Refunding Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

## OTHER LEGAL MATTERS

### Legal Opinion

The validity of the Refunding Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District. Bond Counsel expects to deliver an opinion with respect to the Refunding Bonds at the time of issuance of such series substantially in the forms set forth in Appendix C hereto. Bond Counsel, as such, undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the District, and for the Underwriter by Dannis Woliver Kelley.

### Legality for Investment in California

Under the provisions of the California Financial Code, the Refunding Bonds are a legal investment for commercial banks in California to the extent that the Refunding Bonds, in the informed opinion of the bank, is prudent for the investment of funds of depositors, and, under provisions of the California Government Code, the Refunding Bonds are eligible securities for deposit of public moneys in the State.

### Continuing Disclosure

The District has covenanted for the benefit of the holders and Beneficial Owners of the Refunding Bonds to provide, or to cause to be provided, to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system or such other electronic system designated by the Municipal Securities Rulemaking Board (the "EMMA System") certain annual financial information and operating data relating to the District (the "Annual Report") by not later than nine months following the end of the District's fiscal year (currently ending June 30), commencing with the report for the 2016-17 fiscal year (which is due no later than March 31, 2018) and notice of the occurrence of certain enumerated events ("Notice Events") in a timely manner not in excess of ten business days after the occurrence of such a Notice Event. The specific nature of the information to be contained in the Annual Report and the notices of Notice Events is set forth in APPENDIX D – "FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule").

[A review of the District's compliance with its previous continuing disclosure undertakings was conducted and it was found that, during the preceding five years, the District (a) did not timely file its second interim report for fiscal year 2012-13 and (b) did not timely file certain event notices related to rating changes. As of the date of this Official Statement, the District has made these required filings and is in compliance with its previous continuing disclosure undertakings.

In order to ensure the timely compliance with its continuing disclosure obligation, the District has engaged Dale Scott & Company, Inc. to act as dissemination agent in connection with its prior undertakings as well as the undertaking relating to the Refunding Bonds.

Neither the County nor any other entity other than the District shall have any obligation or incur any liability whatsoever with respect to the performance of the District's duties regarding continuing disclosure.]

## **Litigation**

No litigation is pending or threatened concerning or contesting the validity of the Refunding Bonds or the District's ability to receive *ad valorem* taxes and to collect other revenues, or contesting the District's ability to issue and retire the Refunding Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the title to their offices of District officers who will execute the Refunding Bonds or District officials who will sign certifications relating to the Refunding Bonds, or the powers of those offices. A certificate (or certificates) to that effect will be furnished to the Underwriter at the time of the original delivery of the Refunding Bonds.

The District is occasionally subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District.

## **ESCROW VERIFICATION**

The arithmetical accuracy of certain computations included in the schedules provided by the Underwriter relating to the computation of projected receipts of principal and interest on the government obligations, and the projected payments of principal, redemption premium, if any, and interest to retire the Prior Bonds to be refunded will be verified by Causey Demgen & Moore, P.C., Denver, Colorado (the "Verification Agent"). Such computations will be based solely on assumptions and information supplied by the District and the Underwriter. The Verification Agent will restrict its procedures to verifying the arithmetical accuracy of certain computations and will not make any study to evaluate the assumptions and information on which the computations are based, and will express no opinion on the data used, the reasonableness of the assumptions or the achievability of the projected outcome.

## **MISCELLANEOUS**

### **Rating**

S&P has assigned its rating of "\_\_\_" to the Refunding Bonds. Rating agencies generally base their ratings on their own investigations, studies and assumptions. The rating reflects only the view of the rating agency furnishing the same, and any explanation of the significance of such rating should be obtained only from the rating agency providing the same. Such rating is not a recommendation to buy, sell or hold the Refunding Bonds. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency providing the same, if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Refunding Bonds. Neither the Underwriter nor the District has undertaken any responsibility after the offering of the Refunding Bonds to assure the maintenance of the rating or to oppose any such revision or withdrawal.

### **Professionals Involved in the Offering**

Orrick, Herrington & Sutcliffe LLP is acting as Bond Counsel and Disclosure Counsel with respect to the Refunding Bonds, and will receive compensation contingent upon the sale and delivery of the Refunding Bonds. Dale Scott & Company is acting as the District's Municipal Advisor with respect to the Refunding Bonds. Dannis Woliver Kelley, Long Beach, California, is acting as Underwriter's Counsel with respect to the Refunding Bonds. Payment of the fees and expenses of the Municipal Advisor and Underwriter's Counsel is also contingent upon the sale and delivery of the Refunding Bonds. From time to time, Bond Counsel represents the Underwriter on matters unrelated to the Refunding Bonds.



## Underwriting

The Refunding Bonds are being purchased for reoffering to the public by RBC Capital Markets, LLC (the "Underwriter"), pursuant to the terms of a bond purchase agreement executed on [\_\_\_\_], 2017, by and between the Underwriter and the District (the "Purchase Agreement"). The Underwriter has agreed to purchase the Refunding Bonds at a price of \$\_\_\_\_\_ (representing the principal amount of the Refunding Bonds, [plus][less] [net] original issue [premium][discount] of \$\_\_\_\_\_, less an Underwriter's discount of \$\_\_\_\_\_). The Purchase Agreement provides that the Underwriter will purchase all of the Refunding Bonds, subject to certain terms and conditions set forth in the Purchase Agreement, including the approval of certain legal matters by counsel.

The Underwriter may offer and sell the Refunding Bonds to certain dealers and others at prices lower than the public offering prices shown on the inside front cover page of this Official Statement. The offering prices may be changed from time to time by the Underwriter.

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Issuer. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the District.

## ADDITIONAL INFORMATION

The purpose of this Official Statement is to supply information to purchasers of the Refunding Bonds. Quotations from and summaries and explanations of the Refunding Bonds and of the statutes and documents contained herein do not purport to be complete, and reference is made to such documents and statutes for full and complete statements of their provisions.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners of any of the Refunding Bonds.

The District has duly authorized the delivery of this Official Statement.

**SANTEE SCHOOL DISTRICT**

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

## APPENDIX A

### INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET

*The information in this appendix concerning the operations of the Santee School District (the "District"), the District's finances, and State of California (the "State") funding of education, is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Refunding Bonds is payable from the general fund of the District or from State revenues. The Refunding Bonds are payable from the proceeds of an ad valorem tax approved by the voters of the District pursuant to all applicable laws and State Constitutional requirements, and required to be levied by the County of San Diego on property within the District in an amount sufficient for the timely payment of principal of and interest on the Refunding Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE REFUNDING BONDS" in the front portion of this Official Statement.*

### THE DISTRICT

#### Introduction

The District, established in 1893, encompasses approximately 16.56 square miles in the eastern portion of the County of San Diego (the "County"). The District is located in the City of Santee, and it serves portions of the Cities of Santee, El Cajon, and San Diego, and an unincorporated area of San Diego County. The District provides public education services for grades pre-kindergarten through eight. The District operates one elementary school serving grades kindergarten through six, eight elementary schools serving grades kindergarten through eight, an alternative home school program and three preschool programs. Enrollment in the District for fiscal year 2016-17 is 6,761 students. The District operates under the jurisdiction of the San Diego County Superintendent of Schools.

#### Board of Education

The District is governed by a five-member Board of Education (the "District Board"), each member of which is elected by voters within the District to serve alternating four-year terms. The District Board consists of five voting members. The voting members are elected to four-year terms in alternate slates of two and three and elections are held every two years. Each December the District Board elects a President and Clerk to serve one year terms. Current voting members of the District Board, together with their office and the date their term expires, are listed below.

#### SANTEE SCHOOL DISTRICT (San Diego County, California)

##### Board of Education

Name	Office	Term Expires
Elana Levens-Craig	President	December 2020
Dianne El-Hajj	Vice President	December 2020
Ken Fox	Clerk	December 2018
Dustin Burns	Member	December 2018
Barbara Ryan	Member	December 2018

## Superintendent and Financial and Fiscal Administrative Personnel

The Superintendent of the District is appointed by the District Board and reports to the District Board. The Superintendent is responsible for management of the District's day-to-day operations and supervises the work of other key District administrators. Information concerning the Superintendent and certain other key administrative personnel is set forth below.

***Kristin Baranski, M.Ed., Superintendent.*** Superintendent Baranski became the District's eighth Superintendent on February 1, 2017. She has been serving the District as a school or district administrator since 1998; eleven years in district administration and eight years as a site administrator. Her district and site positions include Vice Principal, Curriculum Coordinator, Principal, Director of Curriculum and Assessment, Director of Special Projects and Assessment, and Director of Educational Services. For four years, Dr. Baranski also served as a university supervisor for preliminary administrative credential candidates at the University of San Diego. She is currently completing her doctoral studies in organizational leadership at Brandman University, San Diego.

***Karl Christensen, MBA, Assistant Superintendent, Business Services.*** Mr. Christensen joined the District in June 2009. Prior to that, Mr. Christensen served as the Internal Auditor for La Mesa-Spring Valley School District ("LSVSD") in the County for six years, as Director, Information Systems for LSVSD for eight years, and as Chief Business Officer for San Ysidro School District for five years. Mr. Christensen earned his bachelor's degree in Financial Accounting and his master's degree in Business Administration from National University.

## DISTRICT FINANCIAL MATTERS

### State Funding of Education; State Budget Process

***General.*** As is true for all school districts in California, the District's operating income consists primarily of two components: a State portion funded from the State's general fund in accordance with the Local Control Funding Formula (see "– Allocation of State Funding to School Districts; Local Control Funding Formula" herein) and a local portion derived from the District's share of the 1% local *ad valorem* tax authorized by the State Constitution (see "– Local Sources of Education Funding" herein). In addition, school districts may be eligible for other special categorical funding from State and federal government programs. The District has projected to receive approximately 64.95% of its general fund revenues from State funds (not including the local portion derived from the District's share of the local *ad valorem* tax), projected at approximately \$40.62 million in fiscal year 2016-17. Such amount includes both the State funding provided under the LCFF as well as other State revenues (see "– Allocation of State Funding to School Districts; Local Control Funding Formula – Attendance and LCFF" and "– Other District Revenues – Other State Revenues" below). As a result, decreases or deferrals in State revenues, or in State legislative appropriations made to fund education, may significantly affect the District's revenues and operations.

Under Proposition 98, a constitutional and statutory amendment adopted by the State's voters in 1988 and amended by Proposition 111 in 1990 (now found at Article XVI, Sections 8 and 8.5 of the Constitution), a minimum level of funding is guaranteed to school districts, community college districts, and other State agencies that provide direct elementary and secondary instructional programs. Recent years have seen frequent disruptions in State personal income taxes, sales and use taxes, and corporate taxes, making it increasingly difficult for the State to meet its Proposition 98 funding mandate, which normally commands about 45% of all State general fund revenues, while providing for other fixed State costs and priority programs and services. Because education funding constitutes such a large part of the State's general fund expenditures, it is generally at the center of annual budget negotiations and adjustments.

In connection with the State Budget Act for fiscal year 2013-14, the State and local education agencies therein implemented a new funding formula for school finance system called the Local Control Funding Formula (the “Local Control Funding Formula” or “LCFF”). Funding from the LCFF replaced the revenue limit funding system and most categorical programs. See “– Allocation of State Funding to School Districts; Local Control Funding Formula” herein for more information.

**State Budget Process.** According to the State Constitution, the Governor must propose a budget to the State Legislature no later than January 10 of each year, and a final budget must be adopted no later than June 15. The budget requires a simple majority vote of each house of the State Legislature for passage. The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. A two-thirds vote of the State Legislature is required to override any veto by the Governor. School district budgets must generally be adopted by July 1, and revised by the school board within 45 days after the Governor signs the budget act to reflect any changes in budgeted revenues and expenditures made necessary by the adopted State budget. The Governor signed the fiscal year 2016-17 State budget on June 27, 2016.

When the State budget is not adopted on time, basic appropriations and the categorical funding portion of each school district’s State funding are affected differently. Under the rule of *White v. Davis* (also referred to as *Jarvis v. Connell*), a State Court of Appeal decision reached in 2002, there is no constitutional mandate for appropriations to school districts without an adopted budget or emergency appropriation, and funds for State programs cannot be disbursed by the State Controller until that time, unless the expenditure is (i) authorized by a continuing appropriation found in statute, (ii) mandated by the State Constitution (such as appropriations for salaries of elected State officers), or (iii) mandated by federal law (such as payments to State workers at no more than minimum wage). The State Controller has consistently stated that basic State funding for schools is continuously appropriated by statute, but that special and categorical funds may not be appropriated without an adopted budget. Should the State Legislature fail to pass a budget or emergency appropriation before the start of any fiscal year, the District might experience delays in receiving certain expected revenues. The District is authorized to borrow temporary funds to cover its annual cash flow deficits, and as a result of the *White v. Davis* decision, the District might find it necessary to increase the size or frequency of its cash flow borrowings, or to borrow earlier in the fiscal year. The District does not expect the *White v. Davis* decision to have any long-term effect on its operating budgets.

**Aggregate State Education Funding.** The Proposition 98 guaranteed amount for education is based on prior-year funding, as adjusted through various formulas and tests that take into account State proceeds of taxes, local property tax proceeds, school enrollment, per-capita personal income, and other factors. The State’s share of the guaranteed amount is based on State general fund tax proceeds and is not based on the general fund in total or on the State budget. The local share of the guaranteed amount is funded from local property taxes. The total guaranteed amount varies from year to year and throughout the stages of any given fiscal year’s budget, from the Governor’s initial budget proposal to actual expenditures to post-year-end revisions, as better information regarding the various factors becomes available. Over the long run, the guaranteed amount will increase as enrollment and per capita personal income grow.

If, at year-end, the guaranteed amount is calculated to be higher than the amount actually appropriated in that year, the difference becomes an additional education funding obligation, referred to as “settle-up.” If the amount appropriated is higher than the guaranteed amount in any year, that higher funding level permanently increases the base guaranteed amount in future years. The Proposition 98 guaranteed amount is reduced in years when general fund revenue growth lags personal income growth, and may be suspended for one year at a time by enactment of an urgency statute. In either case, in subsequent years when State general fund revenues grow faster than personal income (or sooner, as the Legislature may determine), the funding level must be restored to the guaranteed amount, the obligation to do so being referred to as “maintenance factor.”

Although the California Constitution requires the State to approve a balanced State Budget Act each fiscal year, the State's response to fiscal difficulties in some years has had a significant impact upon the Proposition 98 minimum guarantee and the treatment of settle-up payments with respect to years in which the Proposition 98 minimum guarantee was suspended. The State has sought to avoid or delay paying settle-up amounts when funding has lagged the guaranteed amount. In response, teachers' unions, the State Superintendent and others sued the State or Governor in 1995, 2005, 2009 and 2011 to force them to fund schools in the full amount required. The settlement of the 1995 and 2005 lawsuits has so far resulted in over \$4 billion in accrued State settle-up obligations. However, legislation enacted to pay down the obligations through additional education funding over time, including the Quality Education Investment Act of 2006, have also become part of annual budget negotiations, resulting in repeated adjustments and deferrals of the settle-up amounts.

The State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years' Proposition 98 minimum funding levels rather than current year increases; by temporarily deferring apportionments of Proposition 98 funds from one fiscal year to the next; by permanently deferring apportionments of Proposition 98 funds from one fiscal year to the next; by suspending Proposition 98, as the State did in fiscal year 2004-05, fiscal year 2010-11, fiscal year 2011-12 and fiscal year 2012-13; and by proposing to amend the State Constitution's definition of the guaranteed amount and settle-up requirement under certain circumstances.

The District cannot predict how State income or State education funding will vary over the term to maturity of the Refunding Bonds, and the District takes no responsibility for informing owners of the Refunding Bonds as to actions the State Legislature or Governor may take affecting the current year's budget after its adoption. Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the Department of Finance, [www.dof.ca.gov](http://www.dof.ca.gov), under the heading "California Budget." An impartial analysis of the budget is posted by the Office of the Legislative Analyst at [www.lao.ca.gov](http://www.lao.ca.gov). In addition, various State of California official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on school districts in the State, may be found at the website of the State Treasurer, [www.treasurer.ca.gov](http://www.treasurer.ca.gov). The information referred to is prepared by the respective State agency maintaining each website and not by the District, and the District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

**2016-17 State Budget.** The Governor signed the fiscal year 2016-17 State budget (the "2016-17 State Budget") on June 27, 2016. The 2016-17 State Budget sets forth a balanced budget for Fiscal Year 2016-17 and allocates funds from Proposition 2 to pay down outstanding budgetary borrowing and retirement liabilities of the State and University of California. The 2016-17 State Budget estimates that total resources available in fiscal year 2015-16 totaled approximately \$120.45 billion (including a prior year balance of \$3.4 billion) and total expenditures in fiscal year 2015-16 totaled approximately \$115.57 billion. The 2016-17 State Budget projects total resources available for fiscal year 2016-17 of \$125.18 billion, inclusive of revenues and transfers of \$120.31 billion and a prior year balance of \$4.87 billion. The 2016-17 State Budget projects total expenditures of \$122.47 billion, inclusive of non-Proposition 98 expenditures of \$71.42 billion and Proposition 98 expenditures of \$51.05 billion. The 2016-17 State Budget proposes to allocate \$966 million of the General Fund's projected fund balance to the Reserve for Liquidation of Encumbrances and \$1.75 billion of such fund balance to the State's Special Fund for Economic Uncertainties. In addition, the 2016-17 State Budget estimates the Rainy Day Fund will have a fund balance of \$6.71 billion.

Certain budgeted adjustments for K-12 education set forth in the 2016-17 State Budget include the following:

- School District Local Control Funding Formula. The 2016-17 State Budget includes an increase of more than \$2.9 billion to continue the implementation of the Local Control Funding Formula. The 2016-17 State Budget proposes to commit most new funding to Supplemental Grants and Concentration Grants. The Governor estimates that the budgeted increase will bring the total Local Control Funding Formula implementation to 96%.
- Proposition 98 Minimum Guarantee. The 2016-17 State Budget includes Proposition 98 funding of \$71.9 billion, inclusive of State and local funds, for fiscal year 2016-17. Such amount is expected to satisfy the Proposition 98 minimum guarantee for fiscal year 2016-17.
- Mandate Claims. The 2016-17 State Budget proposes to allocate approximately \$1.3 billion in one-time moneys to reduce outstanding mandate claims by K-12 local education agencies. The State expects such funds to be used for activities including, among others, deferred maintenance, professional development, induction for beginning teachers, instructional materials, technology and the implementation of new educational standards.
- College Readiness Block Grant. The 2016-17 State Budget includes a one-time increase of \$200 million to the Proposition 98 General Fund for grants to school districts and charter schools that serve high school students. The State will direct grant recipients to such funds be used to support access to higher education and transition to higher education.
- Integrated Teacher Preparation Grant Program. The 2016-17 State Budget includes a one-time allocation of \$10 million from the Proposition 98 portion of the General Fund to the Integrated Teacher Preparation Grant Program, which provides competitive grants to colleges and universities to develop or improve teacher credential programs.
- Classified School Employees Credentialing Program. The 2016-17 State Budget includes a one-time allocation of \$20 million from the Proposition 98 portion of the General Fund to establish a credentialing program that recruits non-certified school employees and prepares them to become certificated classroom teachers.
- California Center on Teacher Careers. The 2016-17 State Budget includes a one-time increase of \$5 million of Proposition 98 General Fund to establish a multi-year competitive grant, which will be awarded to a local education agency to establish and operate the California Center on Teaching Careers. The California Center on Teaching Careers, once established, will recruit individuals to the teaching profession, host a referral database for teachers seeking employment, develop and distribute recruitment publications, conduct outreach activities to high school and college students, provide statewide public service announcements related to teacher recruitment, and provide prospective teachers information on credential requirements, financial aid and loan assistance programs.
- California Collaborative for Educational Excellence. The 2016-17 State Budget provides a one-time increase of \$24 million to the Proposition 98 portion of the General Fund for the California Collaborative for Educational Excellence to, among other things, support statewide professional development training relating to evaluation methods and metrics and implement a pilot program related to advising and assisting local education agencies on improving pupil outcomes.

- Safe Drinking Water in Schools. The 2016-17 State Budget includes an increase of \$9.5 million of one-time Proposition 98 General Fund to create a grant program to improve access to safe drinking water for schools located in isolated areas and economically disadvantaged areas. The program will be developed and administered by the State Water Resources Control Board in consultation with the California Department of Education.
- Charter School Startup Grants. The 2016-17 State Budget allocates an increase of \$20 million of one-time Proposition 98 General Fund resources to support operational startup costs for new charter schools in 2016 and 2017. Such allocation is expected to partially offset the loss of federal funding previously available for such purpose.
- Multi-Tiered Systems of Support. The 2016-17 State Budget allocates an increase of \$20 million of one-time Proposition 98 General Fund resources to build upon the \$10 million investment included in the 2015-16 State Budget for an increased number of local educational agencies to provide academic and behavioral supports in a coordinated and systematic way. The State expects such funds to, among other things, assist local education agencies as they provide services that support academic, behavioral, social and emotional needs and improve outcomes for students.
- Proposition 47. Proposition 47 (2014) requires a portion of any State savings which have resulted from the State's reduced penalties for certain non-serious and non-violent property and drug offenses, to be allocated to K-12 truancy and dropout prevention, victim services, and mental health and drug treatment. The 2016-17 State Budget includes an increase of \$18 million on a one-time basis to the Proposition 98 portion of the General Fund allocated to a grant program for truancy and dropout prevention.

The complete 2016-17 State Budget is available from the California Department of Finance website at [www.dof.ca.gov](http://www.dof.ca.gov). The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

**2017-18 Proposed State Budget.** The Governor released his proposed fiscal year Proposed 2017-18 State Budget (the "Proposed 2017-18 State Budget") on January 10, 2017. The Proposed 2017-18 State Budget sets forth a balanced budget for fiscal year 2017-18. However, the Governor cautions that the State's projected revenues are approximately \$5.8 billion lower than projected for 2015-16 through 2017-18 and, absent corrective action, could lead to annual deficits of \$1 billion to \$2 billion. The Proposed 2017-18 State Budget estimates that total resources available in fiscal year 2016-17 totaled approximately \$123.79 billion (including a prior year balance of \$5.0 billion) and total expenditures in fiscal year 2016-17 totaled approximately \$122.76 billion. The Proposed 2017-18 State Budget projects total resources available for fiscal year 2017-18 of \$125.05 billion, inclusive of revenues and transfers of \$124.03 billion and a prior year balance of \$1.03 billion. The Proposed 2017-18 State Budget projects total expenditures of \$122.52 billion, inclusive of non-Proposition 98 expenditures of \$71.17 billion and Proposition 98 expenditures of \$51.35 billion. The 2016-17 State Budget proposes to allocate \$980 million of the General Fund's projected fund balance to the Reserve for Liquidation of Encumbrances and \$1.55 billion of such fund balance to the State's Special Fund for Economic Uncertainties. In addition, the Proposed 2017-18 State Budget estimates the Rainy Day Fund will have a fund balance of \$7.87 billion.

Certain budgeted adjustments for K-12 education set forth in the Proposed 2017-18 State Budget include the following:

- School District Local Control Funding Formula. The Proposed 2017-18 State Budget includes an increase of more than \$744 million to continue the transition to full implementation of the Local Control Funding Formula. The Governor estimates that the Local Control Funding Formula's implementation will reach 96 percent in fiscal year 2017-18.
- Proposition 98 Minimum Guarantee. The Proposed 2017-18 State Budget proposes to fund the Proposition 98 minimum guarantee in fiscal year 2016-17 and 2017-18. However, due to changes in workload factors and budgetary adjustments, the Governor's calculation of the Proposition 98 minimum guarantee will be approximately \$55.5 million and \$113.5 million less than previously projected for fiscal years 2015-16 and 2016-17, respectively. The Proposed 2017-18 State Budget projects a Proposition 98 minimum guarantee of \$73.5 billion in 2017-18.
- One-Time Local Control Funding Formula Cost Shift. The Proposed 2017-18 State Budget proposes to shift \$859.1 million in Local Control Funding Formula expenditures from June 2017 to July 2017 in order to maintain 2016-17 programmatic expenditure levels. The Proposed 2017-18 State Budget will repay this deferral in 2017-18.
- One-Time Discretionary Funding. The Proposed 2017-18 State Budget includes an increase of \$287 million in one-time Proposition 98 General Fund for school districts, charter schools and county offices of education to use at local discretion. This funding will support investments such as content standards implementation, technology, professional development, induction programs for beginning teachers and deferred maintenance.
- Career Technical Education Funding. The Proposed 2017-18 State Budget includes \$200 million for the Career Technical Education Incentive Grant Program, the final installment of funding for this three-year program.
- County Offices of Education Local Control Funding Formula. The Proposed 2017-18 State Budget includes an increase of \$2.4 million Proposition 98 General Fund to support a cost-of-living adjustment and average daily attendance changes for county offices of education.
- Charter School Growth. The Proposed 2017-18 State Budget includes an increase of \$93 million Proposition 98 General Fund to support projected charter school average daily attendance growth.
- Special Education. The Proposed 2017-18 State Budget includes a decrease of \$4.9 million Proposition 98 General Fund to reflect a projected decrease in special education average daily attendance.
- Local Property Tax Adjustments. The Proposed 2017-18 State Budget includes a decrease of \$922.7 million in Proposition 98 General Fund for school districts and county offices of education in 2017-18 as a result of increased offsetting local property tax revenues.
- School District Average Daily Attendance. The Proposed 2017-18 State Budget includes a decrease of \$63.1 million in fiscal year 2017-18 for school districts as a result of a projected decline in average daily attendance.
- Cost-of-Living Adjustments. The Proposed 2017-18 State Budget includes an increase of \$58.1 million Proposition 98 General Fund to support a 1.48-percent cost-of-living



adjustment for categorical programs that remain outside of the Local Control Funding Formula, including Special Education, Child Nutrition, Foster Youth, American Indian Education Centers, and the American Indian Early Childhood Education Program.

- California Clean Energy Jobs Act. The California Clean Energy Jobs Act of 2012 increases state corporate tax revenues, and requires half of the increased revenues, up to \$550 million per year, to be used to support energy efficiency for fiscal years 2013-14 through 2017-18. The Proposed 2017-18 State Budget includes \$422.9 million to support school district and charter school energy efficiency projects.
- Proposition 47. Proposition 47 (2014) requires a portion of any State savings which have resulted from the State's reduced penalties for certain non-serious and non-violent property and drug offenses, to be allocated to K-12 truancy and dropout prevention, victim services, and mental health and drug treatment. The Proposed 2017-18 State Budget includes \$10.1 million to support investments aimed truancy and dropout prevention among K-12 public school pupils.
- Proposition 56. Proposition 56 (2016) requires a portion of the revenues from the increased cigarette tax and the tax on other tobacco products to be used for school programs that prevent and reduce the use of tobacco and nicotine products by youths. The Proposed 2017-18 State Budget includes \$29.9 million to support tobacco and nicotine prevention and reduction programs at K-12 schools.
- Kindergarten Through Community College Public Education Facilities Bond Act. The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 authorized \$7 billion in State general obligation bonds for K-12 schools. The Proposed 2017-18 State Budget states that the Governor will support the expenditures of Proposition 51 funds after, among other things, legislation is approved regarding bond expenditures audit requirements and the State Allocation Board and Office of Public School Construction revise policies and regulations for school participants that request funding through the school facilities program.

The complete Proposed 2017-18 State Budget is available from the California Department of Finance website at [www.dof.ca.gov](http://www.dof.ca.gov). Neither the District nor the Underwriter can take any responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

***LAO Overview of 2017-18 Proposed State Budget.*** The Legislative Analyst's Office ("LAO"), a nonpartisan State office which provides fiscal and policy information and advice to the State Legislature, released its report on the 2017-18 Proposed State Budget entitled "The 2017-18 Budget: Overview of the Governor's Budget" on January 13, 2017 (the "2017-18 Proposed Budget Overview"). In the 2017-18 Proposed Budget Overview, the LAO challenges the Governor's revenue projections with regard to personal income tax revenues as being far too low. While the LAO admits that the Governor's estimated 3.3% personal income tax growth rate is possible, the LAO points out that it is inconsistent with other aspects of the administration's economic outlook, which predicts stock price growth for several years after 2016. By the May revision of the budget, the LAO predicts that the budget will change and reflect considerably more revenue since the State will have more information on its fiscal condition. The LAO also points out that the Governor's budget proposal assumes no major changes in federal policy, which the LAO notes is a reasonable assumption given that at this point, there is no way of knowing precisely what actions the new Congress and President will pursue. The LAO explains that there may be some near-term benefit to state tax revenues based on changes in federal tax policies, but states that other possible federal

policy changes, however, could affect the economy, reduce federal funding, and/or increase state costs substantially in future years—especially potential changes in federal health care programs.

With respect to the Proposition 98 budget plan in the 2017-18 Proposed State Budget, the LAO expects that the minimum guarantee for fiscal year 2015-16 will remain unchanged while the fiscal year 2016-17 minimum guarantee could be revised more substantially. In light of the higher revenue that the LAO expects in fiscal year 2017-18, the LAO also predicts that the minimum guarantee for fiscal year 2017-18 will be higher.

As discussed in the 2017-18 Proposed Budget Overview, the largest ongoing budget proposal is a \$744 million augmentation to LCFF. According to the LAO, the proposed augmentation is approximately equal to the cost of applying the statutory 1.48% cost-of-living adjustment. The LAO reports that the Governor estimates that LCFF would be 96% funded in fiscal year 2017-18—about the same percentage as fiscal year 2016-17. Under this proposal, school districts would receive 13 months of payments in fiscal year 2017-18, which includes 12 normal monthly LCFF payments plus a one-time payment of \$859 million related to the prior-year deferral. The LAO notes that the Governor’s proposed budget also includes new community college funding—about half of which is for apportionments, and the remainder is for mainly one-time payments for categorical programs. The 2017-18 Proposed Budget Overview provides that the Governor’s budget plan includes \$600 million in additional Proposition 98 related funding, including (1) \$287 million for the K-12 mandates backlog, (2) \$200 million for the Career Technical Education Incentive Grant program, (3) \$44 million for deferred maintenance at the community colleges, and (4) \$70 million for fund swaps (using one-time payments to support ongoing programs).

The Governor’s budget roughly balances new ongoing and one-time Proposition 98 spending in fiscal year 2017-18. Regardless of the exact level of the fiscal year 2017-18 minimum guarantee, the LAO recommends that the Legislature adopt a final budget plan that continues to rely on a mix of ongoing and one-time spending. Under the LAO’s advised approach, the Legislature could dedicate a portion of any additional increases in the minimum guarantee to LCFF and California Community College apportionments while using the remainder for one-time payments to reduce or eliminate the K-12 mandates backlog. The LAO cautions that a stronger fiscal year 2017-18 does not necessarily imply a strong fiscal year 2018-19, and by setting aside some funding for one-time purposes, the state would be better positioned to accommodate a drop in the fiscal year 2018-19 minimum guarantee without needing to make cuts to LCFF or community college apportionments.

The 2017-18 Proposed Budget Overview is available on the LAO website at [www.lao.ca.gov](http://www.lao.ca.gov). Neither the District nor the Underwriter can take any responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

***Changes in State Budget.*** The final fiscal year 2017-18 State budget, which requires approval by a majority vote of each house of the State Legislature, may differ substantially from the Governor’s budget proposal. Accordingly, the District cannot provide any assurances that there will not be any changes in the final fiscal year 2017-18 State budget from the 2017-18 Proposed State Budget. Additionally, the District cannot predict the impact that the final fiscal year 2017-18 State Budget, or subsequent budgets, will have on its finances and operations. The final fiscal year 2017-18 State budget may be affected by national and State economic conditions and other factors which the District cannot predict.

***Future Budgets and Budgetary Actions.*** The District cannot predict what future actions will be taken by the State Legislature and the Governor to address changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors beyond the

District's ability to predict or control. Certain actions could result in a significant shortfall of revenue and cash, and could impair the State's ability to fund schools during fiscal year 2016-17 and in future fiscal years. Certain factors, like an economic recession, could result in State budget shortfalls in any fiscal year and could have a material adverse financial impact on the District. As the Bonds are payable from *ad valorem* property taxes, the State budget is not expected to have an impact on the payment of the Bonds.

***Prohibitions on Diverting Local Revenues for State Purposes.*** Beginning in 1992-93, the State satisfied a portion of its Proposition 98 obligations by shifting part of the property tax revenues otherwise belonging to cities, counties, special districts, and redevelopment agencies, to school and community college districts through a local Educational Revenue Augmentation Fund ("ERAF") in each county. Local agencies, objecting to invasions of their local revenues by the State, sponsored a statewide ballot initiative intended to eliminate the practice. In response, the State Legislature proposed an amendment to the State Constitution, which the State's voters approved as Proposition 1A at the November 2004 election. That measure was generally superseded by the passage of a new initiative constitutional amendment at the November 2010 election, known as "Proposition 22."

The effect of Proposition 22 is to prohibit the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services. It prevents the State from redirecting redevelopment agency property tax increment to any other local government, including school districts, or from temporarily shifting property taxes from cities, counties and special districts to schools, as in the ERAF program. This is intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. One effect of this amendment will be to deprive the State of fuel tax revenues to pay debt service on most State bonds for transportation projects, reducing the amount of State general fund resources available for other purposes, including education.

Prior to the passage of Proposition 22, the State invoked Proposition 1A to divert \$1.935 billion in local property tax revenues in 2009-10 from cities, counties, and special districts to the State to offset State general fund spending for education and other programs, and included another diversion in the adopted 2009-10 State budget of \$1.7 billion in local property tax revenues from local redevelopment agencies, which local redevelopment agencies have now been dissolved (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Assembly Bill No. 26 & *California Redevelopment Association v. Matosantos*" herein). Redevelopment agencies had sued the State over this latter diversion. However, the lawsuit was decided against the California Redevelopment Association on May 1, 2010. Because Proposition 22 reduces the State's authority to use or shift certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget in some years—such as reducing State spending or increasing State taxes, and school and community college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State's general fund.

***Allocation of State Funding to School Districts; Local Control Funding Formula.*** Prior to the implementation of the Local Control Funding Formula in fiscal year 2013-14, under California Education Code Section 42238 and following, each school district was determined to have a target funding level: a "base revenue limit" per student multiplied by the district's student enrollment measured in units of average daily attendance. The base revenue limit was calculated from the district's prior-year funding level, as adjusted for a number of factors, such as inflation, special or increased instructional needs and costs, employee retirement costs, especially low enrollment, increased pupil transportation costs, etc. Generally, the amount of State funding allocated to each school district was the amount needed to reach that district's base revenue limit after taking into account certain other revenues, in particular, locally generated property taxes. This is referred to as State "equalization aid." To the extent local tax revenues increased due to growth in local property assessed valuation, the additional revenue was offset by a decline in the State's

contribution; ultimately, a school district whose local property tax revenues exceeded its base revenue limit was entitled to receive no State equalization aid, and received only its special categorical aid, which is deemed to include the “basic aid” of \$120 per student per year guaranteed by Article IX, Section 6 of the Constitution. Such districts were known as “basic aid districts,” which are now referred to as “community funded districts.” School districts that received some equalization aid were commonly referred to as “revenue limit districts,” which are now referred to as “LCFF districts.” The District is an LCFF district.

Beginning in fiscal year 2013-14, the LCFF replaced the revenue limit funding system and most categorical programs, and distributes combined resources to school districts through a base grant (“Base Grant”) per unit of average daily attendance (“A.D.A.”) with additional supplemental funding (the “Supplemental Grant”) allocated to local educational agencies based on their proportion of English language learners, students from low-income families and foster youth. The LCFF has an eight year implementation program to incrementally close the gap between actual funding and the target level of funding, as described below. The LCFF includes the following components:

- A Base Grant for each local education agency (“LEA”). The Base Grants are based on four uniform, grade-span base rates. For fiscal year 2016-17, the LCFF provided to school districts and charter schools: (a) a Target Base Grant for each LEA equivalent to \$7,820 per A.D.A. for kindergarten through grade 3; (b) a Target Base Grant for each LEA equivalent to \$7,189 per A.D.A. for grades 4 through 6; (c) a Target Base Grant for each LEA equivalent to \$7,403 per A.D.A. for grades 7 and 8; (d) a Target Base Grant for each LEA equivalent to \$8,801 per A.D.A. for grades 9 through 12. However, the amount of actual funding allocated to the Base Grant, Supplemental Grants and Concentration Grants will be subject to the discretion of the State. This amount includes an adjustment of 10.4% to the Base Grant to support lowering class sizes in grades K-3, and an adjustment of 2.6% to reflect the cost of operating career technical education programs in grades 9-12.
- A 20% Supplemental Grant for the unduplicated number of English language learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.
- An additional Concentration Grant of up to 50% of an LEA’s Base Grant, based on the number of English language learners, students from low-income families and foster youth served by the LEA that comprise more than 55% of enrollment.
- An Economic Recovery Target (the “ERT”) that is intended to ensure that almost every LEA receives at least their pre-recession funding level (i.e., the fiscal year 2007-08 revenue limit per unit of A.D.A.), adjusted for inflation, at full implementation of the LCFF. Upon full implementation, LEAs would receive the greater of the Base Grant or the ERT.

Under the new formula, for community funded districts, local property tax revenues would be used to offset up to the entire allocation under the new formula. However, community funded districts would continue to receive the same level of State aid as allocated in fiscal year 2012-13.

***Local Control Accountability Plans.*** A feature of the LCFF is a system of support and intervention for local educational agencies. School districts, county offices of education and charter schools are required to develop, implement and annually update a three-year local control and accountability plan (“LCAP”). Each LCAP must be developed with input from teachers, parents and the community, and should describe local goals as they pertain to eight areas identified as state priorities, including student achievement, parent engagement and school climate, as well as detail a course of action to attain those goals. Moreover, the

LCAPs must be designed to align with the district's budget to ensure adequate funding is allocated for the planned actions.

Each school district must submit its LCAP annually on or before July 1 for approval by its county superintendent. The county superintendent then has until August 15 to seek clarification regarding the contents of the LCAP, and the school district must respond in writing. The county superintendent can submit recommendations for amending the LCAP, and such recommendations must be considered, but are not mandatory. A school district's LCAP must be approved by its county superintendent by October 8 of each year if such superintendent finds (i) the LCAP adheres to the State template, and (ii) the district's budgeted expenditures are sufficient to implement the strategies outlined in the LCAP.

Performance evaluations are to be conducted to assess progress toward goals and guide future actions. County superintendents are expected to review and provide support to the school districts under their jurisdiction, while the State Superintendent of Public Instruction performs a corresponding role for county offices of education. The California Collaborative for Education Excellence (the "Collaborative"), a newly established body of educational specialists, was created to advise and assist local education agencies in achieving the goals identified in their LCAPs. For local education agencies that continue to struggle in meeting their goals, and when the Collaborative indicates that additional intervention is needed, the State Superintendent of Public Instruction would have authority to make changes to a local education agency's LCAP.

**Attendance and LCFF.** The following table sets forth the District’s actual and budgeted A.D.A., enrollment (including percentage of students who are English language learners, from low-income families and/or foster youth (collectively, “EL/LI Students”)), and targeted Base Grant per unit of A.D.A. for fiscal years 2013-14 through 2016-17, respectively. The A.D.A. and enrollment numbers reflected in the following table include special education.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
Average Daily Attendance, Enrollment and Targeted Base Grant  
Fiscal Years 2013-14 through 2016-17**

Fiscal Year		A.D.A./Base Grant				Enrollment <sup>(7)(8)</sup>		
		K-3	4-6	7-8	Total A.D.A.	Total Enrollment <sup>(7)</sup>	Unduplicated Percentage of EL/LI Students	
2013-14	A.D.A. <sup>(2)</sup> :	2,870	2,057	1,310	6,237	6,394	43.53%	
	Targeted Base Grant <sup>(3)</sup> :	\$6,952	\$7,056	\$7,266	--	--	--	
2014-15	A.D.A. <sup>(2)</sup> :	2,932	2,050	1,296	6,278	6,472	40.99%	
	Targeted Base Grant <sup>(3)(4)</sup> :	\$7,011	\$7,116	\$7,328	--	--	--	
2015-16 <sup>(1)</sup>	A.D.A. <sup>(2)</sup> :	3,046	2,098	1,313	6,457	6,695	42.91%	
	Targeted Base Grant <sup>(3)(5)</sup> :	\$7,083	\$7,189	\$7,403	--	--	--	
2016-17 <sup>(1)</sup>	A.D.A. <sup>(2)</sup> :	3,101.60	2,135.13	1,294.10	6,560.83	6,761	42.10%	
	Targeted Base Grant <sup>(3)(6)</sup> :	\$7,083	\$7,189	\$7,403	--	--	--	

<sup>(1)</sup> Figures are projections.

<sup>(2)</sup> A.D.A. for the second period of attendance, typically in mid-April of each school year.

<sup>(3)</sup> Such amounts represent the targeted amount of Base Grant per unit of A.D.A., and do not include any supplemental and concentration grants under the LCFF. Such amounts were not expected to be fully funded in fiscal years 2013-14, 2014-15, 2015-16 and 2016-17.

<sup>(4)</sup> Targeted fiscal year 2014-15 Base Grant amounts reflect a 0.85% cost-of-living adjustment from targeted fiscal year 2013-14 Base Grant amounts.

<sup>(5)</sup> Targeted fiscal year 2015-16 Base Grant amounts reflect a 1.02% cost-of-living adjustment from targeted fiscal year 2014-15 Base Grant amounts.

<sup>(6)</sup> Targeted fiscal year 2016-17 Base Grant amount reflects a 0.00% cost-of-living adjustment from targeted fiscal year 2015-16 Base Grant amounts.

<sup>(7)</sup> Reflects enrollment as of October report submitted to the California Department of Education through CBEDS for the 2013-14 and 2014-15 school years and CALPADS for the 2015-16 school year. For purposes of calculating Supplemental and Concentration Grants, a school district’s fiscal year 2013-14 percentage of unduplicated EL/LI Students will be expressed solely as a percentage of its fiscal year 2013-14 total enrollment. For fiscal year 2014-15, the percentage of unduplicated EL/LI Students enrollment will be based on the two-year average of EL/LI Students enrollment in fiscal years 2013-14 and 2014-15. Beginning in fiscal year 2015-16, a school district’s percentage of unduplicated EL/LI Students will be based on a rolling average of such school district’s EL/LI Students enrollment for the then-current fiscal year and the two immediately preceding fiscal years.

<sup>(8)</sup> The District presently projects enrollment to increase in future years. See “- Effect of Changes in Enrollment” below.

Source: Santee School District.

The District received approximately \$48.67 million in aggregate revenues reported under LCFF sources in fiscal year 2015-16, and has projected to receive approximately \$51.68 million in aggregate revenues under the LCFF in fiscal year 2016-17 (or approximately 82.64% of its general fund revenues in fiscal year 2016-17). The District expects to receive supplemental grants but does not expect to receive concentration grants.

## Local Sources of Education Funding

The principal component of local revenues is a school district's property tax revenues, i.e., each district's share of the local 1% property tax, received pursuant to Sections 75 and following and Sections 95 and following of the California Revenue and Taxation Code. California Education Code Section 42238(h) itemizes the local revenues that are counted towards the amount allocated under the LCFF (and formerly, the base revenue limit) before calculating how much the State must provide in State aid. The more local property taxes a district receives, the less State aid it is entitled to receive. Prior to the implementation of the LCFF, a school district whose local property tax revenues exceeded its base revenue limit was entitled to receive no State aid, and received only its special categorical aid which is deemed to include the "basic aid" of \$120 per student per year guaranteed by Article IX, Section 6 of the Constitution. Such districts were known as "basic aid districts," which are now referred to as "community funded districts." School districts that received some State equalization aid were commonly referred to as "revenue limit districts." The District was a revenue limit district and is now referred to as an LCFF district.

Under the LCFF, local property tax revenues are used to offset up to the entire State aid collection under the new formula; however, community funded districts would continue to receive, at a minimum, the same level of State aid as allotted in fiscal year 2012-13. See "–Allocation of State Funding to School Districts; Local Control Funding Formula" herein for more information about the LCFF.

Local property tax revenues account for approximately 28.56% of the District's aggregate revenues reported under LCFF sources and are projected to be approximately \$14.76 million, or 23.60% of total general fund revenues in fiscal year 2016-17.

For information about the property taxation system in California and the District's property tax base, see "SECURITY AND SOURCE OF PAYMENT FOR THE REFUNDING BONDS – Property Taxation System," "Assessed Valuation of Property within the District," and "Tax Charges and Delinquencies."

For a discussion of legal limitations on the ability of the District to raise revenues through local property taxes, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" below.

***Effect of Changes in Enrollment.*** Changes in local property tax income and A.D.A. affect LCFF districts and community funded districts differently.

In an LCFF district, such as the District, increasing enrollment increases the total amount distributed under the LCFF and thus generally increases a district's entitlement to State equalization aid, while increases in property taxes do nothing to increase district revenues, but only offset the State funding requirement of equalization aid. Operating costs increase disproportionately slowly to enrollment growth; and only at the point where additional teachers and classroom facilities are needed. Declining enrollment has the reverse effect on LCFF districts, generally resulting in a loss of State equalization aid, while operating costs decrease slowly and only when, for example, the district decides to lay off teachers or close schools.

In community funded districts, the opposite is generally true: increasing enrollment increases the amount to which the district would be entitled were it an LCFF district, but since all LCFF income (and more) is already generated by local property taxes, there is no increase in State income. Meanwhile, as new students impose increased operating costs, property tax income is stretched further. Declining enrollment does not reduce property tax income, and has a negligible impact on State aid, but eventually reduces operating costs, and thus can be financially beneficial to a community funded district.

## Other District Revenues

**Federal Revenues.** The federal government provides funding for several District programs, including special education programs. Federal revenues, most of which are restricted, comprise approximately 3.84% (or approximately \$2.4 million) of the District's general fund projected revenues for fiscal year 2016-17.

**Other State Revenues.** In addition to State apportionments for Proposition 98 funding through the Local Control Funding Formula, the District receives other State revenues, consisting primarily of restricted revenues designed to implement State mandated programs. Beginning in fiscal year 2013-14, categorical spending restrictions associated with a majority of State mandated programs were eliminated, and funding for these programs was folded into the LCFF. Categorical funding for certain programs was excluded from the LCFF, and school districts will continue to receive restricted State revenues to fund these programs. Other State revenues comprise approximately 5.91% (or approximately \$3.70 million) of the District's general fund projected revenues for fiscal year 2016-17. A significant portion of such other State revenues are amounts the District expects to receive from State lottery funds, a portion of which may not be used for non-instructional purposes, such as the acquisition of real property, the construction of facilities, or the financing of research. School districts receive lottery funds proportional to their total A.D.A. The District's State lottery revenue is projected at approximately \$1.32 million for fiscal year 2016-17.

**Other Local Revenues.** In addition to *ad valorem* property taxes, the District receives additional local revenues from sources, such as interest income, leases and rentals, educational foundations, donations and sales of property. Other local revenues comprise approximately 7.61% (or approximately \$4.76 million) of the District's general fund projected revenues for fiscal year 2016-17.

## Significant Accounting Policies and Audited Financial Reports

The State Department of Education imposes by law uniform financial reporting and budgeting requirements for K-12 districts. Financial transactions are accounted for in accordance with the Department of Education's California School Accounting Manual. This manual, according to Section 41010 of the Education Code, is to be followed by all California school districts, including the District. Significant accounting policies followed by the District are explained in Note 1 to the District's audited financial statements for the fiscal year ended June 30, 2016, which are included as Appendix B.

Independently audited financial reports are prepared annually in conformity with generally accepted accounting principles for educational institutions. The annual audit report is generally available about six months after the June 30 close of each fiscal year. The following tables contain data abstracted from financial statements prepared by the District's independent auditor, Vavrinek, Trine, Day & Co., LLP, Certified Public Accountants, Rancho Cucamonga, California, for fiscal years 2011-12 through 2015-16.

Vavrinek, Trine, Day & Co., LLP has not been requested to consent to the use or to the inclusion of its report in this Official Statement, and it has not audited nor reviewed this Official Statement. The District is required by law to adopt its audited financial statements after a public meeting to be conducted no later than January 31 following the close of each fiscal year.

The following table sets forth the statement of revenues, expenditures and changes in fund balances for the District's general fund for fiscal years 2011-12 through 2015-16.



**SANTEE SCHOOL DISTRICT**  
**(San Diego County, California)**  
**Statement of General Fund Revenues, Expenditures and Changes in Fund Balance**  
**Fiscal Years 2011-12 through 2015-16**

	Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16
<b>REVENUES</b>					
Revenue Limit/LCFF Sources	\$31,667,645	\$31,927,237	\$38,776,160	\$42,420,345	\$48,673,856
Federal sources	2,859,538	2,749,039	2,304,997	2,488,273	2,515,599
Other State sources	7,823,589	8,040,868	4,302,120	2,397,052	7,355,158
Other local sources	4,768,731	4,282,493	4,279,533	4,988,514	5,168,164
<b>Total Revenues</b>	<b>47,119,503</b>	<b>46,999,637</b>	<b>49,662,810</b>	<b>52,294,184</b>	<b>63,712,777</b>
<b>EXPENDITURES</b>					
Current					
Instruction	32,912,743	31,394,514	32,457,679	36,271,988	39,803,743
Instruction-related Services:					
Supervision of instruction	596,036	535,860	765,384	837,700	836,418
Instructional library, media and technology	747,545	754,791	819,087	1,043,391	1,151,502
School site administration	2,688,929	2,686,267	2,726,108	2,859,402	3,140,052
Pupil services:					
Home-to-school transportation	941,817	831,575	867,346	1,076,038	977,822
Food services	-	-	-	-	-
All other pupil services	2,027,187	2,048,731	1,940,275	2,027,409	2,345,379
Administration:					
Data processing	287,231	290,018	427,999	722,318	877,616
All other administration	3,033,374	2,314,788	2,338,366	2,651,242	2,973,644
Plant services	3,830,179	4,053,075	3,902,684	4,333,237	4,675,160
Facility acquisition and construction	3,031	-	131,644	239,892	126,322
Community services	262,341	254,571	239,228	257,950	287,854
Other outgo	-	-	-	-	43,044
Enterprise services	-	-	-	-	500
Debt service					
Principal	-	-	-	-	-
Interest and other	40,589	2,810	-	-	-
<b>Total Expenditures</b>	<b>47,371,002</b>	<b>45,167,000</b>	<b>46,615,800</b>	<b>52,320,959</b>	<b>57,239,056</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(251,499)</b>	<b>1,832,637</b>	<b>3,047,010</b>	<b>(26,775)</b>	<b>6,473,721</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	2,400	-	111,883	33,561	29,143
Transfers out	(802,510)	(679,339)	(1,575,395)	1,151,348	(3,502,811)
<b>Net Financing Sources (Uses)</b>	<b>(800,110)</b>	<b>(679,339)</b>	<b>(1,463,512)</b>	<b>(1,117,787)</b>	<b>(3,473,668)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,051,609)</b>	<b>1,135,298</b>	<b>1,583,498</b>	<b>(1,144,562)</b>	<b>3,000,053</b>
<b>Fund Balances, Beginning</b>	<b>13,036,877</b>	<b>11,985,268</b>	<b>13,095,434<sup>(1)</sup></b>	<b>14,678,932</b>	<b>13,534,370</b>
<b>Fund Balance, Ending</b>	<b>\$11,985,268</b>	<b>\$13,120,566<sup>(1)</sup></b>	<b>\$14,678,932</b>	<b>\$13,534,370</b>	<b>\$16,534,423</b>

<sup>(1)</sup> The ending fund balance for fiscal year 2012-13 differs from the beginning fund balance for fiscal year 2013-14 because the District's 2012-13 Audited Financial Report included "Fund 14 – Deferred Maintenance" with an ending balance of \$25,132 in the General Fund. In the District's fiscal year 2013-14 Audited Financial Report, "Fund 14 – Deferred Maintenance" was shifted from the General Fund to Non-Major Governmental Funds resulting in the decrease of \$25,132 in the 2013-14 beginning fund balance.

Source: Santee School District Audited Financial Reports for fiscal years 2011-12 through 2015-16.

The following table sets forth the general fund balance sheet of the District for fiscal years 2011-12 through 2015-16.

**SANTEE SCHOOL DISTRICT**  
**(San Diego County, California)**  
**Summary of General Fund Balance Sheet**  
**Fiscal Years 2011-12 through 2015-16**

	Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16
<b>ASSETS</b>					
Deposits and investments	\$3,101,360	\$6,732,987	\$8,869,870	\$11,297,166	\$15,098,189
Receivables	11,553,253	6,566,227	5,541,719	2,488,630	2,085,635
Due from other funds	556,002	353,782	444,918	297,192	287,787
Prepaid expenditures	375,665	375,869	375,869	375,869	375,869
Stores inventories	50,327	28,440	53,344	46,850	54,828
<b>Total Assets</b>	<b>\$15,636,607</b>	<b>\$14,057,305</b>	<b>\$15,285,720</b>	<b>\$14,505,707</b>	<b>\$17,902,308</b>
<b>LIABILITIES AND FUND BALANCE:</b>					
<b>Liabilities:</b>					
Accounts payable	\$615,863	\$666,211	\$505,618	\$463,771	\$969,918
Due to other funds	175,248	184,611	-	131,358	4,175
Deferred/Unearned Revenue	96,652	85,917	101,170	267,256	288,331
Current loans	2,763,576	-	-	108,952	105,461
Total Liabilities	3,651,339	936,739	606,788	971,337	1,367,885
<b>Fund Balances:</b>					
Nonspendable	440,992	419,309	444,213	437,719	445,697
Restricted	274,581	383,099	1,350,410	684,398	966,446
Committed	200,000	-	-	-	-
Assigned	3,416,798	3,375,713	3,548,085	3,959,407	823,550
Unassigned	7,652,897	8,942,445	9,336,224	8,452,846	14,298,730
<b>Total Fund Balances</b>	<b>11,985,268</b>	<b>13,120,566</b>	<b>14,678,932</b>	<b>13,534,370</b>	<b>16,534,423</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$15,636,607</b>	<b>\$14,057,305</b>	<b>\$15,285,720</b>	<b>\$14,505,707</b>	<b>\$17,902,308</b>

Source: Santee School District Audited Financial Reports for fiscal years 2011-12 through 2015-16.

## **District Budget Process and County Review**

State law requires school districts to maintain a balanced budget in each fiscal year. The State Department of Education imposes a uniform budgeting and accounting format for school districts.

Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the County of San Diego Superintendent of Schools.

The county superintendent must review and approve, conditionally approve or disapprove the budget no later than August 15. The county superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. If the budget is disapproved, it is returned to the District with recommendations for revision. The District is then required to revise the budget, hold a public hearing thereon, adopt the revised budget, and file it with the county superintendent no later than September 8. Pursuant to State law, the county superintendent has available various remedies by which to impose and enforce a budget that complies with State criteria, depending on the circumstances, if a budget is disapproved. After approval of an adopted budget, the school district's administration may submit budget revisions for governing board approval.

Subsequent to approval, the county superintendent will monitor each district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the district can meet its current or subsequent year financial obligations. If the county superintendent determines that a district cannot meet its current or the subsequent year's obligations, the county superintendent will notify the district's governing board of the determination and may then do either or both of the following: (a) assign a fiscal advisor to enable the district to meet those obligations, or (b) if a study and recommendations are made and a district fails to take appropriate action to meet its financial obligations, the county superintendent will so notify the State Superintendent of Public Instruction, and then may do any or all of the following for the remainder of the fiscal year: (i) request additional information regarding the district's budget and operations; (ii) develop and impose, after also consulting with the district's governing board, revisions to the budget that will enable the district to meet its financial obligations; and (iii) stay or rescind any action inconsistent with such revisions. However, the county superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the county superintendent assumed authority.

A State law adopted in 1991 (known as "A.B. 1200") imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200, each school district is required to file interim certifications with the county superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The county superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that is deemed unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or two subsequent fiscal years. A school district that receives a qualified or negative certification may not issue tax and revenue anticipation notes or certificates of participation without approval by the county superintendent in that fiscal year or in the next succeeding year. In the last five years, the District has not had a budget disapproved and has not received a qualified or negative certification.

For school districts under fiscal distress, the county superintendent of schools is authorized to take a number of actions to ensure that the school district meets its financial obligations, including budget revisions. However, the county superintendent is not authorized to approve any diversion of revenue from *ad valorem* taxes levied to pay debt service on district general obligation bonds. A school district that becomes insolvent may, upon the approval of a fiscal plan by the county superintendent of schools, receive an emergency appropriation from the State, the acceptance of which constitutes an agreement to submit to management of the school district by a Superintendent appointed administrator.

In the event the State elects to provide an emergency appropriation to a school district, such appropriation may be accomplished through the issuance of "State School Fund Apportionment Lease Revenue Bonds" to be issued by the California Infrastructure and Economic Development Bank, on behalf of the school district. State law provides that so long as such bonds are outstanding, the recipient school district (via its State-appointed administrator) cannot file for bankruptcy.

The following table sets forth the District's adopted general fund budgets for fiscal years 2014-15 through 2016-17, unaudited actuals for fiscal years 2014-15 and 2015-16, and second interim report for fiscal year 2016-17.

**SANTEE SCHOOL DISTRICT**  
**(San Diego County, California)**  
**General Fund Budgets for Fiscal Years 2014-15 through 2016-17,**  
**Unaudited Actuals for Fiscal Years 2014-15 through 2015-16 and**  
**Second Interim Report for Fiscal Year 2016-17**

	2014-15 Original Adopted Budget	2014-15 Unaudited Actuals <sup>(1)</sup>	2015-16 Original Adopted Budget	2015-16 Unaudited Actuals <sup>(1)</sup>	2016-17 Original Adopted Budget	2016-17 Second Interim Report <sup>(2)</sup>
<b>REVENUES</b>						
Revenue Limit / LCFF Sources	\$42,352,410.00	\$42,420,345.87	\$47,393,864.00	\$48,673,656.02	\$51,222,046.00	\$51,682,980.00
Federal Revenue	2,173,934.00	2,586,569.49	2,339,607.00	2,561,555.88	2,185,644.00	2,402,038.00
Other State Revenue	1,609,348.00	2,397,052.21	5,009,827.00	5,723,974.85	3,450,123.00	3,699,077.00
Other Local Revenue	3,455,542.00	4,878,031.51	3,671,187.00	5,061,290.92	3,714,137.00	4,758,079.00
<b>TOTAL REVENUES</b>	<u>49,591,234.00</u>	<u>52,281,999.08</u>	<u>58,414,485.00</u>	<u>62,020,477.67</u>	<u>60,571,950.00</u>	<u>62,542,174.00</u>
<b>EXPENDITURES</b>						
Certificated Salaries	26,962,396.00	26,783,724.87	27,367,362.00	28,367,940.56	30,400,593.00	30,663,191.00
Classified Salaries	7,615,644.00	7,604,234.42	7,903,285.00	8,023,086.96	8,960,421.00	8,935,258.00
Employee Benefits	8,303,016.00	8,130,247.20	8,657,756.00	9,577,330.76	10,757,555.00	10,802,691.00
Books and Supplies	3,880,154.00	5,219,673.31	4,127,693.00	4,526,989.49	5,116,142.00	6,605,054.00
Services and Other Operating Expenses	3,734,665.00	4,155,015.37	4,191,607.00	4,697,901.57	4,242,903.00	4,874,217.00
Capital Outlay	649,419.00	527,363.70	806,927.00	479,047.13	955,847.00	1,452,467.00
Other Outgo (excluding Transfers of Indirect Costs)	1,037,681.00	1,021,790.38	1,051,267.00	601,575.12	969,205.00	965,020.00
Other Outgo - Transfers of Indirect Costs	(103,639.00)	(99,301.69)	(107,028.00)	(107,468.36)	(137,580.00)	(138,609.00)
<b>TOTAL EXPENDITURES</b>	<u>52,079,336.00</u>	<u>53,342,747.56</u>	<u>53,998,889.00</u>	<u>56,166,403.23</u>	<u>61,265,086.00</u>	<u>64,159,289.00</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(2,488,102.00)</u>	<u>(1,060,748.48)</u>	<u>4,415,616.00</u>	<u>5,854,274.44</u>	<u>(693,136.00)</u>	<u>(1,617,115.00)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Inter-fund Transfers In	38,914.00	33,561.49	20,170.00	29,142.68	20,170.00	20,170.00
Inter-fund Transfers Out	(1,249,265.00)	(719,557.71)	(849,236.00)	(2,311,236.00)	(1,111,405.00)	(1,599,831.00)
Other Sources (Uses)	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
<b>TOTAL, OTHER FINANCING SOURCES (USES)</b>	<u>(1,210,351.00)</u>	<u>(685,996.22)</u>	<u>(829,066.00)</u>	<u>(2,282,093.32)</u>	<u>(1,091,235.00)</u>	<u>(1,579,661.00)</u>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>	<u>(3,698,453.00)</u>	<u>(1,746,744.70)</u>	<u>3,586,550.00</u>	<u>3,572,181.12</u>	<u>(1,784,371.00)</u>	<u>(3,196,776.00)</u>
<b>BEGINNING BALANCE, as of July 1 – Unaudited</b>	10,208,084.51	11,806,964.26	7,224,709.26	10,060,219.56	11,267,592.56	13,632,400.68
<b>Audit Adjustments</b>	-	-	-	-	-	-
<b>As of July 1 – Audited</b>	10,208,084.51	11,806,964.26	7,224,709.26	10,060,219.56	11,267,592.56	13,632,400.68
<b>Other Restatements</b>	-	-	-	-	-	-
<b>Adjusted Beginning Balance</b>	10,208,084.51	11,806,964.26	7,224,709.26	10,060,219.56	11,267,592.56	13,632,400.68
<b>ENDING BALANCE</b>	<u>\$6,509,631.51</u>	<u>\$10,060,219.56</u>	<u>\$10,811,259.26</u>	<u>\$13,632,400.68</u>	<u>\$9,483,221.58</u>	<u>\$10,435,624.68</u>
<b>Unrestricted Ending Balance</b>	\$6,296,561.33	\$9,375,821.77	\$10,650,161.12	\$12,665,954.66	\$9,257,301.77	\$10,160,377.66
<b>Restricted Ending Balance</b>	\$213,070.18	\$684,397.79	\$161,098.14	\$966,446.02	\$225,919.79	\$275,247.02

<sup>(1)</sup> The total revenues and expenditures, and ending fund balance in the District's Unaudited Actuals for fiscal years 2014-15 and 2015-16 differ from the District's Audited Financial Report for these years because on behalf payments are included in District's Audited Financial Report for these years but not the District's Unaudited Actuals. The District's on behalf payments for fiscal years 2014-15 and 2015-16 were \$114,043 and \$1,777,405, respectively. In addition, due to the consolidation of Fund 17 - Special Reserve Fund for Other Than Capital Outlay Projects for reporting purposes into the General Fund, additional revenues and expenditures pertaining to these and other funds are included in the District's Audited Financial Report, but are not reflected in the District's Unaudited Actuals.

<sup>(2)</sup> Figures are projections.

Source: Santee School District adopted general fund budgets for fiscal years 2014-15 through 2016-17; unaudited actuals for fiscal years 2014-15 through 2015-16; and second interim report for fiscal year 2016-17.

**District Debt Structure**

**Long-Term Debt Summary.** A schedule of changes in the District’s long-term obligations for the year ended June 30, 2016, consisted of the following:

Long-Term Debt	Balance, July 1, 2015	Additions	Deductions	Balance, June 30, 2016	Amounts Due Within One Year
<b>Governmental Activities</b>					
General Obligation Bonds <sup>(1)</sup>	\$49,949,826	\$36,593,304	\$26,115,703	\$60,427,427	\$1,013,382
Premium on bonds	1,272,138	1,610,450	512,667	2,369,921	-
Certificates of participation	25,558,424	23,319,167	22,465,000	26,412,591	445,000
Premium on certificates	-	755,784	27,000	728,784	-
Accumulated vacation – net	209,236	41,859	-	251,095	-
Qualified Zone Academy Bond	5,000,000	-	-	5,000,000	-
OPEB Obligation, net	1,968,239	1,238,120	744,707	2,461,652	-
	<u>\$83,957,863</u>	<u>\$63,558,684</u>	<u>\$49,865,077</u>	<u>\$97,651,470</u>	<u>\$1,458,382</u>
<b>Business-Type Activities</b>					
Net OPEB Obligation	\$122,756	\$77,219	\$46,446	\$153,529	\$-

<sup>(1)</sup> Does not include the Refunding Bonds, the effect of the refunding on outstanding bonds or the planned refunding of the Prior Bonds. See “THE REFUNDING BONDS – Outstanding Bonds” and “– Aggregate Debt Service” in the front portion of this Official Statement for more information about outstanding bonds.  
Source: Santee School District Audited Financial Report for fiscal year 2015-16.

**General Obligation Bonds.** Without regard to the issuance of the Refunding Bonds, the District has outstanding seven additional series of general obligation bonds, each of which is secured by *ad valorem* taxes levied upon all property subject to taxation by the District on a parity with the Refunding Bonds.

See “THE REFUNDING BONDS – Outstanding Bonds” and “– Aggregate Debt Service” in the front portion of this Official Statement for more information about such outstanding bonds.

**Certificates of Participation.** On October 7, 2008, the District executed and delivered \$23,699,849.35 initial aggregate principal amount of its Certificates of Participation (2008 Capital Improvement Project) (the “2008 Certificates”) pursuant to a lease agreement with the Public Property Financing Corporation of California for the purpose of financing the acquisition, construction, installation, modernization, and equipping of improvements to various District facilities. The 2008 Certificates were sold bearing interest rates ranging from 3.25% to 5.75%. The outstanding principal balance at June 30, 2015 was \$23,993,424.

On June 16, 2010, the District executed and delivered \$2,260,000 aggregate principal amount of its Certificates of Participation (2010 Solar Energy Facilities Project) (the “2010 Certificates”) pursuant to a lease agreement with the Santee School District School Facilities Corporation (the “SSDSFC”) for the purpose of constructing and installing certain solar energy improvements located at the District’s Hill Creek Elementary School. The 2010 Certificates were sold bearing stated interest rates ranging between 2.315% and 7.160%. The outstanding principal balance at June 30, 2015, was \$1,565,000.

On December 22, 2015, the District executed and delivered \$23,240,000 aggregate principal amount its 2015 Refunding Certificates of Participation (the “2015 Certificates”) pursuant to a lease agreement with SSDSFC. The proceeds of the 2015 Certificates were used to prepay a portion of the 2008 Certificates. The 2015 Certificates were sold bearing stated interest rates ranging from 3.00% to 5.00% and mature October 1, 2042.

The annual requirements to amortize the 2008 Certificates, the 2010 Certificates and the 2015 Certificates are set forth below:

Fiscal Year	Principal	Accreted Interest	Current Interest to Maturity	Total
2017	\$ 445,000	-	\$1,028,747	\$1,473,747
2018	530,000	-	1,008,188	1,538,188
2019	570,000	-	982,291	1,552,291
2020	610,000	-	952,051	1,562,051
2021	650,000	-	918,598	1,568,598
2022-2026	3,616,758	\$ 268,242	4,023,603	7,908,603
2027-2031	3,237,138	1,082,862	3,379,084	7,699,084
2032-2036	5,543,695	21,305	2,744,809	8,309,809
2037-2041	7,510,000	-	1,527,400	9,037,400
2042-2043	3,700,000	-	150,200	3,850,200
Total	\$26,412,591	\$1,372,409	\$16,714,971	\$44,499,971

Source: Santee School District Audited Financial Report for fiscal year 2015-16.

**Accumulated Unpaid Employee Vacation.** The long-term portion of accumulated unpaid employee vacation for the District at June 30, 2016 amounted to \$251,095.

**Qualified Zone Academy Bond.** In November 2005, the District issued \$5,000,000 aggregate principal amount of Qualified Zone Academy Bond Program (QZAB) Certificates of Participation (the “QZAB Certificates”). The QZAB Certificates represent interest-free financing for the District. Owners of the QZAB Certificates received a federal tax credit in lieu of charging the District interest on the QZAB Certificates. The QZAB Certificates mature on December 1, 2020. As of June 30, 2016, Chase Bank held \$4,806,432 for payment of principal of the QZAB Certificates.

**Other Post-Employment Benefits (OPEBs).** In addition to the retirement plan benefits with CalSTRS and CalPERS (see “– Retirement Benefits” below), the District administers a single-employer healthcare plan (the “Plan”). The Plan maintains the same healthcare plans for its retirees as for its active employees, as well as an Anthem Blue Cross Open Choice plan for out-of-area employees. Certificated and classified employees are eligible to retire with District-paid benefits after age 55 and after completing at least 15 years of service (the last 5 of which must be consecutive) with the District. Management and confidential employees covered under CalPERS are eligible to retire with District-paid benefits after age 50 and completing at least 10 years of service with District-paid benefits after age 55 and completing at least 10 years of service with the District. Benefits end at age 65 for Certificated, Classified, Management and Confidential employees. Board members whose term of office began before January 1, 1995 are eligible to receive District-paid post-retirement medical benefits under the provisions applicable to Management and Confidential Employees. As of June 30, 2016, membership in the Plan consists of 548 eligible active employees and 79 eligible retirees.

The Governmental Accounting Standards Board (“GASB”) released its Statement Number 45 (“Statement Number 45”), which requires municipalities to account for other post-employment benefits (meaning other than pension benefits) (“OPEB”) liabilities much like municipalities are required to account for pension benefits. The expense is generally accrued over the working career of employees, rather than on a pay-as-you-go basis, which has been the practice for most municipalities and public sector organizations. OPEBs generally include post-employment health benefits (medical, dental, vision, prescription drug and mental health), life insurance, disability benefits and long term care benefits. Statement Number 45 was phased in over a three-year period based upon the entity’s revenues. Statement Number 45 became effective for the District beginning in fiscal year 2008-09.

The contribution requirement of plan members and the District are established and may be amended by the District and the Teachers Association, the local California Service Employees Association (CSEA), and unrepresented groups. The annual required contributions are based on projected pay-as-you-go financing requirements and for fiscal years 2013-14, 2014-15 and 2015-16 were \$631,946, \$525,619 and \$670,231, respectively. As of June 30, 2016, the net OPEB obligation was \$2,615,181. For more information about the District’s annual required contribution for fiscal year 2015-16 and the District’s net OPEB obligation and prefunding of benefits at June 30, 2016, see Note 11 to the District’s financial statements attached hereto as APPENDIX B – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2016.”

Demsey, Filliger & Associates, Inc. prepared an actuarial valuation (the “Actuarial Valuation”) covering the District’s retiree health benefits and reports that, as of July 1, 2015, the District had 79 eligible retirees as well as approximately 548 eligible active plan members. The District has not established an irrevocable employee benefit trust for the pre-funding of future OPEB benefits. The Actuarial Valuation reports that, as of July 1, 2015, the District had an actuarial accrued liability of \$17,396,236. The Actuarial Valuation provides that the remaining unamortized balance of the initial unfunded actuarially accrued liability is \$10,301,495. For the year beginning July 1, 2015, the annual required contribution was estimated to be \$1,231,699. The Actuarial Valuation projected that the pay-as-you-go requirement to fund retirement benefits would be \$472,192 for fiscal year 2015-16 and \$476,577 for fiscal year 2016-17. In addition, the Actuarial Valuation used a level percent, closed 30 year amortization period for the initial UAAL and a level percent, open 25 year amortization period for any residual UAAL. Assumptions used in the Actuarial Valuation included, among other things, a 2.75% rate of inflation per year, 4.0% discount rate per year and 2.75% payroll increase per year.

**Tax and Revenue Anticipation Notes.** The most recent fiscal year in which the District issued tax and revenue anticipation notes (“TRANS”) was fiscal year 2011-12. The District does not expect to issue TRANS or borrow funds to supplement the District’s cash flow in fiscal year 2016-17. The District may issue TRANS or borrow funds in future fiscal years as and if necessary to supplement cash flow.

**Employment**

As of March 2017, the District employed 349 full-time certificated employees and 135 full-time classified employees. In addition, the District employed 325 part-time faculty and staff. For fiscal year 2015-16, the total certificated and classified salaries for all funds were approximately \$28.37 million and \$8.02 million, respectively, and are projected to be approximately \$30.66 million and \$8.94 million, respectively, in fiscal year 2016-17. These employees, except management and some part-time employees, are represented by the bargaining units as noted below:

Name of Bargaining Unit	Number of FTEs Represented	Current Contract Expiration Date
Santee Teachers Association	340	June 30, 2018
California School Employees Association	260	June 30, 2019

Source: Santee School District.



## Retirement Benefits

The District participates in retirement plans with CalSTRS, which covers all full-time certificated District employees, including teachers and administrators, and the State Public Employees' Retirement System ("CalPERS"), which covers certain classified employees. Classified school personnel who are employed four or more hours per day may participate in CalPERS.

**CalSTRS.** Contributions to CalSTRS are fixed in statute. For fiscal year 2013-14, covered employees contributed 8.00% of salary to CalSTRS, while school districts contributed 8.25%. In addition to the teacher and school contributions, the State contributed 4.517% of teacher payroll to CalSTRS (calculated on payroll data from two fiscal years ago). Prior to Fiscal Year 2014-15 and unlike typical defined benefit programs such as those administered by CalPERS, neither the CalSTRS employer nor the State contribution rate varied annually to make up funding shortfalls or assess credits for actuarial surpluses. The State does pay a surcharge when the member and school district contributions are not sufficient to fully fund the basic defined benefit pension (generally consisting of 2% of salary for each year of service at age 60 referred to herein as "pre-enhancement benefits") within a 30-year period. However, this surcharge does not apply to system-wide unfunded liability resulting from recent benefit enhancements.

As part of the 2014-15 State Budget, the Governor signed Assembly Bill 1469 which implemented a new funding strategy for CalSTRS and increased the employer contribution rate in fiscal year 2014-15 from 8.25% to 8.88% of covered payroll. Such rate would increase by 1.85% beginning in fiscal year 2015-16 until the employer contribution rate is 19.10% of covered payroll as further described below. AB 1469 increased member contributions, which were previously set at 8.00% of pay, to 10.25% of pay for members hired on or before December 31, 2012 and 9.205% of pay for members hired on or after January 1, 2013 effective July 1, 2016. The State's total contribution also increased from approximately 3% in fiscal year 2013-14 to 6.30% of payroll in fiscal year 2016-17, plus the continued payment of 2.5% of payroll annual for a supplemental inflation protection program for a total of 8.80%. In addition, AB 1469 provides the State Teachers Retirement Board with authority to modify the percentages paid by employers and employees for fiscal year 2021-22 and each fiscal year thereafter to eliminate the CalSTRS unfunded liability by June 30, 2046. The State Teachers Retirement Board would also have authority to reduce employer and State contributions if they are no longer necessary.

On February 1, 2017, the State Teachers' Retirement Board voted to adopt revised actuarial assumptions reflecting members' increasing life expectancies and current economic trends. The revised assumptions include a decrease from 7.50% to a 7.25% investment rate of return for the June 30, 2016 actuarial valuation, a decrease from 7.25% to a 7.00% investment rate of return for the June 30, 2017 actuarial valuation, a decrease from 3.75% to a 3.50% projected wage growth, and a decrease from 3.00% to a 2.75% price inflation factor.

As of June 30, 2016, an actuarial valuation (the "2016 CalSTRS Actuarial Valuation") for the entire CalSTRS defined benefit program showed an estimated unfunded actuarial liability of \$96.7 billion, an increase of approximately \$20.5 million from the June 30, 2015 valuation. The funded ratios of the actuarial value of valuation assets over the actuarial accrued liabilities as of June 30, 2016, June 30, 2015 and June 30, 2014, based on the actuarial assumptions, were approximately 63.7%, 68.5% and 68.5%, respectively. Future estimates of the actuarial unfunded liability may change due to market performance, legislative actions and other experience that may differ from the actuarial assumptions. The following are certain of the actuarial assumptions set forth in the 2016 CalSTRS Actuarial Valuation: measurement of accruing costs by the "Entry Age Normal Actuarial Cost Method," a 7.25% investment rate of return for measurements as of June 30, 2016 and an assumed 7.00% investment rate of return for measurements subsequent to June 30, 2016, 3.00% interest on member accounts, projected 3.50% wage growth, projected 2.75% inflation and demographic assumptions relating to mortality rates, length of service, rates of

disability, rates of withdrawal, probability of refund, and merit salary increases. The 2016 CalSTRS Actuarial Valuation also assumes that all members hired on or after January 1, 2013 are subject to the provisions of PEPPRA (as defined herein). See “Governor’s Pension Reform” below for a discussion of the pension reform measure signed by the Governor in August 2012 expected to help reduce future pension obligations of public employers with respect to employees hired on or after January 1, 2013. Future estimates of the actuarial unfunded liability may change due to market performance, legislative actions, changes in actuarial assumptions and other experiences that may differ from the actuarial assumptions.

As indicated above, there was no required contribution from teachers, schools districts or the State to fund the unfunded actuarial liability for the CalSTRS defined benefit program and only the State legislature can change contribution rates. The 2016 CalSTRS Actuarial Valuation stated that the aggregate contribution rate as of June 30, 2017, inclusive of an equivalent rate contribution of 10.219% from members, 8.000% from employers relating to the base rate, 0.250% from employers based on the sick leave rate, 10.096% from employers based on the supplemental rate, 1.881% from the State based on the base rate and 4.021% from the State based on the supplemental rate is equivalent to 34.467%.

Pursuant to Assembly Bill 1469, school district’s contribution rates will increase in accordance with the following schedule:

Effective Date (July 1)	School District Contribution Rate
2014	8.88%
2015	10.73
2016	12.58
2017	14.43
2018	16.28
2019	18.13
2020	19.10

Source: Assembly Bill 1469.

The following table sets forth the District’s total employer contributions to CalSTRS for fiscal years 2012-13 through 2015-16 and the projected contribution for fiscal year 2016-17.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
Contributions to CalSTRS for Fiscal Years 2012-13 through 2016-17**

Fiscal Year	Contribution
2012-13	\$2,008,196
2013-14	2,051,950
2014-15	2,328,921
2015-16	3,142,623
2016-17 <sup>(1)</sup>	4,020,156

<sup>(1)</sup> Figures are projections based on the second interim report for fiscal year 2016-17.  
Source: Santee School District.

The District’s total employer contributions to CalSTRS for fiscal years 2012-13 through 2015-16 were equal to 100% of the required contributions for each year. With the implementation of AB 1469, the District anticipates that its contributions to CalSTRS will increase in future fiscal years as compared to prior fiscal years.

The District, nonetheless, is unable to predict all factors or any changes in law that could affect its required contributions to CalSTRS in future fiscal years.

CalSTRS produces a comprehensive annual financial report and actuarial valuations which include financial statements and required supplementary information. Copies of the CalSTRS comprehensive annual financial report and actuarial valuations may be obtained from CalSTRS. The information presented in these reports is not incorporated by reference in this Official Statement.

CalPERS. All qualifying classified employees of K-12 districts in the State are members in CalPERS, and all of such districts participate in the same plan. As such, all such districts share the same contribution rate in each year. However, unlike school districts' participating in CalSTRS, the school districts' contributions to CalPERS fluctuate each year and include a normal cost component and a component equal to an amortized amount of the unfunded liability. Accordingly, the District cannot provide any assurances that the District's required contributions to CalPERS in future years will not significantly vary from any current projected levels of contributions to CalPERS.

The CalPERS Finance and Administration Committee has reported that the CalPERS Schools Actuarial Valuation as of June 30, 2016, which is expected to be released in late 2017, will indicate that the funded ratio as of June 30, 2016 is approximately 71.9% on a market value of assets basis. According to the CalPERS Schools Actuarial Valuation as of June 30, 2015, the CalPERS Schools plan had a funded ratio of 77.5% on a market value of assets basis. The funded ratio, on a market value basis, as of June 30, 2014, June 30, 2013, June 30, 2012, June 30, 2011 and June 30, 2010 was 86.6%, 80.5%, 75.5%, 78.7% and 69.5%. In April 2013, the CalPERS Board of Administration approved changes to the CalPERS amortization and smoothing policy intended to reduce volatility in employer contribution rates. Beginning with the June 30, 2013 actuarial valuation, CalPERS employed a new amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period (as compared to the current policy of spreading investment returns over a 15-year period with experience gains and losses paid for over a rolling 30-year period). Such changes, the implementation of which were delayed until fiscal year 2015-16 for the State, schools and all public agencies, have increased contribution rates in the near term but are expected to lower contribution rates in the long term. In November 2015, the CalPERS Board of Administration approved a proposal pursuant to which the discount rate would be reduced by a minimum of 0.05 percentage points to a maximum of 0.25 percentage points in years when investment returns outperform the then-current discount rate of 7.5% by at least four percentage points. In December 2016, the CalPERS Board of Administration voted to lower the discount rate from 7.5% to 7.375% for fiscal year 2017-18, 7.25% for fiscal year 2018-19, and 7.00% beginning fiscal year 2019-20. The new discount rates will take effect beginning July 1, 2017 for the State and July 1, 2018 for school districts. The change in the assumed rate of return is expected to result in increases in the District's normal costs and unfunded actuarial liabilities.

In February 2014, the CalPERS Board of Administration adopted actuarial demographic assumptions that take into account public employees living longer. Such assumptions are expected to increase costs for the State and public agency employers (including school districts), which costs will be amortized over 20 years and phased in over three years beginning in fiscal year 2014-15 for the State and amortized over 20 years and phased in over five years beginning in fiscal year 2016-17 for the employers. CalPERS applied the assumptions beginning with the June 30, 2015 valuation for the schools pool, which was used to establish employer contribution rates for fiscal year 2016-17. CalPERS estimates that the new demographic assumptions could cost public agency employers up to 9% of payroll for safety employees and up to 5% of payroll for miscellaneous employees at the end of the five year phase in period. To the extent, however, that future experiences differ from CalPERS' current assumptions, the required employer contributions may vary. In April 2016, CalPERS approved an increase to the contribution rate for school districts from 11.847% during fiscal year 2015-16 to 13.888% during fiscal year 2016-17. In April 2017,

CalPERS adopted an employer contribution rate of 15.531% for the schools pool and a member contribution rate of 6.5% for school employees subject to PEPRA for the period of July 1, 2017 to June 30, 2015.

The following table sets forth the District’s total employer contributions to CalPERS for fiscal years 2012-13 through 2015-16, and the projected contribution for fiscal year 2016-17.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
Contributions to CalPERS for Fiscal Years 2012-13 through 2016-17**

Fiscal Year	Contribution
2012-13	\$866,249
2013-14	892,013
2014-15	996,113
2015-16	843,496
2016-17 <sup>(1)</sup>	1,078,104

<sup>(1)</sup> Figures are projections based on the second interim report for fiscal year 2016-17.  
Source: Santee School District.

The District’s total employer contributions to CalPERS for fiscal years 2012-13 through 2015-16 were equal to 100% of the required contributions for each year. With the change in actuarial assumptions described above, the District anticipates that its contributions to CalPERS will increase in future fiscal years as the increased costs are phased in. The implementation of PEPRA (see “–Governor’s Pension Reform” below), however, is expected to help reduce certain future pension obligations of public employers with respect to employees hired on or after January 1, 2013. The District cannot predict the impact these changes will have on its contributions to CalPERS in future years.

CalPERS produces a comprehensive annual financial report and actuarial valuations that include financial statements and required supplementary information. Copies of the CalPERS comprehensive annual financial report and actuarial valuations may be obtained from CalPERS Financial Services Division. The information presented in these reports is not incorporated by reference in this Official Statement.

**Governor’s Pension Reform.** On August 28, 2012, Governor Brown and the State Legislature reached agreement on a new law that reforms pensions for State and local government employees. AB 340, which was signed into law on September 12, 2012, established the California Public Employees’ Pension Reform Act of 2012 (“PEPRA”) which governs pensions for public employers and public pension plans on and after January 1, 2013. For new employees, PEPRA, among other things, caps pensionable salaries at the Social Security contribution and wage base, which is \$110,100 for 2012, or 120% of that amount for employees not covered by Social Security, increases the retirement age by two years or more for all new public employees while adjusting the retirement formulas, requires state employees to pay at least half of their pension costs, and also requires the calculation of benefits on regular, recurring pay to stop income spiking. For all employees, changes required by PEPRA include the prohibition of retroactive pension increases, pension holidays and purchases of service credit. PEPRA applies to all State and local public retirement systems, including county and district retirement systems. PEPRA only exempts the University of California system and charter cities and counties whose pension plans are not governed by State law. Although the District anticipates that PEPRA would not increase the District’s future pension obligations, the District is unable to determine the extent of any impact PEPRA would have on the District’s pension obligations at this time. Additionally, the District cannot predict if PEPRA will be challenged in court and, if so, whether any challenge would be successful.

The District is unable to predict what the amount of State pension liabilities will be in the future, or the amount of the contributions which the District may be required to make. CalSTRS and CalPERS are more fully described in Note 13 to the District's financial statements attached hereto as APPENDIX B – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2016."

**GASB 67 and 68.** In June 2012, the Governmental Accounting Standards Board approved a pair of related statements, Statement Number 67, Financial Reporting for Pension Plans ("Statement Number 67"), which addresses financial reporting for pension plans, and Statement Number 68, Accounting and Financial Reporting for Pensions ("Statement Number 68"), which establishes new accounting and financial reporting requirements for governments that provide their employees with pensions. The guidance contained in these statements will change how governments calculate and report the costs and obligations associated with pensions. Statement Number 67 replaces the current requirements of Statement Number 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, for most public employee pension plans, and Statement Number 27 replaces the current requirements of Statement Number 27, Accounting for Pensions by State and Local Governmental Employers, for most government employers. The new statements also replace the requirements of Statement Number 50, Pension Disclosures, for those governments and pension plans. Certain of the major changes include: (i) the inclusion of unfunded pension liabilities on the government's balance sheet (such unfunded liabilities are currently typically included as notes to the government's financial statements); (ii) full pension costs would be shown as expenses regardless of actual contribution levels; (iii) lower actuarial discount rates would be required to be used for most plans for certain purposes of the financial statements, resulting in increased liabilities and pension expenses; and (iv) shorter amortization periods for unfunded liabilities would be required to be used for certain purposes of the financial statements, which generally would increase pension expenses. Statement Number 67 became effective beginning in fiscal year 2013-14, and Statement Number 68 became effective beginning in fiscal year 2014-15.

### **Joint Powers Agreement**

The District participates in a joint powers agreement ("JPA") with the San Diego County Office of Education ("SDCOE"). The District pays an annual premium to SDCOE for its workers' compensation coverage. The relationship between the District and the JPA is such that it is not a component unit of the District for its financial reporting purposes.

SDCOE has budgeting and financial reporting requirements independent of its member units. The JPA is governed by a board consisting of representatives from each member district. The governing board controls the operations of its JPA independent of any influence by the member districts beyond their representation on the governing board. Each member school district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to its participation in the JPA. See Note 15 to the District's audited financial statements attached hereto as APPENDIX B—"FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2016" for more information.

## CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

### Limitations on Revenues

On June 6, 1978, California voters approved Proposition 13 (“Proposition 13”), which added Article XIII A to the State Constitution (“Article XIII A”). Article XIII A limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness, and (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Article XIII A defines full cash value to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment.” This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

***County of Orange v. Orange County Assessment Appeals Board No. 3.*** Section 51 of the Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently “recapture” such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor’s measure of the restoration of value of the damaged property. The constitutionality of this procedure was challenged in a lawsuit brought in 2001 in the Orange County Superior Court, and in similar lawsuits brought in other counties, on the basis that the decrease in assessed value creates a new “base year value” for purposes of Proposition 13 and that subsequent increases in the assessed value of a property by more than 2% in a single year violate Article XIII A. On appeal, the California Court of Appeal upheld the recapture practice in 2004, and the State Supreme Court declined to review the ruling, leaving the recapture law in place.

***Legislation Implementing Article XIII A.*** Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

Beginning in the 1981-82 fiscal year, assessors in the State no longer record property values on tax rolls at the assessed value of 25% of market value which was expressed as \$4 per \$100 assessed value. All taxable property is now shown at full market value on the tax rolls. Consequently, the tax rate is expressed

as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

### **Article XIII B of the California Constitution**

An initiative to amend the State Constitution entitled “Limitation of Government Appropriations” was approved on September 6, 1979, thereby adding Article XIII B to the State Constitution (“Article XIII B”). Under Article XIII B state and local governmental entities have an annual “appropriations limit” and are not permitted to spend certain moneys which are called “appropriations subject to limitation” (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the “appropriations limit.” Article XIII B does not affect the appropriation of moneys which are excluded from the definition of “appropriations subject to limitation,” including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the “appropriations limit” is to be based on certain 1978-79 expenditures, and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIII B, if these entities’ revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years. Any proceeds of taxes received by the District in excess of the allowable limit are absorbed into the State’s allowable limit.

### **Article XIII C and Article XIII D of the California Constitution**

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the “Right to Vote on Taxes Act.” Proposition 218 added to the California Constitution Articles XIII C and XIII D (“Article XIII C” and “Article XIII D,” respectively), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the “Title and Summary” of Proposition 218 prepared by the California Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article XIII C establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIII C further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4. Article XIII D deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIII C or XIII D will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIII A of the California Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

## Statutory Limitations

On November 4, 1986, State voters approved Proposition 62, an initiative statute limiting the imposition of new or higher taxes by local agencies. The statute (a) requires new or higher general taxes to be approved by two-thirds of the local agency's governing body and a majority of its voters; (b) requires the inclusion of specific information in all local ordinances or resolutions proposing new or higher general or special taxes; (c) penalizes local agencies that fail to comply with the foregoing; and (d) required local agencies to stop collecting any new or higher general tax adopted after July 31, 1985, unless a majority of the voters approved the tax by November 1, 1988.

Appellate court decisions following the approval of Proposition 62 determined that certain provisions of Proposition 62 were unconstitutional. However, the California Supreme Court upheld Proposition 62 in its decision on September 28, 1995 in *Santa Clara County Transportation Authority v. Guardino*. This decision reaffirmed the constitutionality of Proposition 62. Certain matters regarding Proposition 62 were not addressed in the Supreme Court's decision, such as whether the decision applies retroactively, what remedies exist for taxpayers subject to a tax not in compliance with Proposition 62, and whether the decision applies to charter cities.

## Proposition 98 and Proposition 111

On November 8, 1988, voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). The Accountability Act changed State funding of public education below the university level, and the operation of the State's Appropriations Limit. The Accountability Act guarantees State funding for K-12 districts and community college districts (collectively, "K-14 districts") at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, which percentage is equal to 40.9%, or (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for growth in enrollment and inflation.

Since the Accountability Act is unclear in some details, there can be no assurance that the Legislature or a court might not interpret the Accountability Act to require a different percentage of general fund revenues to be allocated to K-14 districts than the 40.9%, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's Budget. In any event, the Governor and other fiscal observers expect the Accountability Act to place increasing pressure on the State's budget over future years, potentially reducing resources available for other State programs, especially to the extent the Article XIII B spending limit would restrain the State's ability to fund such other programs by raising taxes.

The Accountability Act also changes how tax revenues in excess of the State Appropriations Limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 districts. Such transfer would be excluded from the Appropriations Limit for K-14 districts and the K-14 districts Appropriations Limits for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIII B surplus. The maximum amount of excess tax revenues which could be transferred to schools is 4% of the minimum State spending for education mandated by the Accountability Act, as described above.

On June 5, 1990, California voters approved Proposition 111 (Senate Constitutional Amendment 1), which further modified the Constitution to alter the spending limit and education funding provisions of



Proposition 98. Most significantly, Proposition 111 (1) liberalized the annual adjustments to the spending limit by measuring the “change in the cost of living” by the change in State per capita personal income rather than the Consumer Price Index, and specified that a portion of the State’s spending limit would be adjusted to reflect changes in school attendance; (2) provided that 50% of the “excess” tax revenues, determined based on a two-year cycle, would be transferred to K-14 districts with the balance returned to taxpayers (rather than the previous 100% but only up to a cap of 4% of the districts’ minimum funding level), and that any such transfer to K-14 districts would not be built into the school districts’ base expenditures for calculating their entitlement for State aid in the following year and would not increase the State’s appropriations limit; (3) excluded from the calculation of appropriations that are subject to the limit appropriations for certain “qualified capital outlay projects” and certain increases in gasoline taxes, sales and use taxes, and receipts from vehicle weight fees; (4) provided that the Appropriations Limit for each unit of government, including the State, would be recalculated beginning in the 1990-91 fiscal year, based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Senate Constitutional Amendment 1 had been in effect; and (5) adjusted the Proposition 98 formula that guarantees K-14 districts a certain amount of general fund revenues, as described below.

Under prior law, K-14 districts were guaranteed the greater of (a) 40.9% of general fund revenues (the “first test”) or (b) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment (the “second test”). Under Proposition 111, school districts would receive the greater of (a) the first test, (b) the second test or (c) a third test, which would replace the second test in any year when growth in per capita general fund revenues from the prior year was less than the annual growth in State per capita personal income. Under the third test, school districts would receive the amount appropriated in the prior year adjusted for change in enrollment and per capita general fund revenues, plus an additional small adjustment factor. If the third test were used in any year, the difference between the third test and the second test would become a “credit” to be paid in future years when general fund revenue growth exceeds personal income growth.

### **Assembly Bill No. 26 & California Redevelopment Association v. Matosantos**

On February 1, 2012, pursuant to the California Supreme Court’s decision in *California Redevelopment Association v. Matosantos*, Assembly Bill No. 26 (First Extraordinary Session) (“AB1X 26”) dissolved all redevelopment agencies in existence and designated “successor agencies” and “oversight boards” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies. With limited exceptions, all assets, properties, contracts, leases, records, buildings and equipment, including cash and cash equivalents of a former redevelopment agency were transferred to the control of its successor agency and, unless otherwise required pursuant to the terms of an enforceable obligation, distributed to various related taxing agencies pursuant to AB1X 26.

It is possible that there will be additional legislation proposed and/or enacted to clarify various inconsistencies contained in AB1X 26 and there may be additional legislation proposed and/or enacted in the future affecting the current scheme of dissolution and winding up of redevelopment agencies currently contemplated by AB1X 26. For example, AB 1484 was signed by the Governor on June 27, 2012, to clarify and amend certain aspects of AB1X 26. AB 1484, among other things, attempts to clarify the role and requirements of successor agencies, provides successor agencies with more control over agency bond proceeds and properties previously owned by redevelopment agencies and adds other new and modified requirements and deadlines. AB 1484 also provides for a “tax claw back” provision, wherein the State is authorized to withhold sales and use tax revenue allocations to local successor agencies to offset payment of property taxes owed and not paid by such local successor agencies to other local taxing agencies. This “tax claw back” provision has been challenged in court by certain cities and successor agencies. The District cannot predict the outcome of such litigation and what effect, if any, it will have on the District.

Additionally, no assurances can be given as to the effect of any such future proposed and/or enacted legislation on the District.

### **Proposition 30 and Proposition 55**

On November 6, 2012, voters approved Proposition 30, also referred to as the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment. Proposition 30 temporarily (a) increased the personal income tax on certain of the State's income taxpayers by one to three percent for a period of seven years beginning with the 2012 tax year and ending with the 2019 tax year, and (b) increased the sales and use tax by one-quarter percent for a period of four years beginning on January 1, 2013 and ending with the 2016 tax year. The revenues generated from such tax increases are included in the calculation of the Proposition 98 minimum funding guarantee (see "– Proposition 98 and Proposition 111" above). The revenues generated from such temporary tax increases are deposited into a State account created pursuant to Proposition 30 (the Education Protection Account), and 89% of the amounts therein are allocated to school districts and 11% of the amounts therein are allocated to community college districts.

The Proposition 30 sales and use tax increases expired at the end of the 2016 tax year. Under Proposition 30, the personal income tax increases were set to expire at the end of the 2018 tax year. However, the official results of the statewide general election on November 8, 2016 reflect that 63.3% of voters in the State voted in favor of the California Tax Extension to Fund Education and Healthcare Initiative ("Proposition 55"), which extends by twelve years the temporary personal income tax increases on incomes over \$250,000 that was first enacted by Proposition 30. Revenues from the tax increase will be allocated to school districts and community colleges in the State.

### **Applications of Constitutional and Statutory Provisions**

The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. For a discussion of how the provisions of Proposition 98 have been applied to school funding see "DISTRICT FINANCIAL MATTERS — State Funding of Education; State Budget Process."

### **Proposition 2**

**General.** Proposition 2, which included certain constitutional amendments to the Rainy Day Fund and, upon its approval, triggered the implementation of certain provisions which could limit the amount of reserves that may be maintained by a school district, was approved by the voters in the November 2014 election.

**Rainy Day Fund.** The Proposition 2 constitutional amendments related to the Rainy Day Fund (i) require deposits into the Rainy Day Fund whenever capital gains revenues rise to more than 8% of general fund tax revenues; (ii) set the maximum size of the Rainy Day Fund at 10% of general fund revenues; (iii) for the next 15 years, require half of each year's deposit to be used for supplemental payments to pay down the budgetary debts or other long-term liabilities and, thereafter, require at least half of each year's deposit to be saved and the remainder used for supplemental debt payments or savings; (iv) allow the withdrawal of funds only for a disaster or if spending remains at or below the highest level of spending from the past three years; (v) require the State to provide a multiyear budget forecast; and (vi) create a Proposition 98 reserve (the "Public School System Stabilization Account") to set aside funds in good years to minimize future cuts and smooth school spending. The State may deposit amounts into such account only after it has paid all amounts owing to school districts relating to the Proposition 98 maintenance factor for fiscal years prior to fiscal year 2014-15. The State, in addition, may not transfer funds to the Public School System

Stabilization Account unless the State is in a Test 1 year under Proposition 98 or in any year in which a maintenance factor is created.

**SB 858.** Senate Bill 858 (“SB 858”) became effective upon the passage of Proposition 2. SB 858 includes provisions which could limit the amount of reserves that may be maintained by a school district in certain circumstances. Under SB 858, in any fiscal year immediately following a fiscal year in which the State has made a transfer into the Public School System Stabilization Account, any adopted or revised budget by a school district would need to contain a combined unassigned and assigned ending fund balance that (a) for school districts with an A.D.A. of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the Education Code, or (b) for school districts with an A.D.A. that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the Education Code. In certain cases, the county superintendent of schools may grant a school district a waiver from this limitation on reserves for up to two consecutive years within a three-year period if there are certain extraordinary fiscal circumstances.

The District, which has an A.D.A. of less than 400,000, is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its general fund expenditures and other financing uses. The Refunding Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the California Constitution and other State law. Accordingly, the District does not expect SB 858 to adversely affect its ability to pay the principal of and interest on the Refunding Bonds as and when due.

#### **Future Initiatives**

Article XIII A, Article XIII B, Article XIII C, Article XIII D, as well as Propositions 2, 30, 55, 62, 98, 111 and 218, were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time other initiative measures could be adopted, further affecting District revenues or the District’s ability to expend revenues.

**APPENDIX B**

**FINANCIAL STATEMENTS OF THE DISTRICT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**APPENDIX C**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

*Upon issuance and delivery of the Refunding Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, proposes to render its final approving opinion with respect to the Refunding Bonds in substantially the following form:*

**APPENDIX D**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

## APPENDIX E

### COUNTY OF SAN DIEGO INVESTMENT POOL DISCLOSURE

*The following information concerning the Treasury Pool of San Diego County (the "Treasury Pool") has been provided by the County Treasurer and has not been confirmed or verified by the District or the Underwriters. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date.*

In accordance with Government Code Section 53600 et seq., the County Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with California Government Code Sections 53635 et seq. In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the Government Code.

All investments in the County Treasurer's investment portfolio conform to the statutory requirements of Government Code Section 53635 et seq., authorities delegated by the San Diego County Board of Supervisors and the County Treasurer's investment policy.

#### **General**

Pursuant to a resolution adopted July 8, 1958, the Board of Supervisors delegated to the County Treasurer the authority to invest and reinvest funds of the County. Applicable law limits this delegation of authority to a one-year period and must be renewed annually by action of the Board of Supervisors. In addition to funds of the County (and the various departments in the County, such as Public Works and Public Administration), funds of certain local agencies within the County, including school districts in the County, are required under state law to be deposited into County Treasury ("Involuntary Depositors"). In addition, certain agencies, including community college districts, invest certain of their funds in the County Treasury on a voluntary basis ("Voluntary Depositors" and together with the Involuntary Depositors, the "Depositors"). Deposits made by the County and the various local agencies are commingled in a pooled investment fund (the "Treasury Pool" or the "Pool"). No particular deposits are segregated for separate investment.

Under State law, Depositors in the Pool are permitted to withdraw funds which they have deposited on 30 days' notice. The County does not expect that the Pool will encounter liquidity shortfalls based on its current portfolio and investment guidelines or realize any losses that may be required to be allocated among all Depositors in the Pool.

The County has established an Oversight Committee pursuant to State law. The members of the Oversight Committee include the County Treasurer, the County Auditor, the County Superintendent of Schools or designee, a representative from special districts, a representative from school districts and community college districts in the County, and members of the public. The role of the Oversight Committee is to review and approve the Investment Policy that is prepared by the County Treasurer.

#### **The Treasury Pool's Portfolio**

As of March 31, 2017, the securities in the Treasury Pool had a market value of \$8.906 billion and a book value of \$8.936 billion, for a net unrealized loss of \$30.496 million of the book value of the Treasury Pool.

The effective duration for the Treasury Pool was 0.94 years as of March 31, 2017. “Duration” is a measure of the price volatility of the portfolio and reflects an estimate of the projected increase or decrease in the value of the portfolio based upon a decrease or increase in interest rates. A duration of 0.94 years means that for every one percent increase in interest rates the market value of the portfolio would decrease by 0.94%.

As of March 31, 2017, approximately 5.77% of the total funds in the Pool were deposited by Voluntary Depositors, such as cities and fire districts, 10.11% by community colleges, 41.03% by the County, 1.97% by the Non-County and 41.12% by K-12 school districts.

Fitch Ratings maintains ratings of “AAAf” (highest underlying credit quality) and “S1” (very low sensitivity to market risk) on the Pool. The ratings reflect only the view of the rating agency and any explanation of the significance of such ratings may be obtained from such rating agency as follows: Fitch Ratings, Inc., 33 Whitehall Street, New York, New York 10004.

### **Investments of the Treasury Pool**

Authorized Investments: Investments of the Pool are placed in those securities authorized by various sections of the California Government Code, which include obligations of the United States Treasury, Agencies of the United States Government, local and State bond issues, bankers acceptances, commercial paper of prime quality, certificates of deposit (both collateralized and negotiable), repurchase and reverse repurchase agreements, medium term corporate notes, shares of beneficial interest in diversified management companies (mutual funds), and asset backed (including mortgage related) and pass-through securities, and specific supranational debt securities.

Generally, investments in repurchase agreements cannot exceed a term of one year and the security underlying the agreement shall be valued at 102% or greater of the funds borrowed against the security and the value of the repurchase agreement shall be adjusted no less than quarterly. In addition, reverse repurchase agreement generally may not exceed 20% of the base value of the portfolio and the term of the agreement may not exceed 92 days.

Securities lending transactions are considered reverse repurchase agreements for purposes of this limitation. Base Value is defined as the total cash balance excluding any amounts borrowed (i.e., amounts obtained through selling securities by way of reverse repurchase agreements or other similar borrowing methods).

Legislation which would modify the currently authorized investments and place restrictions on the ability of municipalities to invest in various securities is considered from time to time by the California State Legislature. At all times, the Pool’s investments will comply with California Government Code and the County’s Investment Policy (the “Investment Policy”).

The Investment Policy: The Investment Policy currently states the primary goals of the County Treasurer when investing public funds to be as follows: the primary objective is to safeguard the principal of the funds under the County Treasurer’s control, the secondary objective is to meet the liquidity needs of the Pool Participants, and the third objective is to achieve an investment return on the funds under the control of the County Treasurer within the parameters of prudent risk management. The Investment Policy contains a goal that 50% of the Pool should be invested in securities maturing in one year or less, with the remainder of the portfolio being invested in debt securities with maturities spread over more than one year to five years. Furthermore, at least 25% of the securities must mature within 90 days. The maximum effective duration for the Pool shall be 1.50 years.



With respect to reverse repurchase agreements, the Investment Policy provides for a maximum maturity of 92 days (unless the reverse repurchase agreement includes a written guarantee of a minimum earning or spread for the entire period of such agreement) and a limitation on the total amount of reverse repurchase agreements and/or securities lending agreements to 20% of the total investments in the Pool. The Investment Policy states that the uses of reverse repurchase agreements shall be to invest the proceeds from the agreement into permissible securities that have the highest short-term credit ratings; to supplement the yield on securities owned by the Pool; or to provide funds for the immediate payment of an obligation. The maturity of the reverse repurchase agreement and the maturity of the security purchased shall be the same.

The County from time to time has engaged in securities lending transactions. Generally, these transactions involve the transfer by the governmental entity, through an agent, of securities to certain broker-dealers and financial institutions or other entities in exchange for collateral, and this collateral may be cash or securities. Most commonly, these transactions provide for the simultaneous return of the collateral to the securities borrower upon receipt of the same securities at a later date. Presently, the County has suspended its securities lending transactions program, but may decide to enter into a securities lending agreement in the future. Any such securities lending transactions are considered reverse repurchase agreements under the Investment Policy and, accordingly, the total principal amount of reverse repurchase agreements and securities lending agreements may not exceed 20% of the Pool. Since the inception of the County's securities lending program in 1987, there has not been any loss of principal to the Pool resulting from these securities lending transactions or the investment of the related collateral.

The Investment Policy also authorizes investments in covered call options and put options, which are options that the County Treasurer sells to a third party the right to buy an existing security in the Pool or sell a security to the Pool, both at a specific price within a specific time period. Under the Investment Policy, securities subject to covered calls are not to be used for reverse repurchase agreements; cash sufficient to pay for outstanding puts are to be invested in securities maturing on or before the expiration date of the option; the maximum maturity of a covered call option/put option is to be 90 days and not more than 10% of the total investments in the Pool could have options written against them at any given time.

### **Certain Information Relating to Pool**

The following table reflects information with respect to the Pool as of the close of business March 31, 2017. As described above, a wide range of investments is authorized by state law. Therefore, there can be no assurances that the investments in the Pool will not vary significantly from the investments described below. In addition, the value of the various investments in the Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Therefore, there can be no assurance that the values of the various investments in the Pool will not vary significantly from the values described below. In addition, the values specified in the following table were based upon estimates of market values provided to the County by a third party. Accordingly, there can be no assurance that if these securities had been sold on March 31, 2017, the Pool necessarily would have received the values specified.

[INSERT COUNTY OF SAN DIEGO POOLED MONEY FUND]

**APPENDIX F**  
**COUNTY OF SAN DIEGO INVESTMENT POLICY**

## APPENDIX G

### BOOK-ENTRY ONLY SYSTEM

*The information in this appendix has been provided by DTC for use in securities offering documents, and the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute the Beneficial Owners either (a) payments of interest, principal or premium, if any, with respect to the Refunding Bonds or (b) certificates representing ownership interest in or other confirmation of ownership interest in the Refunding Bonds, or that they will so do on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this Official Statement.*

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Refunding Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of

Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the District or Paying Agent. Under such circumstances, in the

event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Discussion and/or Action Item F.2.1. Approval of English Language Arts/English Language Development Instructional Materials, Kindergarten – Grade 5

Prepared by Dr. Stephanie Pierce  
June 6, 2017

## **BACKGROUND:**

In September 2016, Santee School District teachers in Kindergarten – grade 5 began piloting State Board of Education approved English Language Arts and English Language Development (ELA/ELD) Instructional materials. Over the past year, the pilot teacher committee has researched and analyzed two instructional programs, *Benchmark Advance* and *McGraw-Hill Reading Wonders*.

In April 2017, the pilot committee reviewed the two programs against the following criteria and determined *McGraw-Hill Reading Wonders* met or exceeded these criteria across the grade levels, Kindergarten – grade 5:

- Alignment to standards
- Promotion of the ELA/Literacy Key Shifts in common core
- Integrated and designated ELD instruction materials related to ELA instructional materials
- ELD Key Shifts are evident and work in tandem with ELA
- Quality of assessment and student evidence of learning
- Quality and utility as an instructional resource
- Accessibility and responsiveness

Administration followed the recommended procedures for a district-wide instructional materials adoption as identified in Administration Regulation 6161.1. Pilot committee teachers have showcased *McGraw-Hill Reading Wonders* at school sites and presented key features of the program with all Kindergarten – fifth grade teaching staff. After each school presentation, teachers voted on their preferred instructional material. Results of the district-wide vote include the eligible staff voting and 97.8% of those who voted approved *McGraw-Hill Reading Wonders* as the instructional materials for the District.

The District Advisory Council and District English Learner Advisory Council also reviewed the two piloted programs and gave feedback specific to *McGraw-Hill Reading Wonders*. General consensus from parent and community feedback included an excitement for the visually engaging presentation of materials for students as well as the increased access to resources which offer broader opportunities for student learning.

This evening, Dan Prouty, Director of Instructional Technology, and ELA/ELD pilot team members, Lori Meaux, Melanie Hirahara, Monica Roque and Daniel Saksa, will provide the Board an overview of the pilot committee process and the recommendation to adopt *McGraw-Hill Reading Wonders* instructional materials for Kindergarten – grade 5 students.

**RECOMMENDATION:**

Administration recommends approval of the purchase of Kindergarten – grade 5 Common Core-aligned instructional materials, *McGraw-Hill Reading Wonders*.

This recommendation supports the following District goals:

- Assure the highest level of educational achievement for all students.

**FISCAL IMPACT:**

The Kindergarten – grade 5 English Language Arts/English Language Development instructional materials, *McGraw-Hill Reading Wonders*, will cost \$1,163,746 and a budget for this purchase has been allocated from Local Control Funding Formula (LCFF).

**STUDENT ACHIEVEMENT IMPACT:**

Providing students and teachers with English Language Arts and English Language Development materials aligned to common core standards will increase the focus and coherence of the District's ELA and ELD programs, Kindergarten – grade 5.



Discussion and/or Action Item F.2.2. Approval of English Language Arts/English Language Development Instructional Materials, Grade 6 - 8

Prepared by Dr. Stephanie Pierce  
June 6, 2017

## **BACKGROUND:**

In September 2016, Santee School District teachers in grades 6 - 8 began piloting State Board of Education approved English Language Arts and English Language Development (ELA/ELD) Instructional materials. Over the past year, the pilot teacher committee has researched and analyzed two instructional programs, *McGraw-Hill StudySync* and *Amplify Education*.

In April 2017, the pilot committee reviewed the two programs against the following criteria and determined *Amplify Education* met or exceeded these criteria across the grade levels, grades 6 - 8:

- Alignment to standards
- Promotion of the ELA/Literacy Key Shifts in common core
- Integrated and designated ELD instruction materials related to ELA instructional materials
- ELD Key Shifts are evident and work in tandem with ELA
- Quality of assessment and student evidence of learning
- Quality and utility as an instructional resource
- Accessibility and responsiveness

Administration followed the recommended procedures for a district-wide instructional materials adoption as identified in Administration Regulation 6161.1. Pilot committee teachers have showcased *Amplify Education* at school sites and presented key features of the program with all sixth - eighth grade teaching staff. After each school presentation, teachers voted on their preferred instructional material. Results of the district-wide vote include eligible staff voting and 70.5% of those who voted approved *Amplify Education* as the instructional materials for the District.

The District Advisory Council and District English Learner Advisory Council also reviewed the two piloted programs and gave feedback specific to *Amplify Education*. General consensus from parent and community feedback included engaging presentation of materials for the students, use of graphic organizers to support learners, and the overall quality of the digital lessons.

This evening, Dan Prouty, Director of Instructional Technology, and ELA/ELD pilot team members, Lori Meaux, Melanie Hirahara, Monica Roque and Daniel Saksa, will provide the Board an overview of the pilot committee process and the recommendation to adopt *Amplify Education* instructional materials grades 6 – 8 students.

**RECOMMENDATION:**

Administration recommends approval of the purchase of grades 6 - 8 Common Core-aligned instructional materials, *Amplify Education*.

This recommendation supports the following District goals:

- Assure the highest level of educational achievement for all students.

**FISCAL IMPACT:**

The grades 6 - 8 English Language Arts/English Language Development instructional materials, *Amplify Education*, will cost \$338,314 and a budget for this purchase has been allocated from Local Control Funding Formula (LCFF).

**STUDENT ACHIEVEMENT IMPACT:**

Providing students and teachers with English Language Arts and English Language Development materials aligned to common core standards will increase the focus and coherence of the District's ELA and ELD programs, grades 6 - 8.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item F.2.2.

Discussion & Action Item F.3.1. Approval of Agreement with PeopleAdmin for Online Automation of Personnel Actions and Electronic Retention of Employee Information

Prepared by Tim Larson  
June 6, 2017

**BACKGROUND:**

This agreement between PeopleAdmin and the Santee School District will offer a software system hosted by PeopleAdmin and accessed via the web including, but not limited to, the following services:

- 1. Customer access to system modules
- 2. Professional and support services
- 3. Implementation of system
- 4. Training

**RECOMMENDATION:**

It is recommended that the Board of Education approve the agreement with PeopleAdmin for online automation of personnel actions and electronic retention of employee information from July 1, 2017 through June 30, 2020.

**FISCAL IMPACT:**

Initial one-time set up fees for this system will be \$4,550 with an annual subscription fee of \$16,000 paid from by the General Fund.

**STUDENT ACHIEVEMENT:**

This is a personnel item.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item F.3.1.



## Order Form

Order Number: 2017-12192  
 Quote Expiration Date: 5/31/2017  
 Contract Term (Months): 36

Presented To:  
 Tim Larson

Subscription Products		Annual Subscription Fee
Product Name		
TalentEd Records - Professional Edition		\$14,500.00
TalentEd Sync - Records Professional		\$1,500.00
<b>Total Annual Subscription</b>		<b>\$16,000.00</b>

Services and Training		
Product Name	Quantity	One Time Fee
Smart Start Guided Implementation for TalentEd Records Professional: Online	6,300	\$4,550.00
TalentEd Sync - Setup Fees - Records Professional	6,300	\$0.00
<b>Total Sales Price</b>		<b>\$4,550.00</b>

<b>Annual Increase: 5.00 %</b>	<b>Total</b>	<b>\$20,550.00</b>
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**Terms and Conditions:**

Services are subject to the terms of the Master Services Agreement located at <https://www.peopleadmin.com/terms-and-conditions/>.

The term of the Agreement is for 36 months and will automatically renew for successive 12 month terms.

Product start date will be based on date of execution of this Order Form.

All fees are due within 30 days of execution of this Order Form. Subsequent Service Fees for any Renewal Term will be due no later than thirty (30) days before the first day of such Renewal Term and are subject to a 5.00 % annual increase.

**Add On Orders Only:**

All Subscription Fees for add on orders will be prorated based on the date of execution through the end of the current contract term.

All training services must be completed within three (3) months of purchase.

Except where required by law, the contents of this proposal should not be duplicated, used, or disclosed in whole or in part for any other purpose other than to evaluate this proposal or solicitation without express written permission of PeopleAdmin, Inc.

**Customer:** Santee School District

\_\_\_\_\_  
*Customer Signature*

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Contact Information for Accounts Payable/Billing**

Name: \_\_\_\_\_

Email: \_\_\_\_\_

Phone:: \_\_\_\_\_

STATEMENT OF WORK

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# Records

*by* PeopleAdmin

# PeopleAdmin

## IMPLEMENTATION OVERVIEW

PeopleAdmin is the leading provider of cloud-based talent management solutions for education and government. Our implementation philosophy draws on over 15 years of experience in educational institutions and leverages a consultative, hands-on approach to ensure your success.

Our implementation process focuses on accommodating your institution's unique needs, sharing the tools and techniques required to best configure your solution, and helping your team build confidence around managing your electronic talent management processes on Day 1 and beyond.

Thank you for partnering with PeopleAdmin to find, hire and develop the best faculty and staff for your institution. The journey to optimize your institution's talent management starts here.

### Project Overview

This document provides an overview and outline of the **Guided Implementation** for **Records Professional** that will be delivered over the next few weeks as a joint effort of representatives from PeopleAdmin and your institution.

Your success is our priority. Paired with your Customer Success Consultant (CSC), we will tailor your implementation experience to what matters most to you, ensuring your organization is set up for long-term success. You can expect your experience to follow the general progression outlined below, flowing through five primary phases:



#### **Phase 1: Discovery**

After reviewing your processes and workflows, you'll dive into the capabilities of the system, outline your expectations and goals, and develop a comprehensive configuration plan.

#### **Phase 2: Training**

Focused on your processes, this phase includes hands-on, experiential training designed to work through the tasks and projects that matter to you.

## Statement of Work

### Phase 3: Build

Put your training to the test and put the final touches on your solution configuration, with the comfort of knowing your CSC will be there to provide advice or assistance as needed.

### Phase 4: Testing

Test your readiness for go-live with your CSC by your side; you'll finalize training and testing to make sure everything is ready for the upcoming launch of your Records Professional solution.

### Phase 5: Launch

Your institution will go live with Records Professional! Complete the final change management activities with guidance from your CSC, confident in your abilities to configure and manage your solution.

## Our Commitments to You

To ensure your implementation goes as smoothly as expected and meets your expectations, PeopleAdmin commits to the following deliverables:

1. Pair you with a dedicated Customer Success Consultant, who will serve as your primary point of contact and manage your implementation from start to finish.
2. Guide an evaluation of your process and the capabilities of Records Professional, and develop a tailored implementation plan designed to address your goals.
3. Deliver training to ensure you can configure, test and use the components of Records Professional.
4. Deliver training to ensure you can configure, test and use the following components:
  - a. Checklists for your process
    - a. E-Forms per Checklist
    - b. Tasks needed to complete the process
    - c. Notifications for the process
    - d. Workflow for each of your e-Forms
  - b. Groups for your process
  - c. Create and maintain your organization's users
  - d. Contracts needed for your organization
5. Ensure you are familiar with all available prebuilt e-Forms. Examples include the I9 and W-4 onboarding forms, exit survey, FMLA requests, and change management documents.
6. Provide best practice recommendations for:
  - a. Configuring and maintaining the solution
  - b. Change management and launch of the solution within your institution
  - c. Training your end users



## Statement of Work

### Your Commitments to the Project

As our customer partner, you play an important role in ensuring implementation success. To ensure an effective implementation of your solution, we ask for you to make the following commitments:

1. Identify a dedicated project owner who will serve as your primary point of contact to the PeopleAdmin team for the duration of the project.
  - a. This individual should be familiar with your institution's processes and all workflows you intend to automate with your Records Professional solution.
  - b. For the duration of the project, this individual should expect to dedicate an average of 3-8 hours per week to implementation-related meetings, training, configuration and preparations.
  - c. This individual ideally has decision-making authority related to the implementation.
  - d. This individual should select a colleague to attend all the trainings so there will be two experts at your institution.
2. As applicable, provide copies of documents and outline the process you plan to automate with the Records Professional solution during the project kick-off meeting.
3. Attend all training sessions and meetings, and complete homework as assigned.

# Statement of Work

## Terms and Conditions

This Statement of Work ("SOW"), dated and effective as of \_\_\_\_\_, is made pursuant to the Service Agreement ("Agreement") between PeopleAdmin, Inc. ("PeopleAdmin") and \_\_\_\_\_ ("Client"). The terms and provisions of the Agreement are incorporated by reference in this SOW and, unless otherwise stated herein, all capitalized terms used within and not otherwise defined shall have the meaning assigned in the Agreement or the SOW.

PeopleAdmin shall provide the services as outlined in this SOW for Client's implementation of subscribed PeopleAdmin SaaS services as defined in Agreement.

PeopleAdmin will implement the solution purchased in its entirety with resources allocated to the project as applicable based on the Service purchased. If the client requests to not implement a specific module of the Service during the approved implementation schedule, the client will be billed an additional implementation fee for the separate module implementation at a later date.

A request to delay the implementation project or a stage of the implementation project may result in the release of resources previously dedicated to the project. Any delay that causes work to be scheduled beyond the Target Completion Date will result in additional charges on a time and material basis for the work scheduled beyond the Target Completion date and require a Change Order. If the client requests to revisit a stage of the implementation project that has been completed and approved, the client will be charged time and material for the additional work requested.

If Client requests to postpone the scheduled go-live date for their PeopleAdmin system during the project completion phase of the Project more than 30 days from the previously approved date, a restart fee of 10% of the original implementation fee will be billed to Client for resource reallocation to support the new Service go-live date.

Client will be required to repurchase the Service if Client requests a delay beyond one calendar year from the start date of the Service.

The start date of the project ("Start Date") will be defined as the date of the project kick-off meeting.

The target completion date for this project ("Target Completion Date") will be defined as the day, 60 business days after the Start Date.

Should additional services be required beyond the scope established in this statement of work, a change order or new statement of work will be required. These services may be billed at a time and material rate of \$150 per hour.

### AGREED TO AND EXECUTED BY CLIENT'S AUTHORIZED REPRESENTATIVE

Client Representative Name and Title \_\_\_\_\_

Client Representative Signature \_\_\_\_\_ Date \_\_\_\_\_

# Records

by PeopleAdmin

Records

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Overview & Pricing

## PeopleAdmin Solution Overview

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PeopleAdmin is the leader in cloud-based talent management software specifically developed for K-12 school districts and institutions — public, charter and private. Our solutions are designed to help streamline hiring processes, track applicants, onboard new employees, document employee performance, develop compliant audit trails and access actionable analytics. They are fully integrated, rapidly deployed, easy to use and supported through a world-class customer service organization — so that our customers have the tools and expertise they need to find the right people and ensure the success of their missions.

The PeopleAdmin K-12 Strategic Talent Management Suite delivers simple, innovative and affordable management solutions for applicant tracking and hiring (TalentEd Recruit & Hire & SearchSoft Solutions), onboarding (Onboard), performance evaluation (TalentEd Perform), employee lifecycle management (Records), and candidate acquisition (SchoolSpring) to more than 2,500 school districts and institutions nationwide. PeopleAdmin helps school leaders find and develop the best teachers and staff for their districts.

## Records

Secure, organized and efficient K-12 personnel record keeping and documentation is essential, yet managing the varied checklists and processes is burdensome. Records simplifies those tasks with fully customizable smart digital storage, e-forms and automated checklists that are electronically searchable, always accessible, and streamlined so it's not a chore.

### *Solution Highlights*

- Ability to welcome new staff by making multi-document orientation packets easy to complete and maintain.
- Easily create e-forms while putting an end to the paper chase.
- Access already created common forms such as W-4 and I-9.
- Streamline distribution, retrieval and records maintenance with workflow settings, bulk actions, status reporting, automatic reminders, retention settings and e-signatures.
- Enjoy drag-and-drop ease to fit your workflow and processes while making it simple to build e-forms and set automatic reminders.
- Overall checklist views and ability to filter by form and employee.
- Remind employees what's due or missing and hold them accountable so nothing slips through the cracks.
- Workflows so documents can go through the chain for completion electronically.

## Customer Success

Your success is our highest priority and it begins the moment you decide to partner with us. Our Customer Success team is here to help you configure and implement a solution based on your processes, and train your team for day 1 ... Day 100 ... and every day after. We're here to take your calls, engage with you through live chat and help you succeed; our goal is to deliver an amazing customer experience.

## Implementation

Your implementation will begin with a dedicated Customer Success Consultant to guide you through the process, including:

- Building an implementation plan based on a detailed **understanding of your processes** and how they work
- **System configuration** to automate your processes and improve efficiencies
- **Thorough testing** to ensure the system is working and adding value to your processes

## Training

The goal of training is to show you how to confidently and easily use your Onboard system. Our Customer Success Consultant will provide you with:

- **Hands-on training** for your administrative users to master the system
- An overview of **task- and product-specific materials** to enable users to find answers
- A **post-implementation checkpoint** to assess progress and identify and resolve challenges that arise after initial use

## Support

When you have questions, our team of Customer Success Specialists will be there to answer them. Our dedicated specialists will also provide:

- A **robust knowledgebase** that includes videos, FAQs, product documentation and user guides to help users and system administrators find the answers they need
- Regular **webinars** that highlight key features, enhancements, best practices and lessons learned
- **Issue management** from the time of identification to the time of resolution, ensuring your needs are met and any technical items that require the attention of our development team are prioritized, reviewed, addressed and resolved in a timely manner
- **Usage Statistics** to help you better understand how your district is using the solution and leveraging key features
- **Weekday support through phone, email or live chat, 7 a.m.-7 p.m. Central time**

## Support and Maintenance

We have designed our support approach to ensure high-reliability and quick resolutions.

Our Onboard solution is delivered and supported through an annual subscription. Upgrades and enhancements are provided routinely without additional cost because they are included in the annual subscription fee.

Our commitment to quality and service extends far beyond the day of purchase. From the design, development and implementation phases through the lifecycle of the solution, our

support team is committed to ensuring that you achieve maximum utility from your solution at all times.

We have developed a comprehensive support and maintenance package that provides continuing renewal of the software license through annual subscription fees and includes the full backing of our support team. This ensures maintenance of the application and its databases for optimal performance, including updating of software patches, security updates and overall system health.

As part of the maintenance and support of the software, we will make any fixes required to the application at no additional charge. Upgrades are also included in the annual subscription fees.



## Terms and Conditions

This Master Services Agreement (“Agreement”) is made and entered into by and between PeopleAdmin, Inc. (“Company”) a Delaware corporation, and Customer (as identified above). PeopleAdmin offers access to its system which assists Customer in automating certain human resources administrative tasks (the “System”). The PeopleAdmin Systems is offered as a software as a service (SaaS) which is centrally hosted by PeopleAdmin and accessed by the Customer remotely via the web.

**1. Services.** During the term of this agreement, provided timely payment of the applicable fees, Company shall (i) provide Customer access to the System modules listed on any applicable Order Form (SaaS Services), along with associated Support (Support Services) and (ii) perform any professional services, including, but not limited to, implementation, training and other consulting services (Professional Services), listed on any applicable Order Form(s) and described in any attached Statement of Work (“SOW”). SaaS Services and Professional Services are referred to herein as the “Services”. Customer authorizes Company to provide the Services and agrees to pay the associated fees as set forth in the attached Exhibits and additional Exhibits or SOWs as the parties may agree to from time to time.

a. **SAAS Subscriptions.** Company will provide to Customer access to the System modules listed on any Order Form(s) for the Subscription term indicated therein. Access to the SaaS Services is limited to the version of the System in Company’s production environment. Company regularly updates the SaaS Services and reserves the right to add and/or substitute functionally equivalent features from time to time at its sole discretion. Company will provide Customer online access to and use of the SaaS Service via the Internet by use of a Company-approved Customer -provided browser. The Service will be hosted on a server that is maintained by Company or its designated third party supplier or data center.

**2. Affiliates.** “Affiliate” means any entity including, but not limited to, a corporation, company, partnership, LLC/LP or joint venture that directly or indirectly, through one or more intermediaries controls, is controlled by or is under common control with a party. Control means the possession, direct or indirect, of

the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, regardless of percentage, by contract or otherwise.

a. Affiliates of either party may execute and Order Form and/or enter into a SOW under this Agreement. The contracting Affiliate assumes the rights, privileges, protections and responsibilities of the original contracting party under this Agreement with respect to the applicable SOW. The contracting Affiliate, and not the original contracting party, will be solely liable for its obligations (including payment) and liability of any name or nature under the Order Form or SOW. A party will assert any claim arising out of or related to the Order Form or SOW (including, but not limited to, execution, inducement to enter into, performance, non-performance, or breach) only against the contracting Affiliate.

**3. Term and Termination.** This Agreement shall be effective for the period of time indicated on the applicable Order Form ("Initial Term") and shall automatically renew for successive one year terms ("Renewal Terms") at the fee then in effect for the option selected by the Customer, unless terminated as set forth herein. The Effective Date for the Initial Term is upon Company's notification to Customer of completion of the implementation of the SaaS Subscription set forth on the Order Form. Either party may terminate this Agreement, for any reason, with at least forty-five (45) days' prior written notice to the other party, with such termination to be effective at the end of the Initial Term or any Renewal Term as applicable.

**4. Billing and Payment.** Fees are due to Company no later than 30 days following the date of execution of the Order Form. Interest accrues on past due balances at the lesser of a 1½% per month or the highest rate allowed by law. If Customer fails to make timely payments of any undisputed fees, Customer shall be in material breach of the Agreement. In the event of such payment breach, Company will be entitled to suspend any or all Services upon 10 days written notice to Customer and/or to modify the payment terms, and to request full payment before any additional performance is rendered by Company. Payment of fees is under no circumstances subject or conditioned by the delivery of future products or functionality not otherwise set forth in the Agreement. PeopleAdmin will submit an invoice for the subsequent term's Service Fee, plus the applicable annual fee increase, to Customer at least sixty (60) days before the expiration of the Initial Term or any Renewal Term. If an undisputed amount owed by Customer for the Initial Term, or any subsequent Renewal Terms becomes more than sixty (60) days past due, Customer's access to the PeopleAdmin System may be interrupted until payment is received.

a. **Taxes.** Unless expressly provided otherwise, the prices in the Agreement do not include taxes. Customer agrees to pay any taxes, other than those based on Company's net income, arising out of the Agreement. If Customer is tax-exempt, Customer agrees to send Company a copy of its tax-exempt certificate upon execution of this Agreement. Customer agrees to indemnify Company from any liability or expense incurred by Company as a result of Customer's failure or delay in paying taxes due.



**5. Acceptable Use.** Customer is solely responsible for the content of any postings, data, or transmissions using the Services, or any other use of the Services by Customer or by any person or entity Customer permits to access the Services. Customer represents and warrants that it will: (a) not use the Services in a manner that: (i) is prohibited by any law or regulation, or to facilitate the violation of any law or regulation; or (ii) will disrupt a third parties' similar use; (b) not violate or tamper with the security of any Company computer equipment or program;. If Company has reasonable grounds to believe that Customer is utilizing the Services for any such illegal or disruptive purpose Company may suspend the Services immediately with or without notice to Customer. Company may terminate the Agreement as contemplated in Section 3 if Customer fails to adhere to the foregoing acceptable use standards.

a. Customer is solely responsible for obtaining and maintaining at its own expense all equipment needed to access the SaaS Services. Customer shall have sole responsibility for the accuracy, quality, integrity, legality, reliability, appropriateness and ownership of all of the data it submits to the Services.

b. **No Liability for Customer Procedures.** Company carries out procedures specified solely by Customer, and Company expressly denies all liability for Company's implementation of Customer's procedures including, but not limited to, Customer's hiring and screening criteria and any of Customer's practices that are discriminatory or otherwise in violation of applicable law. Customer is solely responsible for determining the scope and extent of the Services provided by Company, and Customer is entirely responsible for reviewing the Services provided by Company on Customer's behalf to ensure compliance with Customer's procedures. Company makes no attempt to determine or advise as to whether the Customer's procedures comply with any statutory or regulatory requirements, including but not limited to any statutory or regulatory requirements related to hiring, employment, race, color, ancestry, religion, citizenship, gender, sexual orientation, age, marital status, pregnancy, veteran status, national origin, disability, or any federal, state or local statutes governing the employer/employee relationship. To the extent, however, that Customer's procedures or criteria clearly violate any of these laws, PeopleAdmin reserves the right to refuse to implement such procedures or criteria. Company also will not be liable for Customer's failure to comply with applicable laws, regulations, or Customer's own privacy policy (if any) or for loss of data.

c. Customer is responsible for maintaining the confidentiality of all passwords and for ensuring that each password is used only by the authorized user. Customer is entirely responsible for any and all activities that occur under Customer's account. Customer agrees to immediately notify Company of any unauthorized use of Customer's account or any other breach of security known to Customer. Company shall have no liability for any loss or damage arising from Customer's failure to comply with these requirements. PeopleAdmin will maintain Customer's passwords as confidential and will not disclose them to third parties.

**6. Warranty and Disclaimer.** Company warrants that the services will be performed in all material respects in accordance with the services policies referenced in the applicable SOW or Order Form.

COMPANY DOES NOT GUARANTEE THAT THE SERVICES WILL BE ERROR-FREE OR UNINTERRUPTED, OR THAT PEOPLEADMIN WILL CORRECT ALL SERVICES ERRORS. CUSTOMER ACKNOWLEDGES THAT COMPANY DOES NOT CONTROL THE TRANSFER OF DATA OVER COMMUNICATIONS FACILITIES, INCLUDING THE INTERNET, AND THAT THE SERVICES MAY BE SUBJECT TO LIMITATIONS, DELAYS, AND OTHER PROBLEMS INHERENT IN THE USE OF SUCH COMMUNICATIONS FACILITIES. PEOPLEADMIN IS NOT RESPONSIBLE FOR ANY DELAYS, DELIVERY FAILURES, OR OTHER DAMAGES RESULTING FROM SUCH PROBLEMS. THE WARRANTIES SET FORTH IN THIS SECTION ARE EXCLUSIVE AND EXPRESSLY IN LIEU OF ALL OTHER EXPRESS OR IMPLIED WARRANTIES. COMPANY HEREBY EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR IMPLIED WARRANTIES ARISING FROM A COURSE OF DEALING OR COURSE OF PERFORMANCE.

**7. Limitation of Liability.** IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING LOST PROFITS, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EXCEPT FOR INDEMNITY OBLIGATIONS, EACH PARTY'S LIABILITY UNDER THIS AGREEMENT WILL NOT EXCEED THE AMOUNT PAID TO PEOPLEADMIN BY CUSTOMER DURING THE PREVIOUS TWELVE (12) MONTHS.

**8. Confidential Information.** "Confidential Information" means any proprietary or confidential information that at the time of disclosure is marked as "proprietary" or "confidential," is reasonably identifiable as the disclosing party's proprietary or confidential information, or should reasonably be considered as proprietary or confidential under the circumstances of disclosure. Confidential Information includes Customer's job applicant information, personnel data, and hiring criteria, Customer's and Company's forms, Company's software used to provide the System, and the terms of this Agreement. Each party agrees that it (i) will not copy or use any of the other party's Confidential Information in any way, except as permitted by this Agreement or as required to achieve the purposes of this Agreement, (ii) will not disclose any of the other party's Confidential Information to any third party, except to that party's attorneys and accountants who need to know such information and who are subject to confidentiality obligations at least as stringent as those in this Agreement, and (iii) will protect the other party's Confidential Information as well as it protects its own information of a similar nature using at least reasonable care. The receiving party may disclose the Confidential Information of the disclosing party in response to a valid court order, law, or other governmental action, provided that, to the extent permitted by law, (i) the disclosing party is notified in writing before disclosure of the information and given a reasonable opportunity to obtain a protective order, and (ii) the receiving party assists the disclosing party, at the disclosing party's expense, in any attempt to limit or prevent the disclosure of the Confidential Information. Information is not Confidential Information if a party can clearly show that it (i) became known to the receiving party prior to receipt from the disclosing party, (ii) has become publicly known, except through breach of this Agreement, or (iii) is independently developed without reference to Confidential Information.

a. **Injunctive Relief.** In the event of an actual or threatened breach of the above confidentiality provisions, the non-breaching party will have no adequate remedy at law and will be entitled to immediate injunctive and other equitable relief, without bond and without the necessity of showing actual money damages.

**9. Customer Responsibility.** Customer is solely responsible for the content of communications transmitted by Customer using the Services, and shall defend, indemnify and hold harmless Company from and against all liabilities and costs (including reasonable attorneys' fees) arising from any and all third-party claims by any person based upon the content of any such communications. Customer is not permitted to resell the Services. Customer shall use the Services only for lawful purposes. To the extent deemed necessary by Customer, Customer shall implement security procedures necessary to limit access to the Services to Customer's authorized users and shall maintain a procedure external to the Services for reconstruction of lost or altered files, data or programs. Customer is responsible for establishing designated points of contact to interface with PeopleAdmin.

**10. Rights Granted.** Subject to the terms of this Agreement, Company grants Customer a limited, non-exclusive, personal, non-transferable right to access the Services during the Term of this Agreement solely for internal use. Customer shall not (i) sell, market, rent, sub-license, or license any aspect of PeopleAdmin System or Intellectual Property or otherwise use the Services for any purpose other than as specifically provided in this Agreement, (ii) decipher, decompile, disassemble, reverse assemble, modify, translate, reverse engineer or otherwise attempt to derive source code, algorithms, tags, specifications, architecture, structure or other elements of the System in whole or in part, for competitive purposes or otherwise, (iii) allow access to, provide, divulge or make available the System to any user other than those who have licenses to access; (iv) write or develop any derivative works based upon the System; (v) modify, adapt, translate or otherwise make any changes to the System or any part thereof; (vi) use the System to provide processing services to third parties, or otherwise use the same on a 'service bureau' basis; (vii) disclose or publish, without Company's prior written consent, performance or capacity statistics or the results of any benchmark test performed on the System or (viii) remove from the System identification, patent, copyright, trademark or other notices or circumvent or disable any security devices functionality or features. Customer obtains no ownership rights or any other rights in the Intellectual Property or the PeopleAdmin System, other than those specified in this Agreement. Customer grants Company a limited license to use Customer's transactional and performance data related to Customer's use of the Services (e.g., statistical information about the number of job applications processed) solely on an aggregated and de-identified basis as part of Company's overall statistics for marketing and analytical purposes, provided that PeopleAdmin does not reveal Customer's job applicant information, personnel data, or hiring criteria.

**11. Customer Data.** All data is owned by Customer and is to be strictly held as confidential. PeopleAdmin will delete and destroy all copies of data once the Agreement is terminated with or without default. Customer has the option to receive a backup of data prior to deletion per section 10. All right, title and interest in and to the Licensed Material, and all copyrights, patents, trademarks, service marks or other intellectual property or proprietary rights relating thereto, belong exclusively to PeopleAdmin. Any

modification to the Software performed by Customer directly or indirectly extending the current capabilities shall be the property of Company and all copyrights and other rights are hereby assigned to Company.

## 12. General Provisions.

a. This Agreement, including any amendments and attachments hereto that are incorporated herein, constitute the entire agreement between the parties and shall be binding on the parties when accepted by Customer. No modification, termination or waiver of any provisions of this Agreement shall be binding upon a Party unless in writing signed by an authorized officer of the relevant Party. No provision of any purchase order or other document issued by Customer, which purports to alter, vary, modify or add to the provisions of this Agreement, shall be binding upon PeopleAdmin or effective for any purpose, unless accepted by PeopleAdmin in writing.

b. No purchase order or other ordering document that purports to modify or supplement the printed text of this Agreement shall add to or vary the terms of this Agreement.

c. It is further expressly understood and agreed that, there being no expectations to the contrary between the parties, no usage of trade or other regular practice or method of dealing either within the computer software industry, Company's industry or between the parties shall be used to modify, interpret, supplement, or alter in any manner the express terms of this Agreement or any part thereof.

d. Independent Contractor. The relationship of Company and Customer established by this Agreement is that of independent contractor, and nothing contained in this Agreement shall be construed to (i) give either party the power to direct or control the day-to-day activities of the other, (ii) establish Company as a hiring or human resources consultant to Customer, (iii) establish the parties as partners, franchisee-franchiser, co-owners or otherwise as participants in a joint or common undertaking, or (iv) otherwise give rise to fiduciary obligations between the parties.

e. Neither this Agreement nor any right or obligation hereunder shall be assigned or delegated, in whole or part, by either party without the prior express written consent of the other, which shall not be unreasonably withheld and for which no additional consideration shall be necessary; provided, however, that either party may, without the written consent of the other, assign this Agreement and its rights and delegate its obligations hereunder to an Affiliate, or in connection with the transfer or sale of all or substantially all of its business related to this Agreement, or in the event of its merger, consolidation, change in control or similar transaction. Any purported assignment in violation of this section shall be void. Subject to this section, this Agreement is binding upon and is for the benefit of the parties and their respective successors and permitted assigns.

f. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**13. Waiver.** No delay or failure of Company or Customer in exercising any right herein and no partial or single exercise thereof shall be deemed of itself to constitute a waiver of such right or any other rights herein. Any waiver by Company or Customer of any breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach.

**14. Force Majeure.** Except for payment of fees, non-performance by either party will be excused to the extent that performance is rendered impossible by strike, fire, flood, governmental acts or restrictions, failure of suppliers, or any other reason where failure to perform is beyond the control and not caused by the negligence of the non-performing party.

**15. Governing Law.** This Agreement shall be governed by and construed in according with the laws of the State of Texas without regard to its conflict of laws principles. All actions, suits, or legal proceedings arising out of or related to this Agreement will be brought only in the federal or state courts located in Travis County, Texas and the parties consent to the exclusive jurisdiction of such courts.

**16. Entire Agreement.** This Agreement, including any executed SOWs or Order Forms, is the complete and exclusive statement of the mutual understanding of the parties and supersedes any and all previous written and oral agreements, negotiations, and communications relating to its subject matter. This Agreement and any SOWs may only be modified or amended in a writing signed by both parties.

People

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**Item G. BOARD POLICIES AND BYLAWS**

Agenda Item G.

Board Policies and Bylaws Item G.1.1. Second Reading: New Board Policy 3515.7,  
Prepared by Karl Christensen Firearms On School Grounds  
June 6, 2017

**BACKGROUND:**

The Board of Education is committed to providing a safe environment for students, staff, and visitors on campus. The Superintendent or designee shall consult with local law enforcement, insurance carriers, and other appropriate individuals and agencies to address the security of school campuses.

The Superintendent or designee shall not grant permission to any individual (who is not specifically listed in Penal Code 626.9(l)-(o) or 30310) to carry a firearm or ammunition on school grounds. District policy regarding the possession of firearms and/or ammunition on school grounds shall be included in the district's comprehensive safety plan and shall be communicated to district staff, parents/guardians, and the community.

New BP 3515.7, as it relates to SB 707, comes directly from CSBA and was presented to the Board for first reading at the May 16, 2017 meeting.

**RECOMMENDATION:**

New BP 3515.7, Firearms On School Grounds is being presented for a second reading and approval. Administration recommends approval of BP 3515.7, Firearms On School.

**FISCAL IMPACT:**

This is a policy item. There is no fiscal impact.

**STUDENT ACHIEVEMENT IMPACT:**

Effective governance has a positive impact on student achievement.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item G.1.1.

**FIREARMS ON SCHOOL GROUNDS**

The Governing Board is committed to providing a safe environment for students, staff, and visitors on campus. The Superintendent or designee shall consult with local law enforcement, insurance carriers, and other appropriate individuals and agencies to address the security of school campuses.

District policy regarding the possession of firearms and/or ammunition on school grounds shall be included in the district's comprehensive safety plan and shall be communicated to district staff, parents/guardians, and the community.

Any person specified in Penal Code 626.9(l)-(o) and 30310 is authorized to possess a firearm and/or ammunition on school grounds. School grounds include, but are not limited to, school buildings, fields, storage areas, and parking lots.

The Superintendent or designee shall not grant permission to any other individual to carry a firearm or ammunition on school grounds.

No staff member shall be required to carry a firearm and/or ammunition while on school grounds.

Legal Reference:

*EDUCATION CODE*

- 32281 Comprehensive safety plan*
- 35160 Powers and duties of the board*
- 35161 Powers and duties of the board; authority to delegate*
- 38001.5 District security officers; requirements if carry firearm*

*PENAL CODE*

- 626.9 Gun Free School Zone Act*
- 830.32 District police department; district decision to authorize carrying of firearm*
- 16150 Definition of ammunition*
- 16520 Definition of firearm*
- 26150-26225 Concealed weapons permit*
- 30310 Prohibition against ammunition on school grounds*

*UNITED STATES CODE, TITLE 18*

- 921 Definitions, firearms and ammunition*
- 922 Firearms, unlawful acts*
- 923 Firearm licensing*

*UNITED STATES CODE, TITLE 20*

- 7151 Gun-Free Schools Act; student expulsions for possession of firearm*

*Management Resources:*

*WEB SITES*

*Office of the Attorney General: <https://oag.ca.gov/firearms>*

Regulation  
adopted:

**SANTEE SCHOOL DISTRICT**  
Santee, California



**Item G. BOARD COMMUNICATION AND ORGANIZATIONAL BUSINESS**

**Item H. CLOSED SESSION**

*Citizens wishing to address the Board about a Closed Session item are requested to submit a Request to Speak card in advance. The Board invites citizens at this time to address the Board about any of the items listed under Closed Session*

*The Board will go into Closed Session to discuss:*

1. **Conference with Legal Counsel – Anticipated Litigation** (Govt. Code § 54956.9)
  
2. **Conference with Labor Negotiator** (Gov't. Code § 54956.8)  
*Purpose: Negotiations*  
*Agency Negotiators: Tim Larson, Assistant Superintendent*  
*Employee Organization: Santee Teachers Association (STA)*
  
3. **Conference with Labor Negotiator** (Gov't. Code § 54956.8)  
*Purpose: Negotiations*  
*Agency Negotiators: Tim Larson, Assistant Superintendent*  
*Employee Organization: Classified School Employees Association (CSEA)*
  
4. **Public Employee Performance Evaluation** (Gov't. Code § 54957)  
*Superintendent*

**Item I. RECONVENE TO PUBLIC SESSION**

**Item J. ADJOURNMENT**

Board Policies and Bylaws Item G.1.2.

First Reading: Revised Board Policy and  
New Administrative Regulation 5145.3,  
Nondiscrimination/Harassment

Prepared by Dr. Stephanie Pierce  
June 6, 2017

**BACKGROUND:**

Attached is revised BP 5145.3 and new AR 5145.3, Nondiscrimination/Harassment, based upon California School Board Association's (CSBA) sample Board Policies and Regulations. The policy and administrative regulation reflect various provisions of state and federal law which prohibit discrimination against students in educational programs and activities.

**RECOMMENDATIONS:**

This evening administration is presenting revised BP 5145.3 and new AR 5145.3, Nondiscrimination/Harassment, for a first reading. No action is requested at this time.

**FISCAL IMPACT:**

There is no fiscal impact to the district by revising this policy and administrative regulation.

**STUDENT ACHIEVEMENT IMPACT:**

Student learning is enhanced in an environment free of discrimination and harassment.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

Agenda Item G.1.2.

**NONDISCRIMINATION/HARASSMENT**

The Governing Board desires to provide a safe school environment that allows all students equal access and opportunities in the district's academic, extracurricular, and other educational support programs, services, and activities. The Board prohibits, at any district school or school activity, unlawful discrimination, including discriminatory harassment, intimidation, and bullying, targeted at any student by anyone, based on the student's actual or perceived race, color, ancestry, national origin, nationality, ethnicity, ethnic group identification, age, religion, marital or parental status, physical or mental disability, sex, sexual orientation, gender, gender identity, or gender expression or association with a person or group with one or more of these actual or perceived characteristics.

This policy shall apply to all acts related to school activity or to school attendance occurring within a district school, and to acts which occur off campus or outside of school-related or school-sponsored activities but which may have an impact or create a hostile environment at school.

Unlawful discrimination, including discriminatory harassment, intimidation, or bullying, may result from physical, verbal, nonverbal, or written conduct based on any of the categories listed above. Unlawful discrimination also includes the creation of a hostile environment through prohibited conduct that is so severe, persistent, or pervasive that it affects a student's ability to participate in or benefit from an educational program or activity; creates an intimidating, threatening, hostile, or offensive educational environment; has the effect of substantially or unreasonably interfering with a student's academic performance; or otherwise adversely affects a student's educational opportunities.

Unlawful discrimination also includes disparate treatment of students based on one of the categories above with respect to the provision of opportunities to participate in school programs or activities or the provision or receipt of educational benefits or services.

The Board also prohibits any form of retaliation against any individual who reports or participates in the reporting of unlawful discrimination, files or participates in the filing of a complaint, or investigates or participates in the investigation of a complaint or report alleging unlawful discrimination. Retaliation complaints shall be investigated and resolved in the same manner as a discrimination complaint.

The Superintendent or designee shall facilitate students' access to the educational program by publicizing the district's nondiscrimination policy and related complaint procedures to students, parents/guardians, and employees. He/she shall provide training and information on the scope and use of the policy and complaint procedures and take other measures designed to increase the school community's understanding of the requirements of law related to discrimination. The Superintendent or designee shall regularly review the implementation of the district's nondiscrimination policies and practices and, as necessary, shall take action to remove any identified barrier to student access to or participation in the district's educational program. He/she shall report his/her findings and recommendations to the Board after each review.

**NONDISCRIMINATION/HARASSMENT (continued)**

Regardless of whether a complainant complies with the writing, timeline, and/or other formal filing requirements, all complaints alleging unlawful discrimination, including discriminatory harassment, intimidation, or bullying, shall be investigated and prompt action taken to stop the discrimination, prevent recurrence, and address any continuing effect on students.

~~District students, programs and activities shall be free from discrimination and harassment including, but not limited to, a student's ethnic group identification, race, national origin, religion, color, physical or mental disability, age or sexual orientation.~~

~~The Governing Board shall ensure equal opportunities for all students in admission and access to the educational program, guidance and counseling programs, athletic programs, testing procedures, and other activities. School staff and volunteers shall carefully guard against segregation, bias and stereotyping in instruction, guidance and supervision.~~

~~The Board prohibits intimidation or harassment of any student by any employee, student or other person in the district. Staff shall be alert and immediately responsive to student conduct which may interfere with another student's ability to participate in or benefit from school services, activities or privileges.~~

Students who engage in unlawful discrimination, including discriminatory harassment, intimidation, retaliation, or bullying, in violation of law, Board policy, or administrative regulation other students shall be subject to appropriate consequence or discipline, up to and including counseling, which may include suspension and/or expulsion when the behavior is severe or pervasive as defined in Education Code 48900.4. Any employee who permits or engages in prohibited discrimination, including discriminatory harassment, intimidation, or bullying, shall may be subject to disciplinary action, up to and including dismissal.

**Record-Keeping**

The Superintendent or designee shall maintain a record of all reported cases of unlawful discrimination, including discriminatory harassment, intimidation, or bullying, to enable the district to monitor, address, and prevent repetitive prohibited behavior in district schools.

~~The Board hereby designates the following position as Coordinator for Nondiscrimination to handle complaints regarding discrimination and inquiries regarding the district's nondiscrimination policies:~~

Coordinator of Pupil Services	Assistant Superintendent of
9625 Cuyamaca Street	Human Resources and Pupil Services
Santee, CA 92071	9625 Cuyamaca Street
	Santee, CA 92071

**NONDISCRIMINATION/HARASSMENT** (continued)

~~Any student who feels that he/she is being harassed should immediately contact the Coordinator for Nondiscrimination, the principal or any other staff member. Any student who observes an incident of harassment should report the harassment to a school employee, whether or not the victim files a complaint.~~

~~Employees who become aware of an act of harassment shall immediately report the incident to the Coordinator for Nondiscrimination. Upon receiving a complaint of discrimination or harassment, the Coordinator shall immediately investigate the complaint in accordance with site level grievance procedures specified in AR 5145.7 – Sexual Harassment. Where the Coordinator finds that harassment has occurred, he/she shall take prompt, appropriate action to end the harassment and address its effects on the victim.~~

~~The Coordinator shall also advise the victim of any other remedies that may be available. The Coordinator shall file a report with the Superintendent or designee and refer the matter to law enforcement where required.~~

*Legal Reference:*EDUCATION CODE~~200-262.4 Prohibition of discrimination on the basis of sex, especially:~~~~221.5 Prohibited sex discrimination~~~~221.7 School sponsored athletic programs; prohibited sex discrimination~~~~48900.3 Suspension or expulsion for act of hate violence~~~~48900.4 Suspension or expulsion for threats or harassment~~~~48904 Liability of parent/guardian for willful student misconduct~~~~48907 Student exercise of free expression~~~~48950 Freedom of speech~~~~48985 Translation of notices~~~~49020-49023 Athletic programs~~~~51006-51007 Equitable access to technological education programs~~~~51500 Prohibited instruction or activity~~~~51501 Prohibited means of instruction~~~~60044 Prohibited instructional materials~~CIVIL CODE~~1714.1 Liability of parents/guardians for willful misconduct of minor~~PENAL CODE~~422.55 Interference with constitutional right or privilege~~~~422.6 Crimes, harassment~~CODE OF REGULATIONS, TITLE 5~~432 Student record~~~~4621 District policies and procedures~~~~4622 Notice requirements~~~~4600-4687 Uniform complaint procedures~~~~4900-4965 Nondiscrimination in elementary and secondary education programs receiving state financial assistance~~

**NONDISCRIMINATION/HARASSMENT (continued)**

UNITED STATES CODE, TITLE 42

*2000d-2000e-17 Title VI & VII Civil Rights Act of 1964 as amended*

*2000h-2-2000h-6 Title IX, 1972 Education Act Amendments of the Civil Rights Act of 1964*

*6101-6107 Age Discrimination Act of 1975*

CODE OF FEDERAL REGULATIONS, TITLE 28

*35.107 Nondiscrimination on basis of disability: complaints*

CODE OF FEDERAL REGULATIONS, TITLE 34

*99.31 Disclosure of personally identifiable information*

*100.3 Prohibition of discrimination on basis of race, color or national origin*

*104.7 Designation of responsible employee for Section 504*

*106.8 Designation of responsible employee for Title IX*

*106.9 Notification of nondiscrimination on basis of sex*

COURT DECISIONS

*Donovan v. Poway Unified School District, (2008) 167 Cal.App.4<sup>th</sup> 567*

*Flores v. Morgan Hill Unified School District, (2003) 324 F.3d 1130*

*Management Resources:*

CSBA PUBLICATIONS

*Providing a Safe, Nondiscriminatory School Environment for Transgender and Gender-Nonconforming Students, Policy Brief, February 2014*

*Final Guidance Regarding Transgender Students, Privacy, and Facilities, March 2014*

*Safe Schools: Strategies for Governing Boards to Ensure Student Success, 2011*

FIRST AMENDMENT CENTER PUBLICATIONS

*Public Schools and Sexual Orientation: A First Amendment Framework for Finding Common Ground, 2006*

NATIONAL SCHOOL BOARDS ASSOCIATION PUBLICATIONS

*Dealing with Legal Matters Surrounding Students' Sexual Orientation and Gender Identity, 2004*

U.S. DEPARTMENT OF EDUCATION, OFFICE OF FOR CIVIL RIGHTS PUBLICATIONS

*Examples of Policies and Emerging Practices for Supporting Transgender Students, May 2016*

*Dear Colleague Letter: Title IX Coordinators, April 2015*

*Dear Colleague Letter: Harassment and Bullying, October 2010*

*Notice of Non-Discrimination, January, 1999*

*Racial Incidents and Harassment Against Students at Educational Institutions: Investigative Guidance, 59 FR 47, March, 1994*

WEB SITES

*U.S. Department of Education, Office of Civil Rights: <http://www.ed.gov/offices/OCR>*

*California Department of Education: <http://www.cde.ca.gov>*

*California Safe Schools Coalition: <http://www.casafeschools.org>*

*First Amendment Center: <http://www.firstamendmentcenter.org>*

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

*U.S. Department of Education, Office for Civil Rights: <http://www.ed.gov/about/offices/list/ocr>*

Policy  
adopted: August 17, 2010  
revised:

**SANTEE SCHOOL DISTRICT**  
Santee, California

**NONDISCRIMINATION/HARASSMENT**

The district designates the individual(s) identified below as the employee(s) responsible for coordinating the district's efforts to comply with applicable state and federal civil rights laws, including Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act, and the Age Discrimination Act of 1975, and to answer inquiries regarding the district's nondiscrimination policies. The individual(s) shall also serve as the compliance officer(s) specified in AR 1312.3 - Uniform Complaint Procedures as the responsible employee to handle complaints alleging unlawful discrimination targeting a student, including discriminatory harassment, intimidation, or bullying, based on the student's actual or perceived race, color, ancestry, national origin, nationality, ethnicity, ethnic group identification, age, religion, marital or parental status, pregnancy, physical or mental disability, sex, sexual orientation, gender, gender identity, gender expression, or any other legally protected status or association with a person or group with one or more of these actual or perceived characteristics. The coordinator/compliance officer(s) may be contacted at:

\_\_\_\_\_  
(title or position)

\_\_\_\_\_  
(address)

\_\_\_\_\_  
(telephone number)

\_\_\_\_\_  
(email)

**Measures to Prevent Discrimination**

To prevent unlawful discrimination, including discriminatory harassment, intimidation, retaliation, and bullying, of students at district schools or in school activities and to ensure equal access of all students to the educational program, the Superintendent or designee shall implement the following measures:

1. Publicize the district's nondiscrimination policy and related complaint procedures, including the coordinator/compliance officer's contact information, to students, parents/guardians, employees, volunteers, and the general public by posting them on the district's web site and other prominent locations and providing easy access to them through district-supported social media, when available.
2. Post in a prominent and conspicuous location on the district and school web sites information regarding Title IX prohibitions against discrimination based on a student's sex, gender, gender identity, pregnancy, and parental status, including the following:
  - a. The name and contact information of the district's Title IX coordinator, including the phone number and email address

**NONDISCRIMINATION/HARASSMENT (continued)**

- b. The rights of students and the public and the responsibilities of the district under Title IX, including a list of rights as specified in Education Code 221.8 and web links to information about those rights and responsibilities located on the web sites of the Office for Equal Opportunity and the U.S. Department of Education's Office for Civil Rights (OCR)
- c. A description of how to file a complaint of noncompliance with Title IX in accordance with AR 1312.3 - Uniform Complaint Procedures, which shall include:
  - (1) An explanation of the statute of limitations within which a complaint must be filed after an alleged incident of discrimination has occurred and how a complaint may be filed beyond the statute of limitations
  - (2) An explanation of how the complaint will be investigated and how the complainant may further pursue the complaint, including web links to this information on the OCR's web site
  - (3) A web link to the OCR complaints form and the contact information for the office, including the phone number and email address for the office
- 3. Provide to students a handbook that contains age-appropriate information that clearly describes the district's nondiscrimination policy, procedures for filing a complaint, and resources available to students who feel that they have been the victim of any such behavior.
- 4. Annually notify all students and parents/guardians of the district's nondiscrimination policy, including its responsibility to provide a safe, nondiscriminatory school environment for all students, including transgender and gender-nonconforming students. The notice shall inform students and parents/guardians that they may request to meet with the compliance officer to determine how best to accommodate or resolve concerns that may arise from the district's implementation of its nondiscrimination policies. The notice shall also inform all students and parents/guardians that, to the extent possible, the district will address any individual student's interests and concerns in private.
- 5. The Superintendent or designee shall ensure that students and parents/guardians, including those with limited English proficiency, are notified of how to access the relevant information provided in the district's nondiscrimination policy and related complaint procedures, notices, and forms in a language they can understand.



**NONDISCRIMINATION/HARASSMENT (continued)**

If 15 percent or more of students enrolled in a particular district school speak a single primary language other than English, the district's policy, regulation, forms, and notices concerning nondiscrimination shall be translated into that language in accordance with Education Code 234.1 and 48985. In all other instances, the district shall ensure meaningful access to all relevant information for parents/guardians with limited English proficiency.

6. Provide to students, employees, volunteers, and parents/guardians age-appropriate training and information regarding the district's nondiscrimination policy; what constitutes prohibited discrimination, including discriminatory harassment, intimidation, retaliation, or bullying; how and to whom a report of an incident should be made; and how to guard against segregating or stereotyping students when providing instruction, guidance, supervision, or other services to them. Such training and information shall include details of guidelines the district may use to provide a discrimination-free environment for all district students, including transgender and gender-nonconforming students.
7. At the beginning of each school year, inform school employees that any employee who witnesses any act of unlawful discrimination, including discriminatory harassment, intimidation, or bullying, against a student is required to intervene if it is safe to do so.
8. At the beginning of each school year, inform each principal or designee of the district's responsibility to provide appropriate assistance or resources to protect students' privacy rights and ensure their safety from threatened or potentially discriminatory behavior.

**Enforcement of District Policy**

The Superintendent or designee shall take appropriate actions to reinforce BP 5145.3 - Nondiscrimination/Harassment. As needed, these actions may include any of the following:

1. Removing vulgar or offending graffiti
2. Providing training to students, staff, and parents/guardians about how to recognize unlawful discrimination, how to report it or file a complaint, and how to respond
3. Disseminating and/or summarizing the district's policy and regulation regarding unlawful discrimination
4. Consistent with the laws regarding the confidentiality of student and personnel records, communicating the school's response to students, parents/guardians, and the community

**NONDISCRIMINATION/HARASSMENT (continued)**

5. Taking appropriate disciplinary action against students, employees, and anyone determined to have engaged in wrongdoing in violation of district policy, including any student who is found to have filed a complaint of discrimination that he/she knew was not true

**Process for Initiating and Responding to Complaints**

Any student who feels that he/she has been subjected to unlawful discrimination described above or in district policy is strongly encouraged to immediately contact the compliance officer, principal, or any other staff member. In addition, any student who observes any such incident is strongly encouraged to report the incident to the compliance officer or principal, whether or not the alleged victim files a complaint.

Any school employee who observes an incident of unlawful discrimination, including discriminatory harassment, intimidation, retaliation, or bullying, or to whom such an incident is reported shall report the incident to the compliance officer or principal within a school day, whether or not the alleged victim files a complaint.

Any school employee who witnesses an incident of unlawful discrimination, including discriminatory harassment, intimidation, retaliation, or bullying, shall immediately intervene to stop the incident when it is safe to do so.

When a verbal report of unlawful discrimination, including discriminatory harassment, intimidation, retaliation, or bullying, is made to or received by the principal or compliance officer, he/she shall make a note of the report and encourage the student or parent/guardian to file the complaint in writing, pursuant to the provisions in AR 1312.3 - Uniform Complaint Procedures. Once notified verbally or in writing, the principal or compliance officer shall begin the investigation and shall implement immediate measures necessary to stop the discrimination and ensure that all students have access to the educational program and a safe school environment. Any interim measures adopted to address unlawful discrimination shall, to the extent possible, not disadvantage the complainant or a student who is the victim of the alleged unlawful discrimination.

Any report or complaint alleging unlawful discrimination by the principal, compliance officer, or any other person to whom a report would ordinarily be made or complaint filed shall instead be made to or filed with the Superintendent or designee who shall determine how the complaint will be investigated.

**Transgender and Gender-Nonconforming Students**

Gender identity of a student means the student's gender-related identity, appearance, or behavior as determined from the student's internal sense of his/her gender, whether or not that gender-related identity, appearance, or behavior is different from that traditionally associated with the student's physiology or assigned sex at birth.

**NONDISCRIMINATION/HARASSMENT** (continued)

Gender expression means a student's gender-related appearance and behavior, whether stereotypically associated with the student's assigned sex at birth. (Education Code 210.7)

Gender transition refers to the process in which a student changes from living and identifying as the sex assigned to the student at birth to living and identifying as the sex that corresponds to the student's gender identity.

Gender-nonconforming student means a student whose gender expression differs from stereotypical expectations.

Transgender student means a student whose gender identity is different from the gender he/she was assigned at birth.

Regardless of whether they are sexual in nature, acts of verbal, nonverbal, or physical aggression, intimidation, or hostility that are based on sex, gender identity, or gender expression, or that have the purpose or effect of producing a negative impact on the student's academic performance or of creating an intimidating, hostile, or offensive educational environment are prohibited. Examples of the types of conduct which are prohibited in the district and which may constitute gender-based harassment include, but are not limited to:

1. Refusing to address a student by a name and the pronouns consistent with his/her gender identity
2. Disciplining or disparaging a student or excluding him/her from participating in activities for behavior or appearance that is consistent with his/her gender identity or that does not conform to stereotypical notions of masculinity or femininity, as applicable
3. Blocking a student's entry to the bathroom that corresponds to his/her gender identity
4. Taunting a student because he/she participates in an athletic activity more typically favored by a student of the other sex
5. Revealing a student's transgender status to individuals who do not have a legitimate need for the information, without the student's consent
6. Use of gender-specific slurs
7. Physical assault of a student motivated by hostility toward him/her because of his/her gender, gender identity, or gender expression

**NONDISCRIMINATION/HARASSMENT** (continued)

The district's uniform complaint procedures (AR 1312.3) shall be used to report and resolve complaints alleging discrimination against transgender and gender-nonconforming students.

Examples of bases for complaints include, but are not limited to, the above list, as well as improper rejection by the district of a student's asserted gender identity, denial of access to facilities that correspond with a student's gender identity, improper disclosure of a student's transgender status, discriminatory enforcement of a dress code, and other instances of gender-based harassment.

To ensure that transgender and gender-nonconforming students are afforded the same rights, benefits, and protections provided to all students by law and Board policy, the district shall address each situation on a case-by-case basis, in accordance with the following guidelines:

1. Right to privacy: A student's transgender or gender-nonconforming status is his/her private information and the district shall only disclose the information to others with the student's prior written consent, except when the disclosure is otherwise required by law or when the district has compelling evidence that disclosure is necessary to preserve the student's physical or mental well-being. In any case, the district shall only allow disclosure of a student's personally identifiable information to employees with a legitimate educational interest as determined by the district pursuant to 34 CFR 99.31. Any district employee to whom a student's transgender or gender-nonconforming status is disclosed shall keep the student's information confidential. When disclosure of a student's gender identity is made to a district employee by a student, the employee shall seek the student's permission to notify the compliance officer. If the student refuses to give permission, the employee shall keep the student's information confidential, unless he/she is required to disclose or report the student's information pursuant to this administrative regulation, and shall inform the student that honoring the student's request may limit the district's ability to meet the student's needs related to his/her status as a transgender or gender-nonconforming student. If the student permits the employee to notify the compliance officer, the employee shall do so within three school days.

As appropriate given the student's need for support, the compliance officer may discuss with the student any need to disclose the student's transgender or gender-nonconformity status or gender identity or gender expression to his/her parents/guardians and/or others, including other students, teacher(s), or other adults on campus. The district shall offer support services, such as counseling, to students who wish to inform their parents/guardians of their status and desire assistance in doing so.

2. Determining a Student's Gender Identity: The compliance officer shall accept the student's assertion of his/her gender identity and begin to treat the student consistent with his/her gender identity unless district personnel present a credible and supportable basis for believing that the student's assertion is for an improper purpose.

**NONDISCRIMINATION/HARASSMENT** (continued)

3. Addressing a Student's Transition Needs: The compliance officer shall arrange a meeting with the student and, if appropriate, his/her parents/guardians to identify and develop strategies for ensuring that the student's access to education programs and activities is maintained. The meeting shall discuss the transgender or gender-nonconforming student's rights and how those rights may affect and be affected by the rights of other students and shall address specific subjects related to the student's access to facilities and to academic or educational support programs, services, or activities, including, but not limited to, sports and other competitive endeavors. In addition, the compliance officer shall identify specific school site employee(s) to whom the student may report any problem related to his/her status as a transgender or gender-nonconforming individual, so that prompt action could be taken to address it. Alternatively, if appropriate and desired by the student, the school may form a support team for the student that will meet periodically to assess whether the arrangements for the student are meeting his/her educational needs and providing equal access to programs and activities, educate appropriate staff about the student's transition, and serve as a resource to the student to better protect the student from gender-based discrimination.
  
4. Accessibility to Sex-Segregated Facilities, Programs, and Activities: When the district maintains sex-segregated facilities, such as restrooms and locker rooms, or offers sex-segregated programs and activities, such as physical education classes, intermural sports, and interscholastic athletic programs, students shall be permitted to access facilities and participate in programs and activities consistent with their gender identity. To address any student's privacy concerns in using sex-segregated facilities, the district shall offer available options such as a gender-neutral or single-use restroom or changing area, a bathroom stall with a door, an area in the locker room separated by a curtain or screen, access to a staff member's office, or use of the locker room before or after the other students. However, the district shall not require a student to utilize these options because he/she is transgender or gender-nonconforming. In addition, a student shall be permitted to participate in accordance with his/her gender identity in other circumstances where students are separated by gender, such as for class discussions, yearbook pictures, and field trips. A student's right to participate in a sex-segregated activity in accordance with his/her gender identity shall not render invalid or inapplicable any other eligibility rule established for participation in the activity.
  
5. Student Records: A student's legal name or gender as entered on the mandatory student record required pursuant to 5 CCR 432 shall only be changed pursuant to a court order. However, at the written request of a student or, if appropriate, his/her parents/guardians, the district shall use the student's preferred name and pronouns consistent with his/her gender identity on all other district-related documents. Such preferred name may be added to the student's record and official documents as permitted by law.

**NONDISCRIMINATION/HARASSMENT (continued)**

6. Names and Pronouns: If a student so chooses, district personnel shall be required to address the student by a name and the pronouns consistent with his/her gender identity, without the necessity of a court order or a change to his/her official district record. However, inadvertent slips or honest mistakes by district personnel in the use of the student's name and/or consistent pronouns will, in general, not constitute a violation of this administrative regulation or the accompanying district policy.
  
7. Uniforms/Dress Code: A student has the right to dress in a manner consistent with his/her gender identity, subject to any dress code adopted on a school site.

Regulation  
approved:

**SANTEE SCHOOL DISTRICT**  
Santee, California

## Item H. BOARD COMMUNICATION AND ORGANIZATIONAL BUSINESS

### Item I. CLOSED SESSION

*Citizens wishing to address the Board about a Closed Session item are requested to submit a Request to Speak card in advance. The Board invites citizens at this time to address the Board about any of the items listed under Closed Session*

*The Board will go into Closed Session to discuss:*

1. **Conference with Labor Negotiator** (Gov't. Code § 54956.8)  
*Purpose: Negotiations*  
*Agency Negotiators: Tim Larson, Assistant Superintendent*  
*Employee Organization: Santee Teachers Association (STA)*
2. **Conference with Labor Negotiator** (Gov't. Code § 54956.8)  
*Purpose: Negotiations*  
*Agency Negotiators: Tim Larson, Assistant Superintendent*  
*Employee Organization: Classified School Employees Association (CSEA)*
3. **Conference with Legal Counsel – Anticipated Litigation** (Gov't. Code § 54956.9)
4. **Public Employee Performance Evaluation** (Gov't. Code § 54957)  
*Superintendent*

### Item J. RECONVENE TO PUBLIC SESSION

### Item K. ADJOURNMENT

Agenda Items H, I, J and K.