



**BOARD OF TRUSTEES  
REGULAR BOARD MEETING**

**Board of Trustees**  
Joyce Dalessandro  
Beth Hergesheimer  
Amy Herman  
Maureen "Mo" Muir  
John Salazar

**Superintendent**  
Rick Schmitt

**Union High School District**

**THURSDAY, MAY 12, 2016  
6:30 PM**

**DISTRICT OFFICE BOARD ROOM 101  
710 ENCINITAS BLVD., ENCINITAS, CA 92024**

*Welcome to the meeting of the San Dieguito Union High School District Board of Trustees.*

**PUBLIC COMMENTS**

If you wish to speak regarding an item on the agenda, please complete a speaker slip located at the sign-in desk and present it to the Secretary to the Board prior to the start of the meeting. When the Board President invites you to the podium, please state your name before making your presentation.

Persons wishing to address the Board on any school-related issue not elsewhere on the agenda are invited to do so under the "Public Comments" item. If you wish to speak under Public Comments, please follow the same directions (above) for speaking to agenda items.

In the interest of time and order, presentations from the public are limited to three (3) minutes per person, per topic. The total time for agenda and non-agenda items shall not exceed twenty (20) minutes. An individual speaker's allotted time may not be increased by a donation of time from others in attendance.

In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. The Board may 1) acknowledge receipt of the information, 2) refer to staff for further study, or 3) refer the matter to the next agenda.

**PUBLIC INSPECTION OF DOCUMENTS**

In compliance with Government Code 54957.5, agenda-related documents that have been distributed to the Board less than 72 hours prior to the Board Meeting will be available for review on the district website, [www.sduhsd.net](http://www.sduhsd.net) and/or at the district office. Please contact the [Office of the Superintendent](#) for more information.

**CONSENT CALENDAR**

All matters listed under Consent are those on which the Board has previously deliberated or which can be classified as routine items of business. An administrative recommendation on each item is contained in the agenda supplements. There will be no separate discussion of these items prior to the time the Board of Trustees votes on the motion unless members of the Board, staff, or public request specific items to be discussed or pulled from the Consent items. To address an item on the consent calendar, please follow the procedure described under *Comments on Agenda Items*.

**CLOSED SESSION**

The Board will meet in Closed Session to consider qualified matters of litigation, employee negotiations, student discipline, employee grievances, personnel qualifications, or real estate negotiations which are timely.

**CELL PHONES / ELECTRONIC DEVICES**

As a courtesy to all meeting attendees, please set cell phones and electronic devices to silent mode and engage in conversations outside the meeting room.

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In compliance with the Americans with Disabilities Act, if you need special assistance, disability-related modifications, or accommodations, including auxiliary aids or services, in order to participate in the public meetings of the District's Governing Board, please contact the [Office of the Superintendent](#). Notification 72 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accommodation and accessibility to this meeting. Upon request, the District shall also make available this agenda and all other public records associated with the meeting in appropriate alternative formats for persons with a disability.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
BOARD OF TRUSTEES  
REGULAR BOARD MEETING**

**AGENDA**

**THURSDAY, MAY 12, 2016  
6:30 PM**

**DISTRICT OFFICE BOARD ROOM 101  
710 ENCINITAS BLVD., ENCINITAS, CA 92024**

**PRELIMINARY FUNCTIONS ..... (ITEMS 1 – 6)**

- 1. CALL TO ORDER ..... 6:00 PM
  - A. PUBLIC COMMENTS REGARDING CLOSED SESSION ITEMS (2A-B)
- 2. **CLOSED SESSION** ..... **6:01 PM**  
 Closed Session will be held in the Technology Lab in Suite 206.
  - A. To consider and/or deliberate on student discipline matters. (Case #2016-014SD & Case #2016-015SD)
  - B. To consider personnel issues, pursuant to Government Code Sections 11126 and 54957; limited to consideration of the appointment, employment, evaluation of performance, discipline/ release, dismissal of a public employee or to hear *complaints or charges brought against such employee by another person or employee unless the employee requests a public session.*

**REGULAR MEETING / OPEN SESSION ..... 6:30 PM**

- 3. RECONVENE REGULAR BOARD MEETING / CALL TO ORDER ..... BOARD PRESIDENT
  - A. WELCOME / MEETING PROTOCOL REMARKS
  - B. PLEDGE OF ALLEGIANCE
- 4. REPORT OUT OF CLOSED SESSION
  - A. REPORT OUT OF CLOSED SESSION
  - B. STUDENT DISCIPLINE
    - 1. Motion by \_\_\_\_\_, second by \_\_\_\_\_, to approve the expulsion of Case #2016-014SD, for violation of Education Code sections 48900 (c), (f) and (j), during the period May 13, 2016 through May 13, 2017.
      - Roll Call / Board Members Only
    - 2. Motion by \_\_\_\_\_, second by \_\_\_\_\_, to approve the expulsion of Case #2016-015SD, for violation of Education Code sections 48900 (d), and 48915 (c)(3), during the period May 13, 2016 through May 13, 2017.
      - Roll Call / Board Members Only
- 5. APPROVAL OF AGENDA  
 Motion by \_\_\_\_\_, second by \_\_\_\_\_, to approve the agenda of April 21, 2016, Regular Board meeting of the San Dieguito Union High School District.
- 6. APPROVAL OF MINUTES (2) / REGULAR MEETING & BOARD WORKSHOP OF APRIL 21, 2016  
 Motion by \_\_\_\_\_, second by \_\_\_\_\_, to approve the minutes of the April 21, 2016 Regular Meeting and Board Workshop, as shown in the attached supplements.

**NON-ACTION ITEMS ..... (ITEMS 7 - 10)**

- 7. STUDENT RECOGNITION & UPDATES
  - A. STUDENT RECOGNITION ..... BETH HERGESHEIMER, BOARD PRESIDENT
  - B. STUDENT BOARD UPDATES ..... STUDENT BOARD REPRESENTATIVES
- 8. BOARD REPORTS AND UPDATE ..... BOARD OF TRUSTEES

- 9. SUPERINTENDENT’S REPORTS, BRIEFINGS, & LEGISLATIVE UPDATES ... RICK SCHMITT, SUPERINTENDENT
- 10. SCHOOL & DEPARTMENT UPDATES
  - A. COMMUNITY EDUCATION ..... MANUEL ZAPATA, DIRECTOR
  - B. PACIFIC TRAILS MIDDLE SCHOOL .....MARY ANNE NUSKIN, PRINCIPAL

**CONSENT AGENDA ITEMS..... (ITEMS 11 - 15)**

Upon invitation by the President, anyone who wishes to discuss a Consent Item should come forward to the lectern, state his/her name, and the Consent Item number.

**11. SUPERINTENDENT**

- A. GIFTS AND DONATIONS  
Accept the gifts and donations, as shown in the attached supplements.
- B. FIELD TRIP REQUESTS  
Accept the field trips, as shown in the attached supplements.

**12. HUMAN RESOURCES**

- A. PERSONNEL REPORTS  
Approve matters pertaining to employment of personnel, salaries, leaves of absence, resignations, changes in assignments, extra duty assignments, and consultant services:
  - 1. Certificated and/or Classified Personnel Reports, as shown in the attached supplements.
- B. APPROVAL/RATIFICATION OF AGREEMENTS  
(None Submitted)

**13. EDUCATIONAL SERVICES**

- A. APPROVAL/RATIFICATION OF AGREEMENTS  
Approve/ratify entering into the following agreement and authorize Eric R. Dill or Rick Schmitt to execute the agreement:
  - 1. Keane Studios, LLC, to provide photography services, during the period July 1, 2016 and continuing until services are completed for the 2016-2017 school year, at no cost to the district.
  - 2. Premier Food Services, Inc., to provide catering services for the San Dieguito Union High School District College Fair and Night on April 19, 2016, in the amount of \$10,836.16, to be expended from the General Fund/Unrestricted 01-00 and Torrey Pines High School fundraising events.
  - 3. Real Inspiration, Inc., Keith Hawkins to speak at two student assemblies at Oak Crest Middle School, on May 16, 2016, in the amount of \$2,000.00, to be expended from General Fund/Unrestricted 01-00.
- B. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS  
(None Submitted)

**14. ADMINISTRATIVE SERVICES**

- A. APPROVAL/RATIFICATION OF AGREEMENTS  
(None Submitted)
- B. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS  
(None Submitted)

## **SPECIAL EDUCATION**

### **C. APPROVAL/RATIFICATION OF NON-PUBLIC SCHOOL / NON-PUBLIC AGENCY CONTRACTS, INDEPENDENT CONTRACTOR AGREEMENTS, AND/OR MEMORANDUMS OF UNDERSTANDING**

Approve entering into the following non-public school / non-public agency master contracts (NPS/NPAs), independent contractor agreements (ICAs), and or memorandums of understanding (MOUs), and authorize Eric R. Dill or Rick Schmitt to execute all pertinent documents.

1. City of San Diego Parks & Recreation Department (ICA), for the lease of Carmel Valley Swimming Pool for Torrey Pines High School Adaptive Physical Education, during the period May 2, 2016 through June 6, 2016, in an amount not to exceed \$202.00, to be expended from the General Fund/Restricted 01-00.
2. Springall Academy (NPS), to provide an alternative education model for non-diploma bound students with moderate to severe autism and/or intellectual disabilities, during the period May 1, 2016 through June 30, 2016, for the all-inclusive daily rate of \$174.18, to be expended from the General Fund/Restricted 01-00.
3. Melissa L. Haider, MPT (ICA), to provide physical therapy, assessments, and IEP support in an educational setting, during the period February 1, 2016 through June 30, 2016, at the rate of \$115.00 per hour, to be expended from the General Fund/Restricted 01-00.
4. Tierney Educational Consulting (ICA), to provide psychological assessments and IEP support in an educational setting, during the period February 15, 2016 through June 30, 2016, at the rate of \$115.00 per hour and not to exceed \$1,500.00, to be expended from the General Fund/Restricted 01-00.

### **D. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS**

(None Submitted)

### **E. APPROVAL/RATIFICATION OF PARENT SETTLEMENT AND RELEASE AGREEMENTS**

(None Submitted)

## **PUPIL SERVICES**

### **F. APPROVAL/RATIFICATION OF AGREEMENTS**

(None Submitted)

### **G. APPROVAL/RATIFICATION OF AMENDMENTS TO AGREEMENTS**

(None Submitted)

## **15. BUSINESS / PROPOSITION AA**

### **BUSINESS**

#### **A. APPROVAL/RATIFICATION OF AGREEMENTS**

Approve/ratify entering into the following agreements and authorize Eric R. Dill or Rick Schmitt to execute the agreements:

Rick Schmitt to execute the agreements:

1. Five Star Tours and Charter Company, to provide extracurricular transportation services for the district's Transportation Department at times when the companies currently awarded contracts by the district are unable to provide service, during the period May 13, 2016 through June 30, 2016 and then automatically renewing on July 1 of each year and continuing in effect from year to year unless either party gives 30 day notice of its intent to terminate, in an amount not to exceed \$10,000.00 per fiscal year, to be expended from the program fund requesting the transportation.
2. Northstar Transportation LLC, to provide extracurricular transportation services for the district's Transportation Department at times when the companies currently awarded contracts by the district are unable to provide service, during the period May 13, 2016

through June 30, 2016 and then automatically renewing on July 1 of each year and continuing in effect from year to year unless either party gives 30 day notice of its intent to terminate, in an amount not to exceed \$10,000.00 per fiscal year, to be expended from the program fund requesting the transportation.

3. Pacific Backflow Company, Inc., to provide backflow assembly testing and minor backflow repairs at various sites district wide, during the period April 1, 2016 through June 30, 2017 and then continuing with annual renewals until terminated with 30 day written notice, testing to be done at the rate of \$100.00 each and minor repairs of \$1,000.00 or less to be completed for an additional charge based on the scope of work, to be expended from the General Fund/Unrestricted 01-00.
4. San Diego Police Department, to provide police officers during the Torrey Pines High School graduation ceremony on June 10, 2016, in an estimated amount not to exceed \$495.00, to be expended from the General Fund/Unrestricted 01-00.
5. San Diego County School Districts to provide student transportation between public and non-public schools and field trip locations located within County boundaries and locations mutually agreed to by both districts, as requested, during the period July 1, 2016 through June 30, 2018, at the current district daily rate for students with disabilities transportation and at the districts published field trip rate for field trip transportation.

**B. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS**

Approve/ratify amending the following agreements and authorize Eric R. Dill or Rick Schmitt to execute the agreements:

1. Rancho Santa Fe Security Systems, Inc., amending the contract for monitoring and maintenance of security systems, increasing the not to exceed amount to \$35,000.00 and adding Pacific Trails Middle School, to be expended from the General Fund/Unrestricted 01-00.
2. Elite Show Services, Inc., amending their contract for security guards, officers, and patrol services, increasing the hourly rates to \$40.00 per hour for crew and \$45.00 per hour for supervisors for events north of their service boundary and \$29.04 per hour for crew and \$34.04 per hour for supervisors for events south of their service boundary, during the period May 23, 2016 until terminated with 30 day advance notice, to be expended from the program fund requesting the service.

**C. AWARD/RATIFICATION OF CONTRACTS**

(None Submitted)

**D. APPROVAL OF CHANGE ORDERS**

(None Submitted)

**E. Acceptance of Construction Projects**

(None Submitted)

**F. APPROVAL OF BUSINESS REPORTS**

Approve the following business reports:

1. Purchase Orders
2. Membership Listing
3. Warrants
4. Revolving Cash Fund

**PROPOSITION AA**

**G. APPROVAL/RATIFICATION OF AGREEMENTS**

Approve/ratify entering into the following agreements and authorize Eric R. Dill, or Rick Schmitt to execute the agreements:

1. American Time & Signal, to provide the site-sync wireless clock system for Torrey Pines High School, during the period May 13, 2016 through completion, in an amount not to exceed \$24,698.20, to be expended from Building Fund – Prop 39, Fund 21-39.
2. American Time & Signal, to provide the site-sync wireless clock system for San Dieguito High School Academy, during the period May 13, 2016 through completion, in an amount not to exceed \$28,726.33, to be expended from Building Fund Prop 39 – Fund 21-39.
3. American Time & Signal, to provide the site-sync wireless clock system for Oak Crest Middle School, during the period May 13, 2016 through completion, in an amount not to exceed \$12,225.32, to be expended from Building Fund – Prop 39, Fund 21-39.
4. Hanover Insurance/BB&T John Burnham Insurance Services, to purchase builders risk insurance for the Torrey Pines High School B Building Phase 2C Project, during the period May 13, 2016 through completion, in an amount not to exceed \$13,513.00, to be expended from Building Fund Prop 39 – Fund 21-39.
5. Zurich Programs/BB&T John Burnham Insurance Services, to purchase builders risk insurance for the Canyon Crest Academy B Building Project, during the period May 13, 2016 through completion, in an amount not to exceed \$18,789.00, to be expended from Building Fund Prop 39 – Fund 21-39.
6. Darnell & Associates, for a traffic analysis at Torrey Pines High School, during the period May 13, 2016 through completion, in an amount not to exceed \$16,110.00, to be expended from Capital Facilities Fund 25-19.
7. Fredricks Electric, Inc., for technology infrastructure improvements of fiber optics, data and telecommunications cabling at San Dieguito High School Academy, during the period May 13, 2016 through completion, in an amount not to exceed \$250,000.00, to be expended from Building Fund Prop 39 – Fund 21-39.
8. Fredricks Electric, Inc., for technology infrastructure improvements of fiber optics, data and telecommunications cabling at Torrey Pines High School, during the period May 13, 2016 through completion, in an amount not to exceed \$150,000.00, to be expended from Building Fund Prop 39 – Fund 21-39.
9. Corovan, to provide crews to move furniture and boxes at Torrey Pines High School during B Building renovations, during the period June 14, 2016 through completion, in an amount not to exceed \$42,000.00, to be expended from Building Fund Prop 39 – Fund 21-39.
10. Class Leasing, LLC., to lease (3) relocatable classroom buildings at Torrey Pines High School Interim Housing for thirty-six (36) months, during the period June 20, 2016 through June 19, 2019, in an amount not to exceed \$210,900.00, to be expended from Building Fund Prop 39 – Fund 21-39.
11. School Facilities Consultants, to provide consulting services for state funding of new school construction and modernization projects district wide, the federal stimulus funding application process, and funding through the implementation of Proposition 39-Clean Energy Act, during the period July 1, 2016 through June 30, 2016, in an amount not to exceed \$30,000.00, to be expended from Capital Facilities Fund 25-19.
12. Bissiri Studio, for architectural/engineering services to obtain Division of State Architect (DSA) certification of the Torrey Pines High School Dug-Outs Project, during the period May 13, 2016 through completion, at the not to exceed price of \$5,000.00, plus reimbursable expenses, to be expended from Capital Facilities Fund 25-19.
13. Bissiri Studio, for architectural/engineering services to obtain Division of State Architect (DSA) certification of the Torrey Pines High School Stadium Press Box Project, during the period May 13, 2016 through completion, at the not to exceed price of \$5,000.00, plus reimbursable expenses, to be expended from Capital Facilities Fund 25-19

#### H. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS

Approve/ratify amending the following agreements and authorize Eric R. Dill or Rick Schmitt to execute the agreements:



1. Geocon, Inc., to amend contract CA2015-44, for geotechnical/engineering services at Earl Warren Middle School campus replacement project, increasing the amount by \$500.00 for a new total of \$10,000.00, to be expended from Building Fund Prop 39—Fund 21-39.
2. Western Environmental & Safety Technologies, Inc., to amend contract CA2016-07, for hazardous materials removal monitoring services at San Dieguito High School Academy, increasing the amount by \$555.00 for a new total of \$11,283.00, to be expended from Building Fund Prop 39 – Fund 21-39.
3. Public Storage, to amend contract CA2015-47 for a 10x30 storage space for interim storage needs at Earl Warren Middle School, increasing the amount by \$560.00 for a new total of \$10,562.00, to be expended from Building Fund – Prop 39, Fund 21-39.
4. Little Diversified Architectural Consulting, Inc., to amend contract CA2014-45 for architectural/engineering services for close-out certification of projects district-wide, increasing the amount by \$10,000.00 for a new total of \$49,803.77, to be expended from Capital Facilities Fund 25-19, and extending the contract term to June 30, 2017,

I. ADOPTION OF RESOLUTION AUTHORIZING CONTRACTING PURSUANT TO COOPERATIVE BID AND AWARD DOCUMENTS FROM THE SAVANNA SCHOOL DISTRICT

Adopt the Resolution authorizing purchasing pursuant to bid and award documents from Savanna School District for the Purchase, Lease, Relocation, Dismantling and Removal of Division of State Architect (DSA) approved Portable Buildings per the pricing structure, terms and conditions stated in the bid documents, to be expended from the funds to which the project is charged.

J. APPROVAL OF CHANGE ORDERS

Approve Change Order No. 1 to the following project, and authorize Eric R. Dill or Rick Schmitt to execute the change order:

1. La Costa Valley Site & Athletic Fields Improvement Construction Project, Contract CA2015-34 entered into with Byrom-Davey, Inc., decreasing the amount by \$120,921.90 for a new total of \$9,137,538.10, and extending the contract by 134 days.

K. ACCEPTANCE OF CONSTRUCTION PROJECTS

Accept the following construction project as complete, pending the completion of a punch list, and authorize the administration to file a Notice of Completion with the County Recorders' Office:

1. La Costa Valley Site & Athletic Field Improvements Construction Project, Contract CA2015- 34, contract entered into with Byrom-Davey, Inc., extending the contract by 134 days.

**ROLL CALL VOTE FOR CONSENT AGENDA..... (ITEMS 11 - 15)**

- Motion by \_\_\_\_\_, second by \_\_\_\_\_, to approve Consent Agenda Items 11-15, as shown in the attached supplements.

- Roll Call:

Joyce Dalessandro  
Beth Hergesheimer  
Amy Herman  
Maureen "Mo" Muir  
John Salazar

Sophie McMullen, Canyon Crest Academy  
Madeline Eppel, La Costa Canyon High School  
Natalie Shields, San Dieguito High School Academy  
Mikenzie Bub, Sunset High School  
Isaac Gelman, Torrey Pines High School

**DISCUSSION / ACTION ITEMS..... (ITEMS 16 - 20)**

- 16. APPROVAL OF PROPOSED INSTRUCTIONAL CALENDARS, 2017-18 & 2018-19 SCHOOL YEARS  
 Moved by \_\_\_\_\_, second by \_\_\_\_\_, to approve the proposed Instructional Calendars for 2017-18 and 2018-19 school years, as shown in the attached supplements.
- 17. ACCEPTANCE OF PROP AA INDEPENDENT CITIZENS OVERSIGHT COMMITTEE 2015 ANNUAL REPORT  
 Motion by \_\_\_\_\_, second by \_\_\_\_\_, to accept the Prop AA Independent Citizens Oversight Committee 2015 Annual Report, as shown in the attached supplement.
- 18. APPROVAL OF GUARANTEED MAXIMUM PRICE (GMP) / CANYON CREST ACADEMY B BUILDING  
 Motion by \_\_\_\_\_, second by \_\_\_\_\_, to approve the guaranteed maximum price for the Lease-Leaseback contract CA2016-06 entered into with Balfour Beatty Construction Company for construction of the new B Building at Canyon Crest Academy, at the final guaranteed maximum price (GMP) of \$11,334,454.00.
- 19. ADOPTION OF RESOLUTION OF THE BOARD OF TRUSTEES OF SAN DIEGUITO UNION HIGH SCHOOL DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$62,000,000.00 AGGREGATE PRINCIPAL AMOUNT OF BONDS OF THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT, BY A NEGOTIATED SALE PURSUANT TO A BOND PURCHASE AGREEMENT, PRESCRIBING THE TERMS OF SALE, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A PAYING AGENT AGREEMENT AND A CONTINUING DISCLOSURE CERTIFICATE, APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT FOR THE SERIES 2016 BONDS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS.  
 Motion by \_\_\_\_\_, second by \_\_\_\_\_, to adopt the Resolution of the Board of Trustees of the San Dieguito Union High School District Authorizing the Issuance and Sale of Not to Exceed \$62,000,000.00 Aggregate Principal Amount of Bonds of the San Dieguito Union High School District, by a Negotiated Sale Pursuant to a Bond Purchase Agreement, Prescribing the Terms of Sale, Approving the Form of and Authorizing the Execution and Delivery of a Bond Purchase Agreement, a Paying Agent Agreement and a Continuing Disclosure Certificate, Approving the Form of and Authorizing the Distribution of an Official Statement for the Series 2016 Bonds, and Authorizing the Execution of Necessary Documents and Certificates and Related Actions, as shown in the attached supplements.
  - Roll Call
- 20. ADOPTION OF RESOLUTION / ELIMINATION OF ONE CLASSIFIED POSITION FOR FISCAL YEAR 2016-2017  
 Motion by \_\_\_\_\_, second by \_\_\_\_\_, to adopt the resolution initiating layoff of one classified employee/position for fiscal year 2016-2017, as shown in the attached supplement.
  - Roll Call

**INFORMATION ITEMS..... (ITEMS 21 - 29)**

- 21. BUSINESS SERVICES UPDATE..... ERIC DILL, ASSOCIATE SUPERINTENDENT
- 22. EDUCATIONAL SERVICES UPDATE..... MIKE GROVE, ED.D, ASSOCIATE SUPERINTENDENT
- 23. HUMAN RESOURCES UPDATE ..... TORRIE NORTON, ASSOCIATE SUPERINTENDENT
- 24. ADMINISTRATIVE SERVICES UPDATE ..... JASON VILORIA, ED.D., ASSOCIATE SUPERINTENDENT
- 25. PUBLIC COMMENTS  
 In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. The Board may 1) acknowledge receipt of the information, 2) refer to staff for further study, or 3) refer the matter to the next agenda. (See Board Agenda Cover Sheet)
- 26. FUTURE AGENDA ITEMS



**27. ADJOURNMENT TO CLOSED SESSION (AS NECESSARY)**

- A. To consider and/or deliberate on student discipline matters. (Case #2016-014SD & Case #2016-015)
- B. To consider personnel issues, pursuant to Government Code Sections 11126 and 54957; limited to consideration of the appointment, employment, evaluation of performance, discipline /release, dismissal of a public employee or to hear *complaints or charges brought against such employee by another person or employee unless the employee requests a public session.*

**28. REPORT FROM CLOSED SESSION (AS NECESSARY)**

**29. ADJOURNMENT**

*The next regularly scheduled Board Meeting will be held on [Thursday, June 16, 2016, at 6:30 PM](#) in the SDUHSD District Office Board Room 101. The District Office is located at 710 Encinitas Blvd., Encinitas, CA, 92024.*



Union High School District

## MINUTES

### ITEM 6

#### Board of Trustees

Joyce Dalessandro

Beth Hergesheimer

Amy Herman

Maureen "Mo" Muir

John Salazar

#### Superintendent

Rick Schmitt

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
BOARD OF TRUSTEES  
BOARD WORKSHOP**

**THURSDAY, APRIL 21, 2016  
5:00 PM**

**DISTRICT OFFICE BOARD ROOM 101  
710 ENCINITAS BLVD., ENCINITAS, CA. 92024**

The Governing Board of the San Dieguito Union High School District held a Facilities Board Workshop on Thursday, April 21, 2016, at the above location.

Attendance / Board:

Joyce Dalessandro

Beth Hergesheimer

Amy Herman

Maureen "Mo" Muir

John Salazar

Attendance / District Management:

Rick Schmitt, Superintendent

Eric Dill, Associate Superintendent, Business Services

Mike Grove, Ed.D., Associate Superintendent, Educational Services

*Torrie Norton, Associate Superintendent, Human Resources (Absent)*

Jason Vilorio, Ed.D., Associate Superintendent, Administrative Services

John Addleman, Executive Director, Planning Services

Russ Thornton, Chief Operations Officer

Daniel Young, Facilities Construction Planner

Joann Schultz, Executive Assistant to the Superintendent / Recording Secretary

1. CALL TO ORDER

President Hergesheimer called the meeting to order at 5:00 PM.

2. PUBLIC COMMENTS

None presented.

**INFORMATION ITEMS**

3. FACILITIES AND BOND FINANCING WORKSHOP

This item was submitted as an update on current and future Prop AA projects, Series C bond financing, and CFD bond issuance, as presented.

Mr. Dill introduced the Bond Team members, John Palmer with Orrick, Herrington & Sutcliffe LLP, Ralph Holmes and Catherine Perkins with Stifel, Nicolaus & Company, and Adam Bauer with Field Rolapp & Associates. He also introduced the Bond Team staff of Russ Thornton, Chief Facilities Officer, John Addleman, Executive Director of Planning Services and Daniel Young, Facilities Construction Planner.

Mr. Dill recapped Prop AA financing and projects, and future projects and financing options. He also recapped Community Facilities Districts including formation and financing, projects, future projects and financing options. The timelines and next steps were reviewed. *(A revised page 16 [slide 13] of the agenda packet was distributed and is attached to the minutes.)*

4. ADJOURNMENT

The meeting was adjourned at 5:40 PM.

\_\_\_\_\_  
Amy Herman, Clerk

\_\_\_\_\_  
Date

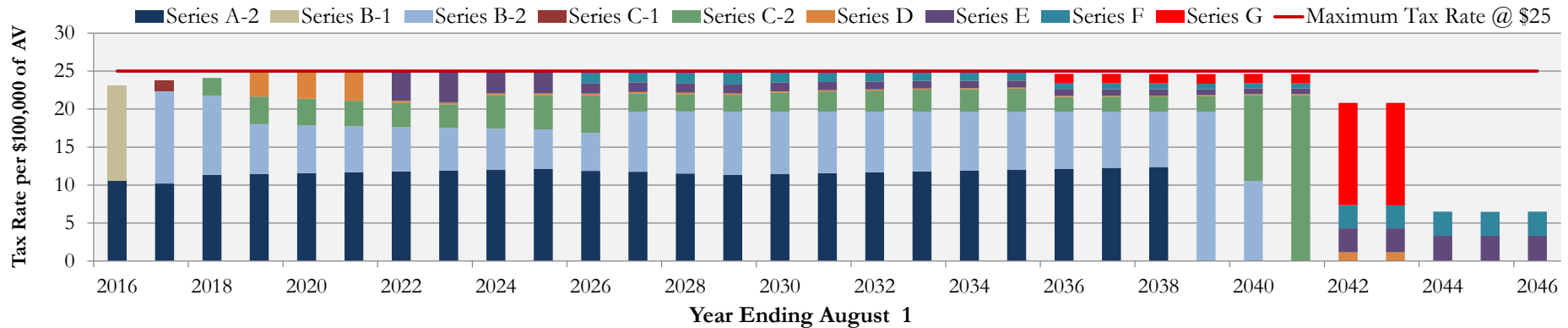
\_\_\_\_\_  
Rick Schmitt, Superintendent

\_\_\_\_\_  
Date

# Potential Series D-G Bonds (Prop AA)

- The School District would be able to issue the remaining Prop AA authorized amount by 2035 using only Current Interest Bonds
- All debt would be repaid by 2046

Projected Tax Rates Under Election of 2012<sup>(1)(2)</sup>



	Series A-1	Series A-2	2015 Series B-1	2015 Series B-2	2016 Ser C-1	2016 Ser C-2	2018 Ser D	2021 Ser E	2025 Ser F	2035 Ser G	Total
Issue Date	4/11/2013	4/11/2013	4/29/2015	4/29/2015	7/13/2016	7/13/2016	8/1/2018	8/1/2021	8/1/2025	8/1/2035	-
Par Amount	\$2,320,000	\$157,680,000	\$7,010,000	\$110,030,000	\$795,000	\$61,205,000	\$10,000,000	\$30,000,000	\$27,000,000	\$42,960,000	\$449,000,000
Project Amount	\$2,301,953	\$155,655,138	\$6,993,829	\$109,776,171	\$765,588	\$60,955,000	\$9,800,000	\$29,650,000	\$26,665,000	\$42,545,200	\$445,107,879
Final Maturity Date	8/1/2014	8/1/2038	8/1/2016	2/1/2040	8/1/2017	8/1/2041	8/1/2043	8/1/2046	8/1/2046	8/1/2043	8/1/2046
Repayment Ratio	1.01	1.68	1.01	1.75	1.01	1.78	1.43	1.86	1.75	1.24	1.66
Total Net Debt Service	\$2,333,933	\$264,163,412	\$7,062,809	\$192,073,548	\$804,433	\$108,722,810	\$14,271,391	\$55,845,413	\$47,268,355	\$53,212,227	\$745,758,330
Percentage of CIBs	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Percentage of CABs	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

(1) Assumes 4% growth for FY 16-17 and every year thereafter.

(2) Assumes MMD 10-year average 'AA' scale per maturity.

\* Preliminary, subject to change.

ITEM 6

Board of Trustees  
Joyce Dalessandro  
Beth Hergesheimer  
Amy Herman  
Maureen "Mo" Muir  
John Salazar

Superintendent  
Rick Schmitt



Union High School District

MINUTES  
OF THE  
SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
BOARD OF TRUSTEES  
REGULAR BOARD MEETING

APRIL 21, 2016

THURSDAY, APRIL 21, 2016  
7:30 PM

DISTRICT OFFICE BOARD ROOM 101  
710 ENCINITAS BLVD, ENCINITAS, CA 92024

**PRELIMINARY FUNCTIONS..... (ITEMS 1 – 6)**

- 1. CALL TO ORDER..... 6:00 PM  
President Hergesheimer called the meeting to order at 6:00 PM in the Board Room to receive public comments on Closed Session agenda items 2A-B. No public comments were presented.
- 2. CLOSED SESSION ..... 6:01 PM
  - A. To consider and/or deliberate on student discipline matters. (Case #2015-003SD & Case #2015-002SD)
  - B. To consider personnel issues, pursuant to Government Code Sections 11126 and 54957; limited to consideration of the appointment, employment, evaluation of performance, discipline / release, dismissal of a public employee or to hear complaints or charges brought against such employee by another person or employee unless the employee requests a public session.

**REGULAR MEETING / OPEN SESSION..... 6:30 PM**

ATTENDANCE

BOARD OF TRUSTEES AND STUDENT BOARD REPRESENTATIVES

Joyce Dalessandro	Sophie McMullen, Canyon Crest Academy
Beth Hergesheimer	Madeline Eppel, La Costa Canyon High School
Amy Herman	Natalie Shields, San Dieguito High School Academy
Maureen "Mo" Muir	<i>Mikenzie Bub, Sunset High School (Absent)</i>
John Salazar	<i>Isaac Gelman, Torrey Pines High School (Absent)</i>

DISTRICT ADMINISTRATORS / STAFF

Rick Schmitt, Superintendent  
 Eric Dill, Associate Superintendent, Business Services  
 Mike Grove, Ed.D., Associate Superintendent, Educational Services  
*Torrie Norton, Associate Superintendent, Human Resources (Absent)*  
 Jason Vilorio, Ed.D., Associate Superintendent, Administrative Services  
 Jeffery Copeland, Principal, Diegueno Middle School  
 Delores Perley, Chief Financial Officer  
 Joann Schultz, Executive Assistant to the Superintendent / Recording Secretary

- 3. RECONVENE REGULAR MEETING / CALL TO ORDER ..... (ITEM 3)
  - A. The regular meeting of the Board of Trustees was called to order at 6:31 PM by President Beth Hergesheimer. Ms. Schultz read the meeting protocol instructions.
  - B. President Hergesheimer led the Pledge of Allegiance.
- 4. REPORT OUT OF CLOSED SESSION / ACTION ..... (ITEM 4)  
 REPORT OUT OF CLOSED SESSION - There was nothing to report.

ITEM 6

A. STUDENT DISCIPLINE

1. Motion by Mr. Salazar, seconded by Ms. Herman, to approve the early readmission from expulsion of Case #2015-003SD, effective April 22, 2016. BOARD Ayes: Dalessandro, Hergesheimer, Herman, Muir, Salazar; Noes: None; Abstain: None.

*Motion unanimously carried.*

2. Motion by Mr. Salazar, seconded by Ms. Dalessandro, to approve the early readmission from expulsion of Case #2015-002SD, effective April 22, 2016. BOARD Ayes: Dalessandro, Hergesheimer, Herman, Muir, Salazar; Noes: None; Abstain: None.

*Motion unanimously carried.*

5. APPROVAL OF AGENDA

Motion by Ms. Dalessandro, seconded by Ms. Muir, to approve the agenda of April 21, 2016, Regular Board meeting of the San Dieguito Union High School District, as presented. ADVISORY VOTE Ayes: Eppel, McMullen, Shields; Noes: None; Abstain: None. BOARD Ayes: Dalessandro, Hergesheimer, Herman, Muir, Salazar; Noes: None; Abstain: None.

*Motion unanimously carried.*

6. APPROVAL OF MINUTES (2) / REGULAR MEETING & BOARD WORKSHOP OF MARCH 10, 2016

Motion by Ms. Muir, seconded by Ms. Herman, to approve the minutes (2) of the March 10, 2016 Regular Meeting, as revised, and Board Workshop, as presented. ADVISORY VOTE Ayes: Eppel, McMullen, Shields; Noes: None; Abstain: None. BOARD Ayes: Dalessandro, Hergesheimer, Herman, Muir, Salazar; Noes: None; Abstain: None.

*Motion unanimously carried.*

**NON-ACTION ITEMS .....(ITEMS 7 - 10)**

7. STUDENT INTRODUCTIONS / UPDATES ..... STUDENT BOARD REPRESENTATIVES  
Students gave updates on events and activities at their schools.

8. BOARD REPORTS AND UPDATES ..... BOARD OF TRUSTEES  
All five board members attended the Facilities Board Workshop held prior to the meeting.

Mr. Salazar attended the College Night & Fair held at the Del Mar Fairgrounds.

Ms. Dalessandro attended the Canyon Crest Academy (CCA) play "The Drowsy Chaperone", spent four days scoring applications for high school scholarships, attended the dinner reception and College Night & Fair, and the coffee with the Superintendent at Torrey Pines HS (TPHS).

Ms. Herman attended the CCA play, "The Drowsy Chaperone", the TedX event at CCA, the Diegueno MS coffee with the superintendent / PTSA meeting, and the College Night & Fair and reception.

Ms. Muir worked at the La Costa HS Foundation dinner fundraiser, shared information on the TedX youth summit with the City of Encinitas, and the College Night & Fair.

Ms. Hergesheimer attended the ACSA Honoring Our Own Awards dinner, the TPHS coffee with superintendent, and the San Diego County CSBA Delegate Assembly meeting,

9. SUPERINTENDENT'S REPORTS, BRIEFINGS, LEGISLATIVE UPDATES.....RICK SCHMITT, SUPERINTENDENT  
Superintendent Schmitt gave an update on the certificated teacher interviews currently in progress in the areas of math, special education and science, being the most difficult positions to fill. Other positions will be hired as needed on a site by site basis. Mr. Schmitt was pleased to announce that in spite of the teacher shortage and high cost of living here, we had the largest amount of applications submitted since 2012. Mr. Schmitt also gave an update on his parent meetings with hundreds of elementary, middle and high school parents where he shared the district's priorities, encouraged questions and comments, and helped parents stay connected and informed. Topics included elementary/SDUHSD collaboration, historic achievement gains tied to CCSS and alignment to ACT, SAT, and AP, Prop AA, flexible schedules, 100% open enrollment at MS and HS, new programs and electives, budget stability, safe routes to schools, and balanced parenting.



**ITEM 6**

- 10. SCHOOL UPDATES .....JEFFERY COPELAND, PRINCIPAL  
Principal Copeland gave an update on events and highlights at Diegueno Middle School (DNO) including preparing for the end of the school year. They are reflecting on the good things that they have accomplished including restructuring their child find process, and working with OCMS to find other alternatives for student support. They are in the process of creating other programs including a STEM exploration class currently being piloted by Pacific Trails MS, and how to increase in elective choice options. A student wellness committee was created to support students, staff and parents in four areas including social, emotional, physical & intellectual wellness and hope to create and coordinate more events. They are hosting their first family night spring festival next week and recently hosted their first arts week. A before/after school tutoring program will be offered next year. Mr. Copeland thanked the board for their support.

**CONSENT ITEMS.....(ITEMS 11 - 15)**

It was moved by Mr. Salazar, seconded by Ms. Herman, that Consent Agenda Items #11-15 be approved, as presented. ADVISORY VOTE Ayes: Eppel, McMullen, Shields; Noes: None; Abstain: None. BOARD Ayes: Dalessandro, Hergesheimer, Herman, Salazar, Muir; Noes: None; Abstain: None.

*Motion unanimously carried.*

**11. SUPERINTENDENT**

A. GIFTS AND DONATIONS

Accept the gifts and donations, as presented.

B. FIELD TRIP REQUESTS

Accept the field trips, as presented.

**12. HUMAN RESOURCES**

A. PERSONNEL REPORTS

Approve matters pertaining to employment of personnel, salaries, leaves of absence, resignations, changes in assignments, extra duty assignments, and consultant services:

- 1. Certificated and/or Classified Personnel Reports, as presented.

B. APPROVAL/RATIFICATION OF AGREEMENTS

(None Submitted)

**13. EDUCATIONAL SERVICES**

A. APPROVAL/RATIFICATION OF AGREEMENTS

(None Submitted)

B. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS

(None Submitted)

**14. ADMINISTRATIVE SERVICES**

A. APPROVAL/RATIFICATION OF AGREEMENTS

(None Submitted)

B. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS

Approve/ratify amending the following agreements and authorize Eric R. Dill or Rick Schmitt to execute the agreements:

- 1. The Hanover Research Council, LLC, amending the contract for assisting with, and evaluating the success of, the Local Control Accountability Plan, the Site Single Plans for Student Achievement and the overall educational program to expand the research capacity as well as

**ITEM 6**

increase the contract period end date to June 30, 2016, in the increased amount of \$11,700.00, to be expended from the General Fund/Restricted 01-00 Title 1 Funds.

2. Harbottle Law Group, amending the contract for Section 504 forms and related documents to pay for additional work required to complete the services, in the amount of \$1,520.00, to be expended from the General Fund/Unrestricted 01-00.

**SPECIAL EDUCATION****C. APPROVAL/RATIFICATION OF NON-PUBLIC SCHOOL / NON-PUBLIC AGENCY CONTRACTS, INDEPENDENT CONTRACTOR AGREEMENTS, AND/OR MEMORANDUMS OF UNDERSTANDING**

Approve entering into the following non-public school / non-public agency master contracts (NPS/NPAs), independent contractor agreements (ICAs), and or memorandums of understanding (MOUs), and authorize Eric R. Dill or Rick Schmitt to execute all pertinent documents:

1. San Dieguito Union High School District (MOU), to provide special education instruction/services for a Rancho Santa Fe School District student, during the period July 1, 2015 through June 30, 2016, to be reimbursed in the amount of \$37,109.40.
2. San Dieguito Union High School District (MOU) – Coastal Learning Academy, to provide special education instruction/services to Carlsbad Unified School District during the period August 25, 2015 through June 10, 2016, to be reimbursed \$20,007.00 per student per school year.
3. Stein Education Center (NPS), to provide an alternative education model for non-diploma bound students with moderate to severe autism and/or intellectual disabilities, during the period March 15, 2016 through June 30, 2016, at the all-inclusive daily rate of \$220.59, to be expended from the General Fund/Restricted 01-00.
4. Mingus Mountain (NPS/RTC), to provide twenty-four hour residential treatment for diploma bound students with severe social, emotional, and mental health issues, during the period March 4, 2016 through June 30, 2016, at the rates of \$3,042.73 for room & board, \$125.00 per day for non-public school (NPS), and \$3,651.27 per month for mental health, to be expended from the General Fund/Restricted 01-00.

**D. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS**

(None Submitted)

**E. APPROVAL/RATIFICATION OF PARENT SETTLEMENT AND RELEASE AGREEMENTS**

Approve/ratify the following Parent Settlement and Release Agreements, to be funded by the General Fund 01-00/Special Education, and authorize the Director of Special Education to execute the agreements:

1. Student Case No. 2016-011PS, for special education related services, in the amount of \$24,825.00.
2. Student Case No. 2016-012PS, for special education related services, in the amount of \$5,000.00.
3. Student Case No. 2016-013PS, for special education related services, in the amount of \$18,000.00.

**F. ADOPTION OF RESOLUTION / COOPERATIVE CONTRACT**

Adopt the attached resolution authorizing the San Dieguito Union High School District to enter into a Cooperative Contract with the California Department of Rehabilitation (DOR) Transition Partnership Project (TPP) to provide vocational rehabilitation services to prepare students with disabilities coming from La Costa Canyon HS, San Dieguito HS Academy, Torrey Pines HS, Canyon Crest Academy, Sunset HS, and the district's community based Adult Transition Program (ATP) classrooms for adults 18 – 22 years of age, in order that they may obtain and retain competitive employment, during the period July 1, 2016 through June 30, 2019, in the estimated annual amount of \$524,258.00, with up to \$196,416.00 being paid directly by DOR and up to \$196,416.00 being paid directly to the District for reimbursement of District expenses

and the District paying \$131,426.00 from the General Fund/Restricted 01-00, and authorize the Associate Superintendent of Business Services to sign all documents related to the contract.

**PUPIL SERVICES**

G. APPROVAL/RATIFICATION OF AGREEMENTS

(None Submitted)

H. APPROVAL/RATIFICATION OF AMENDMENTS TO AGREEMENTS

(None Submitted)

**15. BUSINESS / PROPOSITION AA**

**BUSINESS**

A. APPROVAL/RATIFICATION OF AGREEMENTS

Approve/ratify entering into the following agreements and authorize Eric R. Dill or Rick Schmitt to execute the agreements:

1. AT&T, Inc., to provide reduced prices on CALNET III categories 2-7 telecommunications products and services through the California Integrated Telecommunications Network (CALNET) III competitively bid contract administered by the State of California Department of General Services (DGS) Telecommunications Division, during the period July 1, 2016 through June 30, 2018 with options to renew two additional one year periods, at the rates listed in the rate tables of the contract, to be expended from the fund to which the project is charged.
2. Pro Sounds Unlimited, to provide a 3-way sound system rental for San Dieguito High School Academy graduation, on June 10, 2016, in the amount of \$2,950.00, to be expended from the General Fund/Unrestricted 01-00.
3. Statewide Seating and Grandstands, Inc., to provide bleacher seating rental service for the San Dieguito High School Academy graduation, on June 10, 2016, in the amount of \$5,825.00, to be expended from the General Fund/Unrestricted 01-00.
4. San Diego Project Heart Beat, to provide a grant assistance program to reduce San Dieguito Union High School District costs of Automated External Defibrillators (AEDs) by as much as 25%, during the period April 22, 2016, until funds are depleted.
5. Trebron Company, Inc., to provide Lightspeed Web Filter, during the period April 22, 2016 through April 21, 2019, in the annual amount of \$22,500.00, to be expended from the General Fund/Unrestricted 01-00.
6. Hawthorne Cat, to provide a generator rental for the San Dieguito High School Academy graduation, on June 10, 2016, in an amount not to exceed \$569.73, to be expended from the General Fund/Unrestricted 01-00.

B. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS

Approve/ratify amending the following agreements and authorize Eric R. Dill or Rick Schmitt to execute the agreements:

1. Digital Schools of California, LLC, amending the contract for services-based detailed application software for human resources, budgeting, and payroll management to update the general ledger account codes and payroll extract data to be compatible with PeopleSoft, during the period March 14, 2016 through completion, in an amount not to exceed \$13,500.00, to be expended from the General Fund/Unrestricted 01-00.
2. Mission Linen Supply dba Mission Linen and Uniform Service, increasing the not to exceed amount of the contract to provide shop towels and laundry service for the San Dieguito Union High School District ROP Department and Torrey Pines High School auto shop class to \$1,600.00 per year, to be split between the General Fund/Restricted 01-00 (ROP) and General Fund/Unrestricted 01-00.

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3. D.O.S. Pizza, Inc. & So Cal Dominoids, Inc. dba Domino's Pizza, extending the contract period from August 22, 2015 through August 21, 2016, with no other changes to the contract, to be expended from the Cafeteria Fund 13-00.

**C. AWARD/RATIFICATION OF CONTRACTS**

Award/ratify the following contracts and authorize Eric R. Dill or Rick Schmitt to execute all pertinent documents:

1. AT&T, Inc., for the Metro Ethernet products and services contract B2016-07, during the period July 1, 2016 through June 30, 2019 with the option to renew two additional one year periods, at the prices shown in the attachment (currently the district uses the 2 GB Circuit but may opt to upgrade to a 10 GB Circuit in the future), to be expended from the General Fund/Unrestricted 01-00.

**D. APPROVAL OF CHANGE ORDERS**

(None Submitted)

**E. ACCEPTANCE OF CONSTRUCTION PROJECTS**

(None Submitted)

**F. APPROVAL OF BUSINESS REPORTS**

Approve the following business reports:

1. Purchase Orders
2. Membership Listing
3. Warrants
4. Revolving Cash Fund

**PROPOSITION AA**

**G. APPROVAL/RATIFICATION OF AGREEMENTS**

Approve/ratify entering into the following agreements and authorize Eric R. Dill or Rick Schmitt to execute the agreements:

1. Trace 3, Inc., to purchase equipment to upgrade the data, wireless and telecom systems at Torrey Pines High School, in an amount not to exceed \$267,877.26, plus applicable taxes and shipping charges, to be expended from Building Fund Prop 39 – Fund 21-39.
2. Trace 3, Inc., to purchase equipment to upgrade the data, wireless and telecom systems at San Dieguito High School Academy, in an amount not to exceed \$431,818.89, plus applicable taxes and shipping charges, to be expended from Building Fund Prop 39 – Fund 21-39.
3. Consulting & Inspection Services, LLC, to provide project inspection services for close-out of uncertified projects district-wide, during the period April 22, 2016 through completion, in an amount not to exceed \$1,880.00, to be expended from Capital Facilities Fund 25-19.
4. Davis Demographics & Planning, Inc., to provide demographic analysis and enrollment forecasting, district-wide, during the period April 22, 2016 through completion, in an amount not to exceed \$9,500.00, to be expended from Capital Facilities Fund 25-19.
5. 3-Degrees Group, Inc., for the purchase of 4<sup>th</sup> quarter 2015 renewable energy certificates from the District at a unit price of \$2.50 per renewable energy certificate, for a total purchase price of \$1,080.00, at no cost impact to the District.
6. 3-Degrees Group, Inc., for the purchase of 1<sup>st</sup> and 2<sup>nd</sup> quarter 2016 renewable energy certificates from the District at a unit price of \$2.75 per renewable energy certificate, in an estimated total purchase price of \$3,850.00, at no cost impact to the District.
7. ChargePoint, Inc., for the purchase of two electric vehicle charging stations plus network service and maintenance plans at Earl Warren Middle School's Shared Use Library, in an amount not to exceed \$22,210.75 plus applicable taxes and shipping charges, to be expended from Capital Facilities Fund 25-19.

**ITEM 6**

**H. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS**

Approve/ratify amending the following agreements and authorize Eric R. Dill or Rick Schmitt to execute the agreements:

1. Lionakis, to amend contract CA2014-17, for additional architectural/engineering services at Earl Warren Middle School Replacement Campus, increasing the amount by \$67,680.00 for a new total of \$2,094,330.00, to be expended from Building Fund Prop 39—Fund 21-39.
2. SVA Architects, to amend contract A2013-166 for additional architectural/engineering services at San Dieguito High School Academy, increasing the amount by \$9,200.00 for a new total of \$799,100.00, to be expended from Building Fund Prop 39—Fund 21-39.
3. Latitude 33 Planning & Engineering, to amend contract A2013-150, for continued consulting services and construction administration at Oak Crest Middle School, increasing the amount by \$5,000.00 for a new total of \$42,300.00, to be expended from Building Fund Prop 39—Fund 21-39.

**I. AWARD/RATIFICATION OF CONTRACTS**

(None Submitted)

**J. APPROVAL OF CHANGE ORDERS**

Approve Change Order No. 1 to the following project, and authorize Eric R. Dill or Rick Schmitt to execute the change orders:

1. Pacific Trails Middle School, CA2014-41, contract entered into with Balfour Beatty Construction, LLC, decreasing the amount by \$1,463,878.00 for a new total of \$31,062,085.00, and extending the contract through April 21, 2016.

**K. ACCEPTANCE OF CONSTRUCTION PROJECTS**

Accept the following construction projects as complete, pending the completion of a punch list, and authorize the administration to file a Notice of Completion with the County Recorders' Office:

1. Pacific Trails Middle School, CA2014-41, contract entered into with Balfour Beatty Construction, LLC.

**DISCUSSION / ACTION ITEMS ..... (ITEMS 16 - 22)**

**16. ADOPTION OF RESOLUTION DECLARING MAY 2-6, 2016, "TEACHER APPRECIATION WEEK", AND MAY 3, 2016, "DAY OF THE TEACHER"**

Motion by Sophie McMullen, seconded by Madeline Eppel, to adopt the Resolution declaring May 2-6, 2016, as "Teacher Appreciation Week", and May 3, 2016, as "Day of the Teacher", as presented. ADVISORY VOTE Ayes: Eppel, McMullen, Shields; Noes: None; Abstain: None. BOARD Ayes: Dalessandro, Hergesheimer, Herman, Muir, Salazar; Noes: None; Abstain: None.

*Motion unanimously carried.*

**17. ADOPTION OF RESOLUTION DECLARING MAY 15-21, 2016, "CLASSIFIED SCHOOL EMPLOYEES WEEK"**

Motion by Ms. Dalessandro, seconded by Sophie McMullen, to adopt the resolution declaring May 15-21, 2016, as "Classified School Employees Week", as presented. ADVISORY VOTE Ayes: Eppel, McMullen, Shields; Noes: None; Abstain: None. BOARD Ayes: Dalessandro, Hergesheimer, Herman, Muir, Salazar; Noes: None; Abstain: None.

*Motion unanimously carried.*

**18. PROPOSED NEW / REVISED / DELETED BOARD POLICY (2) / ADMINISTRATIVE SERVICES / EDUCATIONAL SERVICES**

Motion by Ms. Herman, seconded by Mr. Salazar, to approve the new/revised/deleted Board Policies, as presented and as follows:

- A. BP #5117, INTERDISTRICT ATTENDANCE (NEW)
- B. BP #5118, ATTENDANCE OF NON-RESIDENTS / INTERDISTRICT ATTENDANCE (DELETED)



ITEM 6

ADVISORY VOTE Ayes: Eppel, McMullen, Shields; Noes: None; Abstain: None. BOARD Ayes: Dalessandro, Hergesheimer, Herman, Salazar, Muir; Noes: None; Abstain: None.

*Motion unanimously carried.*

19. APPROVAL OF EDUCATOR EFFECTIVENESS EXPENSE/SPENDING PLAN

Motion by Ms. Dalessandro, seconded by Ms. Herman, to approve the Educator Effectiveness Expense/Spending Plan, for expenditures between July 1, 2015 and June 30, 2018, as presented. ADVISORY VOTE Ayes: Eppel, McMullen, Shields; Noes: None; Abstain: None. BOARD Ayes: Dalessandro, Hergesheimer, Herman; Noes: Muir, Salazar; Abstain: None.

*Motion unanimously carried.*

20. ADOPTION OF 2015-16 DISTRICT BUDGET / SPRING REVISION

Motion by Ms. Dalessandro, seconded by Ms. Herman, to adopt the 2015-16 District Budget / Spring Revision, as presented. ADVISORY VOTE Ayes: Eppel, McMullen, Shields; Noes: None; Abstain: None. BOARD Ayes: Dalessandro, Hergesheimer, Herman; Noes: Muir, Salazar; Abstain: None.

*Motion unanimously carried.*

21. ADOPTION OF RESOLUTION / STATUTORY SCHOOL FEES (WITH URGENCY)

A. PUBLIC HEARING – President Hergesheimer opened the public hearing at 7:17 pm. There being no public comments, the hearing was closed at 7:18 pm.

B. ADOPTION OF RESOLUTION WITH URGENCY

Motion by Ms. Herman, seconded by Mr. Salazar, to adopt the resolution levying fees on development projects, with urgency (30-day maximum), as presented. ADVISORY VOTE Ayes: Eppel, McMullen, Shields; Noes: None; Abstain: None. BOARD Ayes: Dalessandro, Hergesheimer, Herman, Muir, Salazar; Noes: None; Abstain: None.

*Motion unanimously carried.*

22. ADOPTION OF RESOLUTION / ELIMINATION OF TWO CLASSIFIED POSITIONS FOR FISCAL YEAR 2016-2017

Motion by Mr. Salazar, seconded by Ms. Herman, to adopt the resolution initiating layoff of two classified employees/positions for fiscal year 2016-2017, as presented. ADVISORY VOTE Ayes: Eppel, McMullen, Shields; Noes: None; Abstain: None. BOARD Ayes: Dalessandro, Hergesheimer, Herman; Noes: Muir, Salazar; Abstain: None.

*Motion unanimously carried.*

**INFORMATION ITEMS.....(ITEMS 23 - 34)**

23. UNIFORM COMPLAINT QUARTERLY REPORT, 3<sup>RD</sup> QUARTER, 2015-16

This item was submitted as information only.

24. PROPOSED REVISED ADMINISTRATIVE REGULATION / BUSINESS SERVICES

A. #3460/AR-2, TAX EXEMPT BOND ISSUE / POST ISSUANCE TAX COMPLIANCE POLICY AND PROCEDURES

This item was submitted as information only.

25. TERM LIMITS FOR SCHOOL BOARD MEMBERS

The board held a discussion about the pros and cons of having term limits for board members.

26. BUSINESS SERVICES UPDATE ..... ERIC DILL, ASSOCIATE SUPERINTENDENT

Mr. Dill reported on the Independent Citizens Oversight Committee meeting held last night at which they approved their 2015 Annual Report to be presented to the board at a future board meeting.

27. EDUCATIONAL SERVICES UPDATE .....MIKE GROVE, ED.D., ASSOCIATE SUPERINTENDENT

Dr. Grove had nothing to report.



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- 28. HUMAN RESOURCES UPDATE .....TORRIE NORTON, ASSOCIATE SUPERINTENDENT  
Ms. Norton was absent.
- 29. ADMINISTRATIVE SERVICES UPDATE ..... JASON VILORIA, ED.D., ASSOCIATE SUPERINTENDENT  
Dr. Viloría had nothing to report.
- 30. PUBLIC COMMENTS: - None presented.
- 31. FUTURE AGENDA ITEMS:  
Ms. Muir requested an update on the International Baccalaureate Program. Dr. Grove will include an update as a part of his Educational Services Update at the next meeting.
- 32. ADJOURNMENT TO CLOSED SESSION – No closed session was necessary.
- 33. REPORT FROM CLOSED SESSION – Nothing further to report.
- 34. ADJOURNMENT OF MEETING – The meeting adjourned at 7:40 PM.

\_\_\_\_\_  
Amy Herman, Board Clerk

\_\_\_\_\_  
Date

\_\_\_\_\_  
Rick Schmitt, Superintendent

\_\_\_\_\_  
Date

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** May 5, 2016

**BOARD MEETING DATE:** May 12, 2016

**PREPARED AND  
SUBMITTED BY:** Rick Schmitt, Superintendent

**SUBJECT:** ACCEPTANCE OF GIFTS AND DONATIONS

.....

### EXECUTIVE SUMMARY

The district administration is requesting acceptance of gifts and donations to the district, as shown on the following report.

### RECOMMENDATION:

It is recommended that the Board accept the gifts and donations to the district, as shown on the attached report.

### FUNDING SOURCE:

Not applicable

**GIFTS AND DONATIONS  
SDUHSD BOARD MEETING**

ITEM 11A

May 12, 2016

Item #	Donation	Description	Donor	Department	School Site
1	\$500.00	Supplemental Support Costs	San Dieguito Academy Foundation	Arts	SDHSA
2	\$57.50	Supplemental Support Costs	Wells Fargo	Administration	OCMS
3	\$1,000.00	Learning Common Books	Carmel Valley Middle School PTSA	Administration	CVMS
4	\$297.26	School Supplies	Diegueño Middle School PTSA	Administration	DNO
5	\$20.00	Science Support Costs	Patrick and Maria Linson	Science Lab	DNO
6	\$7,753.62	Supplemental Support Costs	San Dieguito Academy Foundation	Administration	SDHSA
7	\$5,000.00	Supplemental Support Costs	San Dieguito Academy Foundation	Administration	SDHSA
8	\$844.50	Supplemental Support Costs	La Costa Canyon High School Foundation	Administration	LCCHS
9	\$1,166.29	Supplemental Support Costs	La Costa Canyon High School Foundation	Administration	LCCHS
10	\$1,467.52	Supplemental Support Costs	La Costa Canyon High School Foundation	Administration	LCCHS
11	\$767.88	Supplemental Support Costs	San Dieguito Academy Music Boosters	Administration	SDHSA
12	\$35.76	Supplemental Support Costs	San Dieguito Academy Foundation	Administration	SDHSA
13	\$1,652.95	Supplemental Support Costs	San Dieguito Academy Music Boosters	Administration	SDHSA
14	\$1,513.61	Supplemental Support Costs	San Dieguito Academy Foundation	Administration	SDHSA
15	\$569.82	Supplemental Support Costs	San Dieguito Academy Foundation	Administration	SDHSA
16	\$3,768.84	Supplemental Support Costs	Canyon Crest Academy Foundation	Administration	CCHSA
17	\$12,812.20	Supplemental Support Costs	Canyon Crest Academy Foundation	Administration	CCHSA
18	\$16,092.44	Supplemental Support Costs	Canyon Crest Academy Foundation	Administration	CCHSA
19	\$11,997.50	Supplemental Support Costs	Canyon Crest Academy Foundation	Administration	CCHSA
20	\$5,187.22	Supplemental Support Costs	La Costa Canyon High School Foundation	Administration	LCCHS
21	\$7,797.87	Supplemental Support Costs	Canyon Crest Academy Foundation	Administration	CCHSA
22	\$1,094.80	Music Support Costs	Diegueño Middle School Band Boosters	Administration	DNO
23	\$639.13	Supplemental Support Costs	La Costa Canyon High School Foundation	Administration	LCCHS
24	\$100.00	Supplemental Support Costs	San Dieguito Academy Foundation	Arts	SDHSA
25					
26					

**GIFTS AND DONATIONS  
SDUHSD BOARD MEETING  
May 12, 2016**

ITEM 11A

27					
28					
29					
30					
		<b>*Donated Items:</b>			
	\$7,000.00	Miraphone Tuba with Case	Emily Kuo	Music	SDHSA
	<b>\$82,136.71</b>	<b>Monetary Donations</b>			
	<b>\$7,000.00</b>	<b>*Value of Donated Items</b>			
	<b>\$89,136.71</b>	<b>TOTAL VALUE</b>			

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** April 22, 2016

**BOARD MEETING DATE:** May 12, 2016

**PREPARED BY:** Michael Grove, Ed.D.  
Associate Superintendent of  
Educational Services

**SUBMITTED BY:** Rick Schmitt, Superintendent

**SUBJECT:** **Approval / Ratification of Field Trip  
Requests**

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### EXECUTIVE SUMMARY

The district administration is requesting approval / ratification of out-of-state, overnight, and / or out-of-county field trips, as shown on the attached reports.

### RECOMMENDATION:

It is recommended that the Board approve / ratify the field trips, as shown on the attached supplement.

### FUNDING SOURCE:

As listed on the attached supplement.

**FIELD TRIP REQUESTS**  
**SDUHSD BOARD MEETING**  
**May 12, 2016**

**ITEM 11B**

Item #	Date	Sponsor, Last Name	First Name	School Team/Club	Total # Students	Total # Chaperones	Event Description / Name of Conference	City	State	Loss of Class Time	Funding
1	09-09-16 - 09-10-16	Barksdale	Keith	TPHS Varsity Girls Tennis	12	2	Tennis Tournament	Stanford	CA	1 Day	TPHS Foundation / Parent Donations
2	05-13-16 - 05-15-16	Elliott	Deborah	LCC Intro. To Engineering Design	3	2	Chevron Design Challenge State Finals	Folsom	CA	1 Day	LCC Foundation / Parent Donations



# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** May 3, 2016

**BOARD MEETING DATE:** May 12, 2016

**PREPARED BY:** Torrie Norton  
Associate Superintendent/Human Resources

**SUBMITTED BY:** Rick Schmitt  
Superintendent

**SUBJECT:** APPROVAL OF CERTIFICATED and  
CLASSIFIED PERSONNEL

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### EXECUTIVE SUMMARY

Please find the following Personnel actions attached for Board approval:

#### Certificated

Employment  
Leave of Absence  
Resignation

#### Classified

Employment  
Change in Assignment  
Resignation

#### RECOMMENDATION:

It is recommended that the Board approve the attached Personnel actions.

#### FUNDING SOURCE:

General Fund

## PERSONNEL LIST

### CERTIFICATED PERSONNEL

#### Employment

1. **Antonio Ballesteros**, 100% Temporary Teacher (math) at La Costa Canyon High School for the 2016-17 school year, effective 8/23/16 through 6/16/17.
2. **Mercer B. Barrows III**, 100% Temporary Teacher (physics) at Canyon Crest Academy for the 2016-17 school year, effective 8/23/16 through 6/16/17.
3. **Brandon Bejarano**, 100% Temporary Teacher (special education – mild/moderate) at San Dieguito High School Academy for the 2016-17 school year, effective 8/23/16 through 6/16/17.
4. **Amanda Bell**, 100% Temporary Teacher (physical education) at Pacific Trails Middle School for the 2016-17 school year, effective 8/23/16 through 6/16/17.
5. **Chalise Farr**, 80% Temporary Teacher (English) at La Costa Canyon High School for the 2016-17 school year, effective 8/23/16 through 6/16/17.
6. **Kimberly Fisher**, 100% Temporary Teacher (math) at Canyon Crest Academy for the 2016-17 school year, effective 8/23/16 through 6/16/17.
7. **Mandy Gross**, 100% Temporary Teacher (math) at Earl Warren Middle School for the 2016-17 school year, effective 8/23/16 through 6/16/17.
8. **Kaitlin Hildebrand**, 100% Temporary Teacher (math) at Torrey Pines High School for the 2016-17 school year, effective 8/23/16 through 6/16/17.
9. **George “Stan” Irish**, 100% Temporary Teacher (math) at San Dieguito High School Academy for the 2016-17 school year, effective 8/23/16 through 6/16/17.
10. **Dustin Jenkins**, 100% Temporary Teacher (math) at Pacific Trails Middle School for the 2016-17 school year, effective 8/23/16 through 6/16/17.
11. **Kendrick Kuo**, 100% Temporary Teacher (math) at Pacific Trails Middle School for the 2016-17 school year, effective 8/23/16 through 6/16/17.
12. **Amy Masuda**, 80% Temporary Teacher (English & history) at Pacific Trails Middle School for the 2016-17 school year, effective 8/23/16 through 6/16/17.
13. **Austin Olson**, 80% Temporary Teacher (physical education) at Pacific Trails Middle School for the 2016-17 school year, effective 8/23/16 through 6/16/17.
14. **Robert Parrington**, 60% Temporary Teacher (physical education) at Earl Warren Middle School for the 2016-17 school year, effective 8/23/16 through 6/16/17.
15. **Ramon Rubio**, 100% Temporary Teacher (special education – mild/moderate), site yet to be determined, for the 2016-17 school year, effective 8/23/16 through 6/16/17.
16. **Rebecca Shultis**, 100% Temporary Teacher (math) at Canyon Crest Academy for the 2016-17 school year, effective 8/23/16 through 6/16/17.
17. **Laura Spaulding**, 100% Temporary Teacher (special education – mild/moderate) at Carmel Valley Middle School, effective 8/23/16 through 6/16/17.

## ITEM 12A

18. **Emily Steward**, 40% Temporary Teacher (biology/geoscience) at La Costa Canyon High School for the 2016-17 school year, effective 8/23/16 through 6/16/17.
19. **Todd Vollstedt**, 100% Temporary Teacher (math) at San Dieguito High School Academy for the 2016-17 school year, effective 8/23/16 through 6/16/17.
20. **Erica Zug**, 100% Temporary Teacher (biological science/chemistry), at San Dieguito High School Academy, for the 2016-17 school year, effective 8/23/16 through 6/16/17.

**Change in Assignment**

1. **Ryan Mikkonen**, Temporary Teacher (PE) at Canyon Crest Academy, change in assignment from 67% to 100% for the 2016-17 school year, effective 8/23/16 through 6/16/17.

**Leave of Absence**

1. **Michelle Anderson**, Teacher (math) at La Costa Canyon High School, requests a 40% Unpaid Leave of Absence (60% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
2. **Tamara Austin**, Teacher (English) at Earl Warren Middle School, requests a 40% Unpaid Leave of Absence (60% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
3. **Tabitha Barry**, Teacher (social science) at Diegueno Middle School, requests a 40% Unpaid Leave of Absence (60% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
4. **Lillian Marie Black**, Teacher, (English) at Torrey Pines High School, requests a 60% Unpaid Leave of Absence (40% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
5. **Kelly Borders**, Teacher (Special Ed – mild/moderate) at Diegueno Middle School, requests a 60% Unpaid Leave of Absence (40% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
6. **Whitney Botron**, 80% Tenured Teacher (Spanish) at Earl Warren Middle School, requests a 20% Unpaid Leave of Absence (60% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
7. **Abigail Brown-McLellan**, Teacher (math) at Torrey Pines High School, requests a 20% Unpaid Leave of Absence (80% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
8. **Lisa Caston**, Teacher (English) at Canyon Crest Academy, requests a 33% Unpaid Leave of Absence (67% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
9. **Ann Cerny**, Teacher (social science) at Earl Warren Middle School, requests a 20% Unpaid Leave of Absence (80% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.

## ITEM 12A

10. **Bryn Faris**, Teacher (Spanish) at San Dieguito High School Academy, requests a 33% Unpaid Leave of Absence (67% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
11. **Lucia Franke**, Teacher (social science) at La Costa Canyon High School, requests a 40% Unpaid Leave of Absence (60% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
12. **Tiffany Gilson**, Teacher (biology) at Torrey Pines High School, requests a 40% Unpaid Leave of Absence (60% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
13. **Maya Goss**, Teacher (P.E.) transferred from Pacific Trails MS to Oak Crest Middle School, requests a 20% Unpaid Leave of Absence (80% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
14. **Nicole Green**, Teacher (math) at Torrey Pines High School, requests a 40% Unpaid Leave of Absence (60% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
15. **Ariel Haas**, Teacher (biology) at Canyon Crest Academy, requests a 33% Unpaid Leave (67% assignment) for SEMESTER I ONLY, effective 8/23/16 through 1/27/17; He will resume teaching 100% Semester II, effective 1/30/17 through 6/16/17.
16. **Kerry Koda**, Teacher (social science) at San Dieguito High School Academy, requests a 33% Unpaid Leave of Absence (67% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
17. **Joy Kuemmerle**, Teacher (P.E./Adaptive P.E.) at Torrey Pines High School, requests a 40% Unpaid Leave of Absence (60% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
18. **Lauren Monahan**, Teacher (English) at La Costa Canyon High School, requests a 40% Unpaid Leave of Absence (60% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
19. **Sarah Morawa**, Teacher (art) at Torrey Pines High School, requests a 60% Unpaid Leave of Absence (40% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
20. **Sylwia Nelson**, Teacher (English) at Carmel Valley Middle School, requests a 40% Unpaid Leave of Absence (60% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
21. **ThienAn Nguyen**, Teacher (math) at Canyon Crest Academy, requests a 33% Unpaid Leave of Absence (67% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
22. **Jenny Oehler**, Teacher (social science) at Earl Warren Middle School, requests a 40% Unpaid Leave of Absence (60% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
23. **Lindsey Olson**, Teacher (biology) at Torrey Pines High School, requests a 40% Unpaid Leave of Absence (60% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.

## ITEM 12A

24. **Mary Ann Rall**, Teacher (biology), at Torrey Pines High School, requests a 20% Unpaid Leave of Absence (80% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
25. **Catherine Ramos**, Teacher (biology) at San Dieguito High School Academy, requests a 33% Unpaid Leave of Absence (67% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
26. **Heidi Robson**, Teacher (math), currently on 100% Unpaid Leave of Absence for the 2015-16 school year, will return to Earl Warren Middle School and requests a 40% Unpaid Leave of Absence (60% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
27. **Erin Simpson**, Teacher (physics) at Torrey Pines High School, requests a 40% Unpaid Leave of Absence (60% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
28. **Kimberly Stangl**, Teacher (math) at Carmel Valley Middle School, requests a 40% Unpaid Leave of Absence (60% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
29. **Sato Umabe**, Teacher (Japanese) at Torrey Pines High School, requests a 20% Unpaid Leave of Absence (80% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
30. **Julianna Yaeger**, Teacher (music) currently at Earl Warren Middle School and Oak Crest Middle School, requests a 20% Unpaid Leave of Absence (80% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.
31. **Kellee Ybarra**, Teacher (math) at Carmel Valley Middle School, requests a 40% Unpaid Leave of Absence (60% assignment) for the 2016-17 school year, effective 8/23/16 through 6/16/17.

**Resignation**

1. **Dexter Harvey**, Teacher (social science) at Torrey Pines High School, resignation for retirement purposes, effective 6/10/16.

dr  
5/12/16  
bdagenda

ITEM 12A

**PERSONNEL LIST**

**CLASSIFIED PERSONNEL**

**Employment**

1. **Robles, Fernando**, Theater Technician, SR41, 100.00% FTE, La Costa Canyon High School, effective 04/18/16.

**Change in Assignment**

1. **Snedeker II, Steve**, from Maintenance Worker II, SR40, 100.00% FTE, Facilities, to Skilled Maintenance Worker, SR49, 100.00% FTE, effective 04/26/16.

**Resignation**

1. **Bucher, Patricia**, Instructional Assistant-SpEd(SH), SR36, 75.00% FTE, Oak Crest Middle School, resignation for the purpose of retirement, effective 05/31/16.
2. **Tipton, Richard**, Nutrition Services Assistant I, SR25, 49.38% FTE, San Dieguito High School Academy, effective 04/22/16.
3. **Veraldi, Kathleen**, Secretary, SR36, 100.00% FTE, La Costa Canyon High School, resignation for the purpose of retirement, effective 06/15/16.

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** May 3, 2016

**BOARD MEETING DATE:** May 12, 2016

**PREPARED BY:** Michael Grove, Ed.D., Associate Superintendent of Educational Services

**SUBMITTED BY:** Rick Schmitt  
Superintendent

**SUBJECT:** APPROVAL / RATIFICATION OF  
PROFESSIONAL SERVICES CONTRACTS/  
EDUCATIONAL SERVICES

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### EXECUTIVE SUMMARY

The attached Professional Services Report/Educational Services summarizes three contracts.

#### RECOMMENDATION:

The administration recommends that the Board approve and/or ratify the contracts, as shown in the attached Professional Services Report.

#### FUNDING SOURCE:

As noted on attached list



## ITEM 13A

## SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

EDUCATIONAL SERVICES - PROFESSIONAL SERVICES REPORTBoard Meeting Date: 05-12-16

<u>Contract Effective Dates</u>	<u>Consultant/ Vendor</u>	<u>Description of Services</u>	<u>School/ Department Budget</u>	<u>Fee Not to Exceed</u>
07/01/16 until services completed for 2016-17 school year	Keane Studios, LLC	Provide photography services	NA	NA
04/19/16	Premier Food Services, Inc.	Provide catering services for the San Dieguito Union High School District College Fair and Night	General Fund /Unrestricted 01-00 and Torrey Pines High School fundraising events	\$10,836.16
05/16/16	Real Inspiration, Inc.	Keith Hawkins to speak at two student assemblies at Oak Crest Middle School	General Fund /Unrestricted 01-00	\$2,000.00

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** May 3, 2016

**BOARD MEETING DATE:** May 12, 2016

**PREPARED BY:** Chuck Adams, Director of Special Education  
Jason Vilorio, Ed.D., Associate Superintendent,  
Administrative Services

**SUBMITTED BY:** Rick Schmitt  
Superintendent

**SUBJECT:** APPROVAL / RATIFICATION OF AGREEMENTS

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### EXECUTIVE SUMMARY

The attached Special Education Agreements Report summarizes four contracts.

### RECOMMENDATION:

The administration recommends that the Board approve and/or ratify the contracts as shown on the attached Special Education Agreements report.

### FUNDING SOURCE:

As noted on the attached report.

## SAN DIEGUITO UNION HIGH SCHOOL DISTRICT BOARD MEETING

ITEM 14C

SPECIAL EDUCATION AGREEMENTSBoard Meeting Date: 05-12-16

<u>Contract Effective Dates</u>	<u>Contract/Vendor</u>	<u>Description of Services</u>	<u>Department Budget</u>	<u>Current # of Students</u>	<u>Fee Not to Exceed</u>
05/02/16 – 06/06/16	City of San Diego Parks & Recreation Department (ICA)	Lease of Carmel Valley Swimming Pool for Torrey Pines High School Adaptive Physical Education	General Fund / Restricted 01-00	Varies	\$202.00
05/01/16 – 06/30/16	Springall Academy (NPS)	Provide an alternative education model for non-diploma bound students with moderate to severe autism and/or intellectual disabilities	General Fund / Restricted 01-00	1	All-inclusive daily rate: \$174.18
02/01/16 – 06/30/16	Melissa L. Haider, MPT (ICA)	To provide physical therapy, assessments, and IEP support in an educational setting	General Fund / Restricted 01-00	1	\$115.00 per hour
02/15/16 – 06/30/16	Tierney Educational Consulting (ICA)	To provide psychological assessments and IEP support in an educational setting	General Fund / Restricted 01-00	1	\$150.00 per hour (Not To Exceed \$1,500.00)

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** May 3, 2016

**BOARD MEETING DATE:** May 12, 2016

**PREPARED BY:** Eric R. Dill, Associate Superintendent/Business

**SUBMITTED BY:** Rick Schmitt  
Superintendent

**SUBJECT:** APPROVAL / RATIFICATION OF  
PROFESSIONAL SERVICES CONTRACTS/  
BUSINESS

-----

### EXECUTIVE SUMMARY

The attached Professional Services Report/Business summarizes five contracts.

### RECOMMENDATION:

The administration recommends that the Board approve and/or ratify the contracts, as shown in the attached Professional Services Report.

### FUNDING SOURCE:

As noted on attached report

## ITEM 15A

## SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

BUSINESS - PROFESSIONAL SERVICES REPORT

Board Meeting Date: 05-12-16

<u>Contract Effective Dates</u>	<u>Contractor/Vendor</u>	<u>Description of Services</u>	<u>School/ Department Budget</u>	<u>Fee Not to Exceed</u>
05/13/16 – 06/30/16 and then automatically renewing unless either party gives 30 day notice	Five Star Tours and Charter Company	Provide extracurricular transportation services for the district's Transportation Department at times when the companies currently awarded contracts by the district are unable to provide service	The program fund requesting the transportation	\$10,000.00 per fiscal year
05/13/16 – 06/30/16 and then automatically renewing unless either party gives 30 day notice	Northstar Transportation LLC	Provide extracurricular transportation services for the district's Transportation Department at times when the companies currently awarded contracts by the district are unable to provide service	The program fund requesting the transportation	\$10,000.00 per fiscal year
04/01/16 – 06/30/17 and then continuing with annual renewals until terminated with 30 day written notice	Pacific Backflow Company, Inc.	To provide backflow assembly testing and minor backflow repairs at various sites district wide	General Fund /Unrestricted 01-00	\$100.00 each backflow assembly test and minor repairs of \$1,000 or less
06/10/16	San Diego Police Department	Provide police officers during the Torrey Pines High School graduation ceremony	General Fund /Unrestricted 01-00	\$495.00
07/01/16 – 06/30/18	San Diego County School Districts	Provide student transportation between public and non-public schools and field trip locations located within County boundaries and locations mutually agreed to by both districts	NA	At the current district daily rate for students with disabilities transportation and at the districts published field trip rate for field trip transportation

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** May 3, 2016

**BOARD MEETING DATE:** May 12, 2016

**PREPARED BY:** Eric R. Dill, Associate Superintendent/Business

**SUBMITTED BY:** Rick Schmitt  
Superintendent

**SUBJECT:** APPROVAL / RATIFICATION OF  
AMENDMENT TO AGREEMENTS

-----

### EXECUTIVE SUMMARY

The attached Amendment to Agreements Report summarizes two amendments to agreements.

### RECOMMENDATION:

The administration recommends that the Board approve and/or ratify the amendments to agreements, as shown in the attached Amendment Report.

### FUNDING SOURCE:

As noted on attached list

ITEM 15B

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**

**BUSINESS SERVICES - AMENDMENT TO AGREEMENTS REPORT**

**Board Meeting Date: 05-12-16**

<u>Contract Effective Dates</u>	<u>Contractor/ Vendor</u>	<u>Description of Services</u>	<u>School/ Department Budget</u>	<u>Fee Not to Exceed</u>
NA	Rancho Santa Fe Security Systems, Inc.	Amending the contract for monitoring and maintenance of security systems, increasing the not to exceed amount and adding Pacific Trails Middle School	General Fund /Unrestricted 01-00	\$35,000.00
05/23/16 until terminated with 30 day notice	Elite Show Services, Inc.	Amending their contract for security guards, officers, and patrol services, increasing the hourly rates	The program fund requesting the service	\$40.00 per hour for crew and \$45.00 per hour for supervisors for events north of their service boundary and \$29.04 per hour for crew and \$34.04 per hour for supervisors for events south of their service boundary



# San Dieguito Union High School District

## **INFORMATION REGARDING BOARD AGENDA ITEM**

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** May 3, 2016

**BOARD MEETING DATE:** May 12, 2016

**PREPARED BY:** Eric R. Dill  
Associate Superintendent, Business

**SUBMITTED BY:** Rick Schmitt  
Superintendent

**SUBJECT:** APPROVAL OF BUSINESS REPORTS

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### **EXECUTIVE SUMMARY**

Please find the following business reports submitted for your approval:

1. Purchase Orders
2. Membership Listings
3. Warrants
4. Revolving Cash Fund

### **RECOMMENDATION:**

It is recommended that the Board approve the following business reports: 1) Purchase Orders, 2) Membership Listings, 3) Warrants, and 4) Revolving Cash Fund.

### **FUNDING SOURCE:**

Not applicable

## ITEM 15F

PO REPORT APRIL 12, 2016 THROUGH MAY 2, 2016

PO NBR	DATE	FUND	VENDOR	LOC	DESCRIPTION	AMOUNT
0000003886	4/12/2016	0100	MISSION FEDERAL CREDIT UNION	018	MATERIALS AND SUPPLIES	\$561.81
0000003887	4/12/2016	0100	CONCEPTS SCHOOL AND OFFICE	020	MATERIALS AND SUPPLIES	\$787.96
0000003888	4/12/2016	0100	STAPLES ADVANTAGE	500	MATERIALS AND SUPPLIES	\$199.03
0000003889	4/12/2016	0100	B AND H PHOTO-VIDEO	500	MATERIALS AND SUPPLIES	\$1,094.70
0000003890	4/12/2016	0100	MISSION FEDERAL CREDIT UNION	002	COMPUTER LICENSING	\$182.52
0000003891	4/12/2016	0100	VIRCO MANUFACTURING CORP	012	MATERIALS AND SUPPLIES	\$1,711.15
0000003892	4/12/2016	0100	MISSION FEDERAL CREDIT UNION	500	MATERIALS AND SUPPLIES	\$541.35
0000003893	4/12/2016	0100	OFFICE DEPOT, INC	002	PRINTING	\$30.74
0000003894	4/12/2016	0100	AMAZON.COM	002	TEXTBOOKS	\$21.83
0000003895	4/12/2016	2518	MATCH POINT TENNIS COURTS, INC	007	LAND IMPROVEMENTS	\$14,990.00
0000003896	4/13/2016	0100	COLLEGE BOARD	600	DUES AND MEMBERSHIPS	\$325.00
0000003897	4/13/2016	0100	SIMPLEX -GRINNELL LP	012	REPAIRS BY VENDOR	\$1,096.42
0000003898	4/13/2016	0100	Lee's Lock & Safe	012	REPAIRS BY VENDOR	\$3,070.98
0000003900	4/13/2016	0100	LAB AIDS	600	MATERIALS AND SUPPLIES	\$157.80
0000003901	4/13/2016	0100	LAB AIDS	600	MATERIALS AND SUPPLIES	\$105.20
0000003902	4/13/2016	0100	PITSCO, INC.	600	MATERIALS AND SUPPLIES	\$258.75
0000003903	4/14/2016	0100	VIRCO MANUFACTURING CORP	500	MATERIALS AND SUPPLIES	\$2,672.24
0000003904	4/14/2016	0100	CUSTOMINK.COM	600	MATERIALS AND SUPPLIES	\$435.46
0000003905	4/14/2016	0100	VIRCO MANUFACTURING CORP	600	MATERIALS AND SUPPLIES	\$1,336.12
0000003906	4/14/2016	0100	AMAZON.COM	020	MATERIALS AND SUPPLIES	\$334.16
0000003907	4/14/2016	2139	LIONAKIS	007	NEW CONSTRUCTION	\$1,054,000.00
0000003908	4/14/2016	0100	SWEETWATER	500	MATERIALS AND SUPPLIES	\$540.00
0000003909	4/14/2016	0100	FREDRICKS ELECTRIC INC	017	OTHER SERV. & OPER.EXP.	\$560.00
0000003910	4/14/2016	0100	PROFESSIONAL TUTORS OF AMERICA	004	PROF/CONSULT./OPER EXP	\$136.00
0000003911	4/14/2016	0100	Sylvan Learning Center	004	PROF/CONSULT./OPER EXP	\$2,726.00
0000003912	4/14/2016	0100	STAPLES ADVANTAGE	500	MATERIALS AND SUPPLIES	\$67.83
0000003913	4/14/2016	0100	Learn with iPads LLC	004	PROF/CONSULT./OPER EXP	\$1,044.04
0000003914	4/14/2016	0100	FREDRICKS ELECTRIC INC	012	REPAIRS BY VENDOR	\$800.00
0000003915	4/14/2016	0100	DON JOHNSTON CO	002	COMPUTER LICENSING	\$455.00
0000003916	4/14/2016	0100	CLUB Z! IN-HOME TUTORING SERVICES, INC	004	PROF/CONSULT./OPER EXP	\$649.52
0000003917	4/14/2016	0100	STAPLES ADVANTAGE	600	AERIES SUPPLIES	\$416.01
0000003918	4/14/2016	0100	ROESLING NAKAMURA	012	OTHER SERV. & OPER.EXP.	\$5,500.00
0000003919	4/14/2016	0100	STAPLES ADVANTAGE	500	MATERIALS AND SUPPLIES	\$197.79
0000003920	4/14/2016	0100	ASSOCIATION OF CA SCHOOL	020	ADVERTISING	\$840.00
0000003921	4/14/2016	0100	PROCURETECH	500	NON-CAPITALIZED TECH EQUIPMENT	\$3,828.60
0000003922	4/14/2016	0100	AMAZON.COM	500	MATERIALS AND SUPPLIES	\$213.84
0000003923	4/14/2016	0100	MISSION FEDERAL CREDIT UNION	500	MATERIALS AND SUPPLIES	\$109.57
0000003924	4/14/2016	0100	AMAZON.COM	004	BOOKS OTHER THAN TEXTBOOKS	\$46.36
0000003925	4/14/2016	0100	AMAZON.COM	600	MATERIALS AND SUPPLIES	\$283.03
0000003926	4/14/2016	0100	TCR SERVICES	500	MATERIALS AND SUPPLIES	\$409.12
0000003927	4/14/2016	2519	San Diego Union Tribune, LLC	007	ADVERTISING	\$296.90
0000003929	4/14/2016	0100	AMAZON.COM	600	MATERIALS AND SUPPLIES	\$688.13
0000003930	4/14/2016	0100	C D W G.COM	500	NON-CAPITALIZED TECH EQUIPMENT	\$4,367.63
0000003931	4/14/2016	0100	C D W G.COM	600	NON-CAPITALIZED TECH EQUIPMENT	\$1,608.37
0000003932	4/14/2016	0100	TCR SERVICES	500	COMPUTER SUPPLIES	\$188.90
0000003933	4/15/2016	0100	ROESLING NAKAMURA	012	OTHER SERV. & OPER.EXP.	\$2,000.00
0000003934	4/15/2016	0100	OMNI SECURITY SERVICES	500	SECURITY GUARD CONTRACT	\$3,412.25
0000003935	4/15/2016	0100	C.A.S.H.	007	CONFERENCE,WORKSHOP,SEM.	\$347.00
0000003936	4/15/2016	1100	AUGUSOFT, INC.	019	PROF/CONSULT./OPER EXP	\$1,750.00
0000003937	4/15/2016	0100	MISSION FEDERAL CREDIT UNION	600	MATERIALS AND SUPPLIES	\$801.87
0000003938	4/15/2016	0100	MISSION FEDERAL CREDIT UNION	500	MATERIALS AND SUPPLIES	\$42.84
0000003939	4/15/2016	0100	ELITE SHOW SERVICES INC.	012	SECURITY GUARD CONTRACT	\$3,509.28
0000003940	4/15/2016	0100	Learn with iPads LLC	004	PROF/CONSULT./OPER EXP	\$225.74
0000003941	4/15/2016	0100	Carter, Reddy & Associates, Inc.	004	PROF/CONSULT./OPER EXP	\$107.90
0000003942	4/15/2016	0100	5 Star Tutors LLC	004	PROF/CONSULT./OPER EXP	\$428.50
0000003943	4/15/2016	1300	HOME DEPOT CREDIT SERVICES	014	MATERIALS AND SUPPLIES	\$86.36
0000003944	4/15/2016	0100	BLICK, DICK (DICK BLICK)	500	MATERIALS AND SUPPLIES	\$77.65
0000003945	4/15/2016	0100	ALIMED INC	004	MATERIALS AND SUPPLIES	\$686.60
0000003946	4/15/2016	0100	CLUB Z! IN-HOME TUTORING SERVICES, INC	004	PROF/CONSULT./OPER EXP	\$637.26
0000003947	4/15/2016	0100	Carter, Reddy & Associates, Inc.	004	PROF/CONSULT./OPER EXP	\$1,042.60
0000003948	4/15/2016	0100	STAPLES ADVANTAGE	500	MATERIALS AND SUPPLIES	\$177.59
0000003949	4/15/2016	0100	SAN DIEGO COUNTY OFFICE OF EDUCATION	001	CONFERENCE,WORKSHOP,SEM.	\$250.00
0000003950	4/15/2016	0100	STAPLES ADVANTAGE	600	MATERIALS AND SUPPLIES	\$138.19
0000003951	4/15/2016	0100	NICK RAIL MUSIC	500	MATERIALS AND SUPPLIES	\$270.00
					REPAIRS BY VENDOR	\$108.00
0000003952	4/15/2016	0100	CASBO	011	CONFERENCE,WORKSHOP,SEM.	\$35.00
0000003953	4/15/2016	0100	NEW BRIDGE SCHOOL	002	SUB/OTHER CONTR-NPS	\$2,974.10
					OTHER CONTR-N.P.S.	\$25,000.00
0000003954	4/15/2016	2139	HAWTHORNE LIFT/NAUMANN HOBBS	007	EQUIPMENT	\$14,156.64

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PO NBR	DATE	FUND	VENDOR	LOC	DESCRIPTION	AMOUNT
0000003955	4/15/2016	0100	NEW BRIDGE SCHOOL	002	SUB/OTHER CONTR-NPS	\$2,974.10
					OTHER CONTR-N.P.S.	\$25,000.00
0000003956	4/15/2016	0100	NEW BRIDGE SCHOOL	002	SUB/OTHER CONTR-NPS	\$2,974.10
					OTHER CONTR-N.P.S.	\$25,000.00
0000003957	4/15/2016	2139	STAPLES ADVANTAGE	007	EQUIPMENT	\$4,441.61
0000003958	4/18/2016	0100	GOPHER SPORT	500	MATERIALS AND SUPPLIES	\$212.85
0000003959	4/18/2016	0100	R C AWARDS	500	MATERIALS AND SUPPLIES	\$1,000.00
0000003960	4/18/2016	0100	FEDEX OFFICE	500	MATERIALS AND SUPPLIES	\$150.00
0000003961	4/18/2016	0100	DIGITAL NETWORKS GROUP, INC.	017	REPAIRS BY VENDOR	\$421.20
0000003962	4/18/2016	0100	C D W G.COM	600	NON-CAPITALIZED TECH EQUIPMENT	\$3,907.88
0000003963	4/18/2016	0100	APPERSON	500	MATERIALS AND SUPPLIES	\$95.06
0000003964	4/18/2016	0100	STAPLES ADVANTAGE	500	MATERIALS AND SUPPLIES	\$33.99
0000003965	4/18/2016	0100	FREDRICKS ELECTRIC INC	017	OTHER SERV. & OPER.EXP.	\$1,480.00
0000003966	4/18/2016	0100	AMAZON.COM	500	MATERIALS AND SUPPLIES	\$159.80
0000003967	4/18/2016	0100	TCR SERVICES	500	DUPLICATING SUPPLIES	\$593.46
0000003968	4/18/2016	0100	STAPLES ADVANTAGE	500	MATERIALS AND SUPPLIES	\$94.76
0000003969	4/18/2016	0100	STAPLES ADVANTAGE	500	MATERIALS AND SUPPLIES	\$22.69
0000003970	4/18/2016	0100	MACGILL DISCOUNT SCHOOL NURSE	500	MATERIALS AND SUPPLIES	\$44.16
0000003971	4/18/2016	0100	AMAZON.COM	500	MATERIALS AND SUPPLIES	\$699.53
0000003972	4/19/2016	0100	SCHOOL NURSE SUPPLY COMPANY	500	MATERIALS AND SUPPLIES	\$53.56
0000003973	4/19/2016	0100	GOPHER SPORT	500	MATERIALS AND SUPPLIES	\$174.86
0000003974	4/19/2016	0100	GOPHER SPORT	500	MATERIALS AND SUPPLIES	\$352.90
0000003975	4/19/2016	0100	STAPLES ADVANTAGE	500	MATERIALS AND SUPPLIES	\$92.96
0000003976	4/19/2016	0100	AMAZON.COM	500	MATERIALS AND SUPPLIES	\$106.92
0000003977	4/19/2016	0100	CONCEPTS SCHOOL AND OFFICE	500	MATERIALS AND SUPPLIES	\$543.87
0000003978	4/19/2016	0100	OFFICE DEPOT, INC	500	MATERIALS AND SUPPLIES	\$2,499.34
0000003979	4/19/2016	0100	COMM USA INC	018	MATERIALS AND SUPPLIES	\$919.20
0000003980	4/19/2016	2139	CULVER-NEWLIN INC	007	EQUIPMENT	\$3,017.02
0000003981	4/19/2016	2139	ROESLING NAKAMURA	007	NEW CONSTRUCTION	\$808,718.04
0000003982	4/19/2016	0100	SDSU COLLEGE OF ENGINEERING		PREPAID EXPENDITURES (EXPENSES)	\$1,500.00
0000003983	4/19/2016	0100	SCHOOL SPECIALTY, INC.	500	MATERIALS AND SUPPLIES	\$17.60
0000003984	4/19/2016	0100	TCR SERVICES	600	MATERIALS AND SUPPLIES	\$129.49
0000003985	4/19/2016	0100	AMAZON.COM	500	MATERIALS AND SUPPLIES	\$6.49
0000003986	4/19/2016	0100	TCR SERVICES	500	MATERIALS AND SUPPLIES	\$118.69
0000003987	4/19/2016	0100	TCR SERVICES	500	MATERIALS AND SUPPLIES	\$237.22
0000003989	4/19/2016	0100	GO KART GALAXY	600	MATERIALS AND SUPPLIES	\$248.38
0000003990	4/19/2016	0100	FREDRICKS ELECTRIC INC	017	OTHER SERV. & OPER.EXP.	\$3,710.00
0000003991	4/20/2016	0100	OGGI'S PIZZA	022	REFRESHMENTS	\$150.00
0000003992	4/20/2016	0100	SSID #5033861032	002	OTHER SERV. & OPER.EXP.	\$2,500.00
0000003993	4/20/2016	0100	AMAZON.COM	500	MATERIALS AND SUPPLIES	\$166.14
0000003994	4/20/2016	0100	STAPLES ADVANTAGE	500	MATERIALS AND SUPPLIES	\$175.37
0000003995	4/20/2016	0100	MEDCO SUPPLY CO INC	500	MATERIALS AND SUPPLIES	\$56.49
0000003996	4/20/2016	0100	AMAZON.COM	500	MATERIALS AND SUPPLIES	\$206.31
0000003997	4/20/2016	0100	AMAZON.COM	500	MATERIALS AND SUPPLIES	\$395.09
0000003998	4/20/2016	0100	AMAZON.COM	500	MATERIALS AND SUPPLIES	\$1,552.19
0000003999	4/20/2016	0100	TCR SERVICES	600	MATERIALS AND SUPPLIES	\$129.49
000004001	4/20/2016	0100	FLINN SCIENTIFIC INC	500	MATERIALS AND SUPPLIES	\$2,562.53
000004002	4/20/2016	0100	AMAZON.COM	600	MATERIALS AND SUPPLIES	\$119.81
000004003	4/20/2016	0100	LYNN PEAVEY COMPANY	600	MATERIALS AND SUPPLIES	\$55.98
000004004	4/20/2016	0100	STAPLES ADVANTAGE	500	MATERIALS AND SUPPLIES	\$314.06
000004005	4/20/2016	2519	MISSION FEDERAL CREDIT UNION	007	NON CAPITALIZED EQUIP	\$111.61
000004006	4/20/2016	2519	COMM USA INC	007	NON CAPITALIZED EQUIP	\$2,438.20
000004008	4/21/2016	0100	CAROLINA BIOLOGICAL SUPPLY CO	600	MATERIALS AND SUPPLIES	\$369.42
000004009	4/21/2016	0100	AMAZON.COM	500	MATERIALS AND SUPPLIES	\$379.59
				600	MATERIALS AND SUPPLIES	\$468.63
000004010	4/21/2016	0100	LAB AIDS	500	MATERIALS AND SUPPLIES	\$189.81
000004011	4/21/2016	0100	MISSION FEDERAL CREDIT UNION	500	MATERIALS AND SUPPLIES	\$523.91
000004012	4/21/2016	0100	CAROLINA BIOLOGICAL SUPPLY CO	600	MATERIALS AND SUPPLIES	\$697.81
000004014	4/21/2016	0100	APPERSON	500	MATERIALS AND SUPPLIES	\$421.76
000004015	4/21/2016	0100	PACIFIC BACKFLOW, INC	012	REPAIRS BY VENDOR	\$290.00
000004016	4/21/2016	0100	PACIFIC BACKFLOW, INC	012	REPAIRS BY VENDOR	\$263.33
000004017	4/21/2016	0100	MCLOGAN SUPPLY CO	500	MATERIALS AND SUPPLIES	\$399.59
000004018	4/21/2016	1100	SUCH A VOICE LLC	019	OTHER SERV. & OPER.EXP.	\$68.90
000004019	4/21/2016	0100	MRC360 AKA MR COPY	500	DUPLICATING SUPPLIES	\$176.04
000004020	4/21/2016	0100	HERFF JONES, INC	500	MATERIALS AND SUPPLIES	\$1,270.08
000004021	4/21/2016	0100	NASCO MODESTO	500	MATERIALS AND SUPPLIES	\$169.00
000004022	4/21/2016	0100	SAN MARCOS UNIFIED SCHOOL DIST	004	REFRESHMENTS	\$300.00
000004023	4/21/2016	0100	NACAC NATIONAL CONFERENCE REGISTRATION	600	DUES AND MEMBERSHIPS	\$70.00
000004025	4/21/2016	0100	SAROYAN LUMBER	500	MATERIALS AND SUPPLIES	\$300.00

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000004026	4/21/2016	0100	HERFF JONES, INC	500	MATERIALS AND SUPPLIES	\$37.80
				600	MATERIALS AND SUPPLIES	\$842.40
000004027	4/22/2016	0100	OFFICE SOLUTIONS BUSINESS	020	MATERIALS AND SUPPLIES	\$965.07
000004028	4/22/2016	0100	STAPLES ADVANTAGE	600	AERIES SUPPLIES	\$100.00
000004030	4/22/2016	0100	COLLEGE BOUND SENIORS REPORTS	004	MATERIALS AND SUPPLIES	\$1,485.00
000004031	4/22/2016	0100	SAROYAN LUMBER	500	MATERIALS AND SUPPLIES	\$444.00
				600	MATERIALS AND SUPPLIES	\$1,406.00
000004032	4/22/2016	2139	SWRCB	007	IMPROVEMENT	\$513.00
000004033	4/22/2016	0100	HANOVER RESEARCH COUNCIL, LLC, THE	004	PROF/CONSULT./OPER EXP	\$11,700.00
000004034	4/25/2016	0100	PRESTON, DAVE	500	OTHER SERV. & OPER.EXP.	\$400.00
000004035	4/25/2016	0100	Daily Journal Corporation	017	ADVERTISING	\$136.40
000004036	4/25/2016	0100	ACCURATE LABEL DESIGNS	500	MATERIALS AND SUPPLIES	\$298.07
000004037	4/25/2016	0100	STAPLES ADVANTAGE	600	MATERIALS AND SUPPLIES	\$1,307.02
000004038	4/25/2016	0100	AMAZON.COM	600	MATERIALS AND SUPPLIES	\$43.15
000004039	4/25/2016	0100	STAPLES ADVANTAGE	500	MATERIALS AND SUPPLIES	\$215.95
000004040	4/25/2016	0100	STAPLES ADVANTAGE	500	MATERIALS AND SUPPLIES	\$106.09
000004041	4/25/2016	0100	AMAZON.COM	500	MATERIALS AND SUPPLIES	\$259.15
000004042	4/25/2016	0100	SARGENT WELCH	600	MATERIALS AND SUPPLIES	\$187.09
000004043	4/25/2016	0100	AMAZON.COM	500	MATERIALS AND SUPPLIES	\$123.87
000004044	4/25/2016	0100	AMAZON.COM	600	MATERIALS AND SUPPLIES	\$549.64
000004047	4/25/2016	0100	ADA BADMINTON & TENNIS	500	MATERIALS AND SUPPLIES	\$579.60
000004048	4/25/2016	0100	MCLOGAN SUPPLY CO	003	NON CAPITALIZED EQUIP	\$3,882.60
000004049	4/26/2016	0100	SPEARFISHING SOLUTIONS LLC	500	MATERIALS AND SUPPLIES	\$300.00
000004050	4/26/2016	0100	FLINN SCIENTIFIC INC	600	MATERIALS AND SUPPLIES	\$2,605.97
000004051	4/26/2016	0100	TCR SERVICES	003	MATERIALS AND SUPPLIES	\$177.49
000004052	4/26/2016	0100	STAPLES ADVANTAGE	003	MATERIALS AND SUPPLIES	\$226.70
000004053	4/26/2016	0100	TCR SERVICES	500	MATERIALS AND SUPPLIES	\$155.36
000004054	4/26/2016	0100	CAROLINA BIOLOGICAL SUPPLY CO	600	MATERIALS AND SUPPLIES	\$412.03
000004055	4/26/2016	0100	STAPLES ADVANTAGE	500	MATERIALS AND SUPPLIES	\$250.57
000004056	4/26/2016	0100	STAPLES ADVANTAGE	500	MATERIALS AND SUPPLIES	\$74.91
000004057	4/26/2016	0100	AMAZON.COM	600	MATERIALS AND SUPPLIES	\$1,329.47
000004058	4/26/2016	0100	STAPLES ADVANTAGE	600	AERIES SUPPLIES	\$360.28
000004059	4/26/2016	0100	AMAZON.COM	500	MATERIALS AND SUPPLIES	\$74.69
000004060	4/26/2016	0100	TCR SERVICES	013	OFFICE SUPPLIES	\$302.29
000004061	4/26/2016	0100	STAPLES ADVANTAGE	500	MATERIALS AND SUPPLIES	\$122.58
000004062	4/26/2016	0100	SSID #: 8139959458	002	PAY IN LIEU OF TRANSP>	\$833.98
000004063	4/26/2016	0100	STAPLES ADVANTAGE	500	MATERIALS AND SUPPLIES	\$384.21
000004064	4/26/2016	0100	AMAZON.COM	500	MATERIALS AND SUPPLIES	\$181.43
000004065	4/26/2016	0100	STAPLES ADVANTAGE	500	MATERIALS AND SUPPLIES	\$577.62
000004066	4/26/2016	0100	AREY JONES ED SOLUTIONS	017	NON-CAPITALIZED TECH EQUIPMENT	\$25,287.20
000004067	4/26/2016	0100	STAPLES ADVANTAGE	600	AERIES SUPPLIES	\$448.01
000004068	4/26/2016	0100	APPERSON	500	MATERIALS AND SUPPLIES	\$138.04
000004069	4/26/2016	0100	TCR SERVICES	500	MATERIALS AND SUPPLIES	\$323.74
000004070	4/26/2016	0100	WAYNE GOSSETT FORD INC	013	REPAIRS-VEHICLES	\$11,638.38
000004071	4/26/2016	0100	NAPA AUTO PARTS	013	NON CAPITALIZED EQUIP	\$4,124.87
000004072	4/26/2016	0100	EFR ENVIRONMENTAL SERVICES	013	HAZARDOUS WASTE DISPOSAL	\$55.50
000004073	4/26/2016	0100	TCR SERVICES	500	MATERIALS AND SUPPLIES	\$323.74
000004074	4/26/2016	0100	OCEANSIDE TRANSMISSION	013	REPAIRS-VEHICLES	\$3,081.20
000004075	4/26/2016	0100	OCEANSIDE TRANSMISSION	013	REPAIRS-VEHICLES	\$3,052.40
000004076	4/26/2016	0100	SOUTHWEST SCHOOL/OFFICE SUPPLY	500	MATERIALS AND SUPPLIES	\$54.76
000004077	4/26/2016	0100	AMAZON.COM	500	MATERIALS AND SUPPLIES	\$674.78
000004078	4/26/2016	0100	MISSION FEDERAL CREDIT UNION	500	MATERIALS AND SUPPLIES	\$226.46
000004079	4/27/2016	0100	BLICK, DICK (DICK BLICK)	500	MATERIALS AND SUPPLIES	\$434.80
000004080	4/27/2016	2519	Sun Solutions Tint, Inc.	007	IMPROVEMENT	\$9,000.00
000004081	4/27/2016	0100	APPERSON	500	MATERIALS AND SUPPLIES	\$1,111.37
000004082	4/27/2016	0100	MISSION FEDERAL CREDIT UNION	004	MATERIALS AND SUPPLIES	\$592.85
000004083	4/27/2016	0100	MISSION FEDERAL CREDIT UNION	004	MATERIALS AND SUPPLIES	\$230.71
000004084	4/27/2016	0100	MISSION FEDERAL CREDIT UNION	004	MATERIALS AND SUPPLIES	\$220.76
000004086	4/27/2016	0100	J AND R KEY HARDWARE	500	MATERIALS AND SUPPLIES	\$110.44
000004087	4/27/2016	0100	MISSION FEDERAL CREDIT UNION	003	MATERIALS AND SUPPLIES	\$322.41
000004088	4/27/2016	0100	MISSION FEDERAL CREDIT UNION	003	MATERIALS AND SUPPLIES	\$71.49
000004089	4/27/2016	0100	GOPHER SPORT	500	MATERIALS AND SUPPLIES	\$1,284.02
000004090	4/27/2016	0100	SOLUTION TREE	004	MATERIALS AND SUPPLIES	\$68.39
000004091	4/27/2016	0100	USA CUSTOM PAD CORP	500	MATERIALS AND SUPPLIES	\$480.90
000004092	4/27/2016	2139	CDS Moving Equipment Inc.	007	IMPROVEMENT	\$1,539.32
000004093	4/27/2016	0100	SCHOLASTIC MAGAZINES	002	MATERIALS AND SUPPLIES	\$61.95
000004094	4/27/2016	0100	SCHOOL DATEBOOKS INC	600	MATERIALS AND SUPPLIES	\$2,252.12
000004095	4/27/2016	0100	STAPLES ADVANTAGE	002	MATERIALS AND SUPPLIES	\$91.34
000004096	4/27/2016	2139	TWINING, INC.	007	NEW CONSTRUCTION	\$8,720.00

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000004097	4/27/2016	2139	TRACE3, INC.	007	EQUIPMENT REPLACEMENT	\$429,516.20
000004098	4/27/2016	2139	TRACE3, INC.	007	EQUIPMENT REPLACEMENT	\$265,641.62
000004099	4/27/2016	2519	DIVISION OF THE STATE ARCHITECT	007	NEW CONSTRUCTION	\$500.00
000004100	4/27/2016	2139	BLUE COAST CONSULTING	007	IMPROVEMENT	\$95,023.20
000004101	4/27/2016	2139	BLUE COAST CONSULTING	007	IMPROVEMENT	\$9,710.40
000004102	4/27/2016	2519	DAVIS DEMOGRAPHICS & PLANNING	007	PROF/CONSULT./OPER EXP	\$9,500.00
000004103	4/27/2016	0100	MISSION FEDERAL CREDIT UNION	500	MATERIALS AND SUPPLIES	\$162.38
000004104	4/27/2016	0100	AMAZON.COM	500	MATERIALS AND SUPPLIES	\$227.24
000004105	4/27/2016	0100	INTREP STORE, THE	500	MATERIALS AND SUPPLIES	\$389.12
000004106	4/27/2016	0100	AMAZON.COM	500	MATERIALS AND SUPPLIES	\$314.82
000004107	4/27/2016	0100	AMAZON.COM	500	MATERIALS AND SUPPLIES	\$50.27
000004109	4/27/2016	0100	AMAZON.COM	600	MATERIALS AND SUPPLIES	\$283.18
000004110	4/27/2016	0100	STAPLES ADVANTAGE	500	MATERIALS AND SUPPLIES	\$1.07
				600	AERIES SUPPLIES	\$329.88
000004111	4/27/2016	0100	STAPLES ADVANTAGE	500	MATERIALS AND SUPPLIES	\$128.22
000004112	4/27/2016	0100	STAPLES ADVANTAGE	500	MATERIALS AND SUPPLIES	\$273.46
000004113	4/27/2016	0100	STAPLES ADVANTAGE	600	MATERIALS AND SUPPLIES	\$307.24
000004114	4/27/2016	0100	AMERICAN CHEMICAL	600	MATERIALS AND SUPPLIES	\$77.76
000004116	4/28/2016	2519	CHARGEPOINT, INC.	007	EQUIPMENT	\$22,210.75
000004117	4/28/2016	2139	MONOPRICE, INC	007	EQUIPMENT	\$3,148.30
000004118	4/28/2016	0100	VIRCO MANUFACTURING CORP	012	MATERIALS AND SUPPLIES	\$662.04
000004119	4/28/2016	0100	AMAZON.COM	002	NON-CAPITALIZED TECH EQUIPMENT	\$621.00
000004120	4/28/2016	0100	AMAZON.COM	500	MATERIALS AND SUPPLIES	\$593.67
000004121	4/28/2016	0100	COAST MUSIC THERAPY INC	002	OTHER CONTR-N.P.A.	\$1,000.00
000004122	4/28/2016	0100	APPERSON	500	MATERIALS AND SUPPLIES	\$331.36
000004123	4/28/2016	0100	Sun Solutions Tint, Inc.	012	REPAIRS BY VENDOR	\$875.00
000004124	4/28/2016	0100	AMAZON.COM	500	MATERIALS AND SUPPLIES	\$412.50
000004125	4/28/2016	0100	AREY JONES ED SOLUTIONS	017	NON-CAPITALIZED TECH EQUIPMENT	\$27,638.48
000004126	4/28/2016	0100	CATAPULT LEARNING, LLC	004	PROF/CONSULT./OPER EXP	\$3,995.00
000004127	4/28/2016	0100	AMERICAN MEDICAL RESPONSE	600	OTHER SERV. & OPER.EXP.	\$367.20
000004128	4/28/2016	0100	MAKERBOT INDUSTRIES	003	MATERIALS AND SUPPLIES	\$1,357.06
					NON-CAPITALIZED TECH EQUIPMENT	\$2,617.95
000004129	4/28/2016	0100	SCHOOL HEALTH CORPORATION	500	MATERIALS AND SUPPLIES	\$315.70
000004130	4/28/2016	0100	STAPLES ADVANTAGE	500	MATERIALS AND SUPPLIES	\$307.00
000004131	4/28/2016	0100	SALEAE	003	NON CAPITALIZED EQUIP	\$6,487.84
000004132	4/28/2016	0100	SOUTHWEST SCHOOL/OFFICE SUPPLY	500	MATERIALS AND SUPPLIES	\$36.88
000004133	4/28/2016	0100	AMAZON.COM	500	MATERIALS AND SUPPLIES	\$198.72
000004134	4/29/2016	0100	GOPHER SPORT	500	MATERIALS AND SUPPLIES	\$638.54
000004135	4/29/2016	0100	EmbroidMe Encinitas	500	MATERIALS AND SUPPLIES	\$2,844.46
000004136	4/29/2016	0100	TEACHER'S DISCOVERY	500	MATERIALS AND SUPPLIES	\$839.33
000004137	4/29/2016	0100	FILINGSUPPLIES.COM	002	MATERIALS AND SUPPLIES	\$111.72
000004138	4/29/2016	0100	TOMARK SPORTS	500	MATERIALS AND SUPPLIES	\$788.38
000004139	4/29/2016	0100	TCR SERVICES	500	MATERIALS AND SUPPLIES	\$481.24
000004140	4/29/2016	0100	CAFPS	600	FEES - ADMISSIONS, TOURN	\$160.00
000004141	5/2/2016	0100	OFFICE DEPOT, INC	500	MATERIALS AND SUPPLIES	\$30.74
000004142	5/2/2016	0100	AREY JONES ED SOLUTIONS	003	NON-CAPITALIZED TECH EQUIPMENT	\$10,563.20
000004143	5/2/2016	0100	AMAZON.COM	500	MATERIALS AND SUPPLIES	\$1,406.51
000004144	5/2/2016	0100	AREY JONES ED SOLUTIONS	500	NON-CAPITALIZED TECH EQUIPMENT	\$8,387.57
000004145	5/2/2016	0100	T E R I INC	002	NPS LATE FEES	\$2,358.94
000004146	5/2/2016	0100	SSID #3639673585	002	MEDIATION SETTLEMENTS	\$60,000.00
000004147	5/2/2016	0100	LAW OFFICES OF CARA LUCIER	002	MEDIATION SETTLEMENTS	\$24,825.00
000004148	5/2/2016	0100	SSID #8139964678	002	MEDIATION SETTLEMENTS	\$5,000.00
000004149	5/2/2016	0100	LAW OFFICE OF MEAGAN NUNEZ	002	MEDIATION SETTLEMENTS	\$6,000.00
000004150	5/2/2016	0100	SSID #3216486374	002	PAY IN LIEU OF TRANSP>	\$2,500.00
000004151	5/2/2016	0100	SSID# 4157229870	002	PAY IN LIEU OF TRANSP>	\$3,678.87
00001526B	4/21/2016	0100	SOUTHWEST SCHOOL/OFFICE SUPPLY	500	MATERIALS AND SUPPLIES	\$29.72
760016	4/27/2016	0100	AMAZON.COM	003	MATERIALS AND SUPPLIES	\$47.72

REPORT TOTAL

\$3,203,471.98

ITEM 15F

Individual Membership Listings  
For the Period of April 12, 2016 through May 2, 2016

<u>Staff Member Name</u>	<u>Organization Name</u>	<u>Amount</u>
Rob Ross	National Association for College Admission Counseling	\$70.00



## ITEM 15F

## WARRANT REPORT FROM 04/12/16 THROUGH 05/02/16

WARRANT NBR	DATE	VENDOR	FUND	DESCRIPTION	AMOUNT
14103924	4/12/2016	ROBERTA BLANK	0100	Materials And Supplies	\$ 16.42
				Refreshments	\$ 6.99
14103925	4/12/2016	Little Diversified Architectural Cons.	2519	Professional/Consult Svcs	\$ 3,213.00
14103926	4/12/2016	MARTHA HUTCHINSON	0100	Refreshments	\$ 29.90
14103927	4/12/2016	UNITED TIRE CENTERS, LLC	0100	Repairs-Vehicles	\$ -
				Tires	\$ 1,144.76
14103928	4/12/2016	LESLIE LUNA	0100	Mileage	\$ 16.20
14103929	4/12/2016	HWAC ED	0100	Fees - Business, Admission,Etc	\$ 282.00
14103930	4/12/2016	JAMES ANTHONY	0100	Materials And Supplies	\$ 21.73
				Refreshments	\$ 279.60
14103931	4/12/2016	MIGUEL LOPEZ	1300	Materials And Supplies	\$ 34.93
14103932	4/12/2016	SHIRLEY BLEKEBERG	0100	Materials And Supplies	\$ 24.83
14103933	4/12/2016	FISHER SCIENTIFIC EMD	0100	Materials And Supplies	\$ 337.43
14103934	4/12/2016	MAURA LEONARD	0100	Materials And Supplies	\$ 53.16
14103935	4/12/2016	SOL TRANSPORTATION, INC.	0100	Spec.Ed.Transportation	\$ 22,368.75
14103936	4/12/2016	STAPLES ADVANTAGE	0100	Duplicating Supplies	\$ 160.00
				Materials And Supplies	\$ 612.95
14103937	4/12/2016	UC Regents	0100	Conference,Workshop,Sem.	\$ 3,000.00
14103938	4/12/2016	VERDUGO TESTING CO., INC.	0100	Fees - Business, Admission,Etc	\$ 3,300.00
				Other Transport.Supplies	\$ 21.60
				Repairs & Maintenance	\$ 431.09
14103939	4/12/2016	WAXIE SANITARY SUPPLY	0100	Custodial Materials	\$ 194.05
14104527	4/13/2016	HOFMAN PLANNING & ENGINEERING	2139	New Construction	\$ 297.50
14104528	4/13/2016	ANNA WEIRATHER	0100	Mileage	\$ 233.82
14104529	4/13/2016	ADVANCED CHEMICAL TRANSPORT	0100	Hazardous Waste Disposal	\$ 7,420.47
14104530	4/13/2016	DOOR SERVICE & REPAIR, INC.	0100	Repairs & Maintenance	\$ 5,036.00
14104531	4/13/2016	CORELOGIC SOLUTIONS, LLC	0100	Computer Licensing	\$ 190.30
14104532	4/13/2016	INST OF EFFECTIVE EDUCATION	0100	Other Contr-N.P.S.	\$ 189,381.83
				Sub/Other Contr-Nps	\$ 8,873.14
14104537	4/13/2016	MOBILE MODULAR MANAGEMENT CORP	2519	Rents & Leases	\$ 1,065.00
14104538	4/13/2016	PROCURETECH	0100	Computer Supplies	\$ 127.80
14104539	4/13/2016	APCD	0100	Fees - Business, Admission,Etc	\$ 168.00
14104540	4/13/2016	SAN DIEGO STAGE/LIGHTING SPLY	0100	Repairs & Maintenance	\$ 357.00
14104541	4/13/2016	AMERICAN EXPRESS	0100	Communications-Telephone	\$ 2,055.26
14104542	4/13/2016	TOP OF THE BAGEL	1300	Purchases Food	\$ 1,641.90
14104543	4/13/2016	WILLIAMS SCOTSMAN, INC.	2139	New Construction	\$ 1,812.00
14104544	4/13/2016	WOOD, KAITLIN	0100	Refreshments	\$ 24.96
14105143	4/14/2016	LESLIE LUNA	1100	Mileage	\$ 48.82
14105144	4/14/2016	Security Bank of Calif RE: SDA Math/Sci.	2139	New Construction	\$ 26,894.13
14105145	4/14/2016	JPT AMERICA INC	0100	Materials And Supplies	\$ 146.51
14105146	4/14/2016	US Assure Inc	2139	New Construction	\$ 2,851.00
14105147	4/14/2016	ARBOR SCIENTIFIC	0100	Materials And Supplies	\$ 52.80
14105148	4/14/2016	CHRISTY HINES	1100	Adult Education Fees	\$ 35.00
				Material Fees	\$ 10.00
14105149	4/14/2016	AT&T	0100	Communications-Telephone	\$ 13,238.95
14105150	4/14/2016	ANTIMITE TERMITE&PEST CONTROL	0100	Pest Control	\$ 125.00
14105151	4/14/2016	ARBOR SCIENTIFIC	0100	Materials And Supplies	\$ 28.30
14105152	4/14/2016	ANGELICA ARELLANO	0100	Conference,Workshop,Sem.	\$ 29.60
14105153	4/14/2016	AREY JONES ED SOLUTIONS	0100	Non-Capitalized Tech Equipment	\$ 904.72
14105154	4/14/2016	B AND H PHOTO-VIDEO	0100	Materials And Supplies	\$ 681.44
14105155	4/14/2016	JOHN BAIRD	0100	Conference,Workshop,Sem.	\$ 600.75
14105156	4/14/2016	THE COLLEGE BOARD	0100	Dues And Memberships	\$ 650.00
14105157	4/14/2016	CONSULTING & INSPECTION SVCS	2139	New Construction	\$ 33,680.00
14105158	4/14/2016	D AND S MARKETING SYSTEMS INC	0100	Materials And Supplies	\$ 405.90
14105159	4/14/2016	ERICKSON-HALL CONSTRUCTION CO	2139	New Construction	\$ 181,443.76
14105160	4/14/2016	ERICKSON-HALL CONSTRUCTION CO	2139	New Construction	\$ 886,025.43
14105161	4/14/2016	MICHAEL GROVE	0100	Conference,Workshop,Sem.	\$ 777.14
14105162	4/14/2016	MULTI HEALTH SYSTEMS, INC(MHS)	0100	Materials And Supplies	\$ 425.74
14105163	4/14/2016	JENNIFER MCCLUAN	0100	Mileage	\$ 92.88



## ITEM 15F

## WARRANT REPORT FROM 04/12/16 THROUGH 05/02/16

WARRANT NBR	DATE	VENDOR	FUND	DESCRIPTION	AMOUNT
14105164	4/14/2016	MONOPRICE, INC	2139	Equipment Replacement	\$ 687.77
14105165	4/14/2016	OLIVENHAIN MUNICIPAL WATER DST	0100	Gas & Electric	\$ 226.15
				Water	\$ 4,659.89
14105166	4/14/2016	REGENTS BANK	2139	New Construction	\$ 4,646.95
14105167	4/14/2016	S AND S BAKERY INC	1300	Purchases Food	\$ 4,314.53
14105168	4/14/2016	AMERICAN EXPRESS	0100	Hazardous Waste Disposal	\$ 156.96
14105169	4/14/2016	SAN DIEGO GAS & ELECTRIC CO	0100	Compressed Natrl Gas (Cng)	\$ 496.02
				Gas & Electric	\$ 134,751.41
14105170	4/14/2016	SAN DIEGUITO WATER DISTRICT	0100	Water	\$ 2,649.95
14105171	4/14/2016	T E R I INC	0100	Other Contr-N.P.S.	\$ 3,931.74
				Sub/Other Contr-Nps	\$ 88,563.06
14105173	4/14/2016	TURNITIN, LLC	0100	Computer Licensing	\$ 3,500.00
14105174	4/14/2016	MELANIE WEBB	0100	Conference,Workshop,Sem.	\$ 23.76
14105175	4/14/2016	AMERICAN EXPRESS	0100	Other Transport.Supplies	\$ -
				Rents & Leases	\$ 137.00
14105176	4/14/2016	JUAN MANUEL ZAPATA	0100	Mileage	\$ 360.72
			1100	Mileage	\$ 125.00
14105772	4/15/2016	NATIONAL PETROLEUM INC.	0100	Materials-Vehicle Parts	\$ 2,165.86
14105773	4/15/2016	US BANK NATIONAL ASSOCIATION	2139	New Construction	\$ 60,747.38
14105774	4/15/2016	W.A. KRAPP, INC.	2139	Equipment	\$ 931.86
14105775	4/15/2016	So-Cal Dominoids	0100	Refreshments	\$ 261.18
14105776	4/15/2016	GOLDFIELD STAGE & COMPANY	0100	Subagreements For Services	\$ 8,091.75
14105777	4/15/2016	GRAND PACIFIC CHARTER	0100	Subagreements For Services	\$ 7,691.00
14105779	4/15/2016	MCCARTHY BUILDING COMPANY, INC	2109	New Construction	\$ 98,744.87
			2139	New Construction	\$ 2,649,081.99
14105780	4/15/2016	NO CTY STUDENT TRANSPORTATION	0100	Subagreements For Services	\$ 6,813.75
14105782	4/15/2016	PROCURETECH	0100	Computer Supplies	\$ 208.71
14105783	4/15/2016	JANET RUSSELL	1100	Materials And Supplies	\$ 60.00
14105784	4/15/2016	AMERICAN EXPRESS	0100	Hazardous Waste Disposal	\$ 313.92
14105785	4/15/2016	SAN DIEGO SCENIC TOURS, INC.	0100	Subagreements For Services	\$ 5,261.00
14105786	4/15/2016	STAPLES ADVANTAGE	0100	Materials And Supplies	\$ 245.81
				Office Supplies	\$ 20.29
14105787	4/15/2016	AMERICAN EXPRESS	0100	Other Transport.Supplies	\$ -
				Rents & Leases	\$ 266.71
14106494	4/19/2016	ANTHEM BLUE CROSS	0100	Health & Welfare Benefits, cer	\$ 37.14
				Other Benefits, certificated p	\$ (74.77)
			6717	Retiree Vendor Pmts	\$ 50.17
14106495	4/19/2016	VEBA KAISER	0100	Health & Welfare Benefits, cer	\$ 543.00
				Health & Welfare Benefits, cla	\$ 1,086.00
			6717	Retiree Vendor Pmts	\$ 15,691.67
14106496	4/19/2016	VEBA - UNITED HEALTH CARE	0100	Health & Welfare Benefits, cla	\$ 133.24
			6717	Retiree Vendor Pmts	\$ 11,959.05
14106497	4/19/2016	DELTA PMI	0100	Health & Welfare Benefits, cla	\$ 27.59
			6717	Retiree Vendor Pmts	\$ 296.34
14106498	4/19/2016	FBC DENTAL	0100	Health & Welfare Benefits, cla	\$ 108.83
			6717	Retiree Vendor Pmts	\$ 973.75
14106499	4/19/2016	ANTHEM DENTAL	0100	Health & Welfare Benefits, cer	\$ 666.72
			6717	Retiree Vendor Pmts	\$ 538.72
14106500	4/19/2016	ANTHEM BC	0100	Health & Welfare Benefits, cer	\$ 761.72
			6717	Retiree Vendor Pmts	\$ 32,131.55
14106501	4/19/2016	KAISER	0100	Health & Welfare Benefits, cer	\$ 494.98
			6717	Retiree Vendor Pmts	\$ 6,969.40
14106502	4/19/2016	Tuff Shed Inc.	0100	Non-Capitalized Equipment	\$ 2,216.05
14106503	4/19/2016	Samantha Thacker	0100	Conference,Workshop,Sem.	\$ 21.17
14106504	4/19/2016	ALL STAR SIGNS INC	0100	Other Serv.& Oper.Exp.	\$ 860.40
14106505	4/19/2016	ANGELICA ARELLANO	0100	Conference,Workshop,Sem.	\$ 656.87
14106506	4/19/2016	AREY JONES ED SOLUTIONS	0100	Non-Capitalized Tech Equipment	\$ 6,989.64
14106507	4/19/2016	BERT'S OFFICE TRAILERS	0100	Rents & Leases	\$ 144.72
14106508	4/19/2016	SSID# 8076842638	0100	Pay In Lieu Of Transp>	\$ 344.74

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## WARRANT REPORT FROM 04/12/16 THROUGH 05/02/16

WARRANT NBR	DATE	VENDOR	FUND	DESCRIPTION	AMOUNT
14106509	4/19/2016	CASBO	0100	Conference,Workshop,Sem.	\$ 35.00
14106510	4/19/2016	CA AGRI CONTROL INC	0100	Pest Control	\$ 1,125.00
14106511	4/19/2016	ERICKSON-HALL CONSTRUCTION CO	2139	Improvements	\$ 3,626.01
14106512	4/19/2016	FRONTIER FENCE COMPANY INC	0100	Repairs & Maintenance	\$ 1,133.90
			2519	Land Improvements	\$ 11,971.00
14106513	4/19/2016	KRISTINE GOTTA	0100	Mileage	\$ 42.09
14106514	4/19/2016	LIONAKIS	2139	New Construction	\$ 13,500.00
14106515	4/19/2016	NEW BRIDGE SCHOOL	0100	Other Contr-N.P.S.	\$ 56,747.46
14106517	4/19/2016	New Haven Youth & Family Services	0100	Other Contr-N.P.A.	\$ 23,062.07
14106518	4/19/2016	REGENTS BANK	2139	Improvements	\$ 190.84
14106519	4/19/2016	SAN DIEGUITO TROPHY	0100	Materials And Supplies	\$ 149.54
14106520	4/19/2016	SHELL	1300	Fuel	\$ 71.70
14106521	4/19/2016	GARRY THORNTON	0100	Mileage	\$ 242.46
14106522	4/19/2016	AMERICAN EXPRESS	2519	New Construction	\$ 3,154.50
14106523	4/19/2016	XEROX CORPORATION	0100	Copy Charges	\$ 10,336.30
				Rents & Leases	\$ 14,588.81
			1100	Copy Charges	\$ 63.59
				Rents & Leases	\$ 239.21
			1300	Copy Charges	\$ 69.61
				Rents & Leases	\$ 227.07
14107172	4/20/2016	Pioneer Manufacturing Company	0100	Materials And Supplies	\$ 196.88
14107173	4/20/2016	Katie Stapko	0100	Conference,Workshop,Sem.	\$ 855.77
14107174	4/20/2016	Kimeri Shea Starr	0100	Conference,Workshop,Sem.	\$ 719.83
14107175	4/20/2016	Marie Rotzinger	0100	Other Serv.& Oper.Exp.	\$ 18.00
14107176	4/20/2016	Kajyo Yamamoto	0100	Materials And Supplies	\$ 12.28
14107177	4/20/2016	Tjitske Zitman	0100	Other Serv.& Oper.Exp.	\$ 20.00
14107178	4/20/2016	AT&T LONG DISTANCE	0100	Communications-Telephone	\$ 15.99
14107179	4/20/2016	ACTION AGENDAS	0100	Materials And Supplies	\$ 720.88
14107180	4/20/2016	AMANDA J. GRETSCH, INC.	0100	Professional/Consult Svs	\$ -
				Sub/Prof/Consultnt	\$ 5,375.00
14107181	4/20/2016	E3 DIAGNOSTICS	0100	Repairs & Maintenance	\$ 270.00
14107182	4/20/2016	ELIZABETH BALLINGER	0100	Mileage	\$ 53.57
14107183	4/20/2016	BISCHKE, JOY	0100	Conference,Workshop,Sem.	\$ 300.00
				Mileage	\$ 362.88
14107184	4/20/2016	CARMEN BLUM	0100	Mileage	\$ 163.62
14107185	4/20/2016	AMY BRIGGS	0100	Mileage	\$ 426.20
14107186	4/20/2016	CHERYL COOPER	0100	Mileage	\$ 99.90
14107187	4/20/2016	CRUSE, DEBRA	0100	Mileage	\$ 177.66
14107188	4/20/2016	LISA CURRY	0100	Conference,Workshop,Sem.	\$ 18.90
14107189	4/20/2016	ELIZABETH DELVAL	0100	Mileage	\$ 99.36
14107190	4/20/2016	SSID# 2156968315	0100	Pay In Lieu Of Transp>	\$ 1,118.88
14107191	4/20/2016	DOROTHY GUINTER	0100	Mileage	\$ 250.29
14107192	4/20/2016	DEBRA LAWLER	0100	Mileage	\$ 119.88
14107193	4/20/2016	SSID# 6080442434	0100	Pay In Lieu Of Transp>	\$ 991.11
14107194	4/20/2016	P AND R PAPER SUPPLY CO.	1300	Purchases Supplies	\$ 4,457.95
14107195	4/20/2016	PATROL MASTERS, INC.	2518	Other Serv.& Oper.Exp.	\$ 1,918.00
14107196	4/20/2016	PROCURETECH	2139	Equipment Replacement	\$ 2,905.20
14107197	4/20/2016	RANCHO SANTA FE SEC SYSTEMS	0100	Other Serv.& Oper.Exp.	\$ 1,056.00
				Security Guard Contract	\$ 525.00
14107198	4/20/2016	ROESLING NAKAMURA	0100	Other Serv.& Oper.Exp.	\$ 2,000.00
14107199	4/20/2016	SOLANA BEACH PHYSICAL THERAPY	0100	Sub/Prof/Consultnt	\$ 10,625.00
14107843	4/21/2016	DAVID SAMUELSON	0100	Mileage	\$ 25.92
14107844	4/21/2016	ECONO FENCE INC	0100	Repairs & Maintenance	\$ 7,535.00
14107845	4/21/2016	SDSU Research Foundation/PLTW	0100	Prepaid Expenditures (Expenses	\$ 1,500.00
14107846	4/21/2016	AT&T	0100	Communications-Telephone	\$ 7,924.24
14107847	4/21/2016	AT&T	0100	Communications-Telephone	\$ 1,801.03
14107848	4/21/2016	ADVANTAGE PAYROLL SERVICES	0100	Other Serv.& Oper.Exp.	\$ 278.98
14107849	4/21/2016	ALTERNATIVE TEACHING STRATEGY CTR	0100	Sub/Other Contr-Npa	\$ 10,415.00
14107850	4/21/2016	APPERSON	0100	Materials And Supplies	\$ 1,246.41

## ITEM 15F

## WARRANT REPORT FROM 04/12/16 THROUGH 05/02/16

WARRANT NBR	DATE	VENDOR	FUND	DESCRIPTION	AMOUNT
14107850	42481	APPERSON	0100	Repairs & Maintenance	\$ 171.72
14107851	4/21/2016	ATKINSON, ANDELSON, LOYA, RUUD & ROMO	0100	Legal Expense	\$ 11,212.70
				Legal Exp-Personnel	\$ 330.76
14107852	4/21/2016	CONSTITUTION RIGHTS FOUNDATION	0100	Materials And Supplies	\$ 234.98
14107853	4/21/2016	DAVIS DEMOGRAPHICS & PLANNING	2519	Professional/Consult Svs	\$ 1,190.00
14107854	4/21/2016	EAGLE SOFTWARE	0100	Conference,Workshop,Sem.	\$ 5,975.00
14107855	4/21/2016	SUE FREDIN	0100	Conference,Workshop,Sem.	\$ 1,199.72
14107856	4/21/2016	FRONTIER FENCE COMPANY INC	0100	Repairs & Maintenance	\$ 4,610.90
14107857	4/21/2016	MISSION FEDERAL CREDIT UNION	2139	Equipment	\$ 200.90
14107858	4/21/2016	MURDOCH, WALRATH & HOLMES	0100	Professional/Consult Svs	\$ 2,150.00
14107859	4/21/2016	NEOPOST USA INC	0100	Other Serv.& Oper.Exp.	\$ 1,839.00
				Rents & Leases	\$ 196.02
14107860	4/21/2016	PICK UP STIX CATERING	1300	Purchases Food	\$ 8,208.80
14107861	4/21/2016	PROCURETECH	0100	Computer Supplies	\$ 146.70
				Non-Capitalized Tech Equipment	\$ 3,828.60
14107862	4/21/2016	ROESLING NAKAMURA	2139	Improvements	\$ 11,600.00
14107863	4/21/2016	SCHOOL SERVICES OF CALIFORNIA, INC.	0100	Professional/Consult Svs	\$ 295.00
14107864	4/21/2016	SOLANA BEACH PHYSICAL THERAPY	0100	Sub/Prof/Consultnt	\$ 2,385.00
14107865	4/21/2016	SOUTHERN CA SOIL & TESTING INC	2139	Improvements	\$ 754.50
14107866	4/21/2016	TCR SERVICES	0100	Aeries Supplies	\$ 118.75
14107867	4/21/2016	XEROX CORPORATION	0100	Copy Charges	\$ 378.18
				Rents & Leases	\$ 1,069.09
14108439	4/22/2016	CALIFORNIA SCHOOLS VEBA	0100	Late fees	\$ 251.85
14108440	4/22/2016	AMANDA J. GRETSCH, INC.	0100	Professional/Consult Svs	\$ 1,347.66
				Sub/Prof/Consultnt	\$ 2,214.84
14108441	4/22/2016	AZTEC TECHNOLOGY CORP	2139	Equipment	\$ 7,722.00
14108442	4/22/2016	CA AGRI CONTROL INC	0100	Pest Control	\$ 1,125.00
14108443	4/22/2016	DIGITAL SCHOOLS OF CA, LLC	0100	Consultants-Computer	\$ 2,136.24
14108444	4/22/2016	PITSCO, INC.	0100	Materials And Supplies	\$ 768.18
14108445	4/22/2016	HOME DEPOT CREDIT SERVICES	0100	Bldg.-Repair Materials	\$ 1,465.02
				Materials And Supplies	\$ 3,198.68
14108447	4/22/2016	K L M BIOSCIENTIFIC	0100	Materials And Supplies	\$ 118.69
14108448	4/22/2016	MATCH POINT TENNIS COURTS, INC	2518	Land Improvements	\$ 14,990.00
14108449	4/22/2016	MODULAR SPACE CORPORATION	2519	New Construction	\$ 1,034.82
14108450	4/22/2016	MUSIC MART	0100	Materials And Supplies	\$ 647.73
14108451	4/22/2016	NAPA AUTO PARTS	0100	Materials-Vehicle Parts	\$ 3,548.34
				Other Transport.Supplies	\$ 54.13
14108452	4/22/2016	NEW BRIDGE SCHOOL	0100	Other Contr-N.P.S.	\$ 7,592.97
14108453	4/22/2016	NINYO & MOORE	2139	New Construction	\$ 19,523.25
14108454	4/22/2016	PALOMAR REPROGRAPHICS, INC.	2139	Improvements	\$ -
				New Construction	\$ 749.51
14108455	4/22/2016	DELORES PERLEY REVOLVING CASH	0100	Bank Charges	\$ 48.48
				Clerical And Office Salaries	\$ 2,650.00
				Materials And Supplies	\$ 138.63
				Spec Ed Stipends	\$ 5,034.72
14108456	4/22/2016	ROESLING NAKAMURA	2139	New Construction	\$ 44,197.00
14108457	4/22/2016	S AND S BAKERY INC	1300	Purchases Food	\$ 150.76
14108458	4/22/2016	S AND R TOWING INC	0100	Other Serv.& Oper.Exp.	\$ 1,976.25
14108459	4/22/2016	SOCO GROUP, INC.	0100	Fuel	\$ 26,228.86
14108460	4/22/2016	STATE BOARD OF EQUALIZATION	0100	Fees - Business, Admission,Etc	\$ 147.58
14108461	4/22/2016	SUN DIEGO CHARTER COMPANY	0100	Fld. Trips By Prv. Contr	\$ 4,750.00
				Subagreements For Services	\$ 50.00
14108462	4/22/2016	TOXGUARD FLUID TECHNOLOGY	0100	Materials-Vehicle Parts	\$ 374.75
14109088	4/25/2016	REBECCA GALLOW	0100	Mileage	\$ 167.33
14109089	4/25/2016	INCLUSIVETLC	0100	Materials And Supplies	\$ 250.00
14109090	4/25/2016	SSID #5033861032	0100	Other Serv.& Oper.Exp.	\$ 1,279.61
14109091	4/25/2016	A&R FOOD DISTRIBUTORS	1300	Purchases Food	\$ 47,747.09
14109092	4/25/2016	CHUCK ADAMS	0100	Conference,Workshop,Sem.	\$ 222.82
14109093	4/25/2016	CA DEPT OF ED-FOOD DISTR.	1300	Purchases Food	\$ 179.40

## ITEM 15F

## WARRANT REPORT FROM 04/12/16 THROUGH 05/02/16

WARRANT NBR	DATE	VENDOR	FUND	DESCRIPTION	AMOUNT
14109094	4/25/2016	DUNN, KELLY	0100	Mileage	\$ 235.98
14109095	4/25/2016	EDCO DISPOSAL CORPORATION	0100	Rubbish Disposal	\$ 5,912.75
14109096	4/25/2016	FEDEX	0100	Communications-Postage	\$ 38.87
14109097	4/25/2016	GRAND PACIFIC CHARTER	0100	Subagreements For Services	\$ 2,634.00
14109098	4/25/2016	NAPA AUTO PARTS	0100	Materials And Supplies	\$ 482.10
14109099	4/25/2016	NOVA SERVICES	2139	New Construction	\$ 40,487.71
14109100	4/25/2016	SAN DIEGO CITY TREASURER	0100	Sewer Charges	\$ 1,467.10
				Water	\$ 4,213.36
14109101	4/25/2016	SCHOOL FACILITY CONSULTANTS	2519	Professional/Consult Svs	\$ 722.50
14109102	4/25/2016	STAPLES ADVANTAGE	0100	Duplicating Supplies	\$ 1,280.02
				Materials And Supplies	\$ 4,077.66
				Office Supplies	\$ 76.37
14109572	4/26/2016	PHIL'S PHABULOUS PHOODS	1300	Purchases Food	\$ 4,725.00
14109573	4/26/2016	Public Storage	2139	New Construction	\$ 415.00
14109574	4/26/2016	Daily Journal Corporation	0100	Advertising	\$ 136.40
14109575	4/26/2016	REALLY GOOD STUFF INC	0100	Materials And Supplies	\$ 100.92
14109576	4/26/2016	SUCH A VOICE LLC	1100	Other Serv.& Oper.Exp.	\$ 68.90
14109577	4/26/2016	MISSION FEDERAL CREDIT UNION	0100	Bldg.-Repair Materials	\$ 3,441.17
				Custodial Materials	\$ 850.43
				Grounds Materials	\$ 3,759.67
				Materials And Supplies	\$ 8,878.38
14109579	4/26/2016	NIKKO ENTERPRISE	1300	Purchases Food	\$ 480.00
14109580	4/26/2016	OPTIMUM FLOOR CARE	0100	Repairs & Maintenance	\$ 439.43
14109581	4/26/2016	PACIFIC BACKFLOW, INC	0100	Repairs & Maintenance	\$ 553.33
14109582	4/26/2016	PALOMAR REPROGRAPHICS, INC.	2139	Improvements	\$ -
				New Construction	\$ 50.08
14109583	4/26/2016	J.W PEPPER & SON, INC.	0100	Materials And Supplies	\$ 652.45
14109584	4/26/2016	PROCURETECH	0100	Computer Supplies	\$ 662.59
14109585	4/26/2016	RALPHS CUSTOMER CHARGES	0100	Materials And Supplies	\$ 121.58
14109586	4/26/2016	SCHOOL SPECIALTY, INC.	0100	Materials And Supplies	\$ 52.92
14109587	4/26/2016	SHELL CAR WASH & EXPRESS LUBE	0100	Gasoline Supplies	\$ 85.04
14109588	4/26/2016	SOLANA BEACH PHYSICAL THERAPY	0100	Sub/Prof/Consultnt	\$ 570.00
14109589	4/26/2016	SWRCB	2139	Improvements	\$ 513.00
14109590	4/26/2016	TCR SERVICES	0100	Materials And Supplies	\$ 927.88
			1300	Office Supplies	\$ 48.55
14109591	4/26/2016	WESTERN ENVIRONMENTAL & SAFETY	2139	New Construction	\$ 8,228.00
14110119	4/27/2016	PATRICIA STOREY	0100	Conference,Workshop,Sem.	\$ 18.47
14110120	4/27/2016	Harbottle Law Group	0100	Legal Expense	\$ 256.50
				Professional/Consult Svs	\$ 1,500.00
14110121	4/27/2016	A1 GOLF CARS, INC	0100	Materials And Supplies	\$ 139.20
				Repairs & Maintenance	\$ 147.80
14110122	4/27/2016	AUGUSOFT, INC.	1100	Professional/Consult Svs	\$ 1,750.00
14110123	4/27/2016	ELIZABETH CHRISTENSEN, O.D.	0100	Professional/Consult Svs	\$ 199.00
14110124	4/27/2016	DRIFTWOOD DAIRY	1300	Purchases Food	\$ 6,793.85
14110125	4/27/2016	INTERPRETERS UNLIMITED	0100	Professional/Consult Svs	\$ 200.00
14110126	4/27/2016	JOSTENS	0100	Materials And Supplies	\$ 55.31
14110127	4/27/2016	ELCOE	0100	Computer Training	\$ 999.00
14110128	4/27/2016	LAWNMOWERS PLUS INC	0100	Materials And Supplies	\$ 1,534.68
14110129	4/27/2016	DCL ENTERPRISES INC. dba	0100	Repairs & Maintenance	\$ 3,070.98
14110130	4/27/2016	LLOYD PEST CONTROL	1300	Other Serv.& Oper.Exp.	\$ 376.00
14110131	4/27/2016	MRC360 AKA MR COPY	0100	Duplicating Supplies	\$ 585.36
14110132	4/27/2016	RANCHO SANTA FE SEC SYSTEMS	0100	Other Serv.& Oper.Exp.	\$ 352.00
14110133	4/27/2016	San Diego Co. Superintendent of Schools	0100	Conference,Workshop,Sem.	\$ 225.00
14110134	4/27/2016	SAN DIEGO ZOOLOGICAL SOCIETY	0100	Fees - Business, Admission,Etc	\$ 250.00
14110135	4/27/2016	SAN DIEGUITO WATER DISTRICT	0100	Water	\$ 7,018.01
14110136	4/27/2016	SAN MARCOS UNIFIED SCHOOL DIST	0100	Refreshments	\$ 300.00
14110137	4/27/2016	SCHOOL SERVICES OF CALIFORNIA, INC.	0100	Professional/Consult Svs	\$ 400.00
14110138	4/27/2016	ARTIANO SHINOFF & HOLTZ	0100	Legal Exp-Business	\$ 4,906.75
				Legal Expense	\$ 10,009.28

## ITEM 15F

## WARRANT REPORT FROM 04/12/16 THROUGH 05/02/16

WARRANT NBR	DATE	VENDOR	FUND	DESCRIPTION	AMOUNT
14110139	4/27/2016	TOP OF THE BAGEL	1300	Purchases Food	\$ 102.72
14110140	4/27/2016	DAYNE TSUDA	0100	Mileage	\$ 102.06
14110141	4/27/2016	XEROX CORPORATION	0100	Copy Charges	\$ 642.83
				Rents & Leases	\$ 995.14
14110674	4/28/2016	HANOVER RESEARCH COUNCIL, LLC, THE	0100	Professional/Consult Svs	\$ 11,700.00
14110675	4/28/2016	North County LGBTQ Resource Center	0100	Professional/Consult Svs	\$ 700.00
14110676	4/28/2016	AMAZON.COM	0100	Materials And Supplies	\$ 954.52
				Non-Capitalized Equipment	\$ 497.99
				Other Books-Library	\$ 59.13
14110677	4/28/2016	ANCHOR CONST SPECIALTIES	0100	Repairs & Maintenance	\$ 3,075.00
14110678	4/28/2016	COMM USA INC	2139	Equipment	\$ 3,783.05
14110679	4/28/2016	OCEANSIDE TRANSMISSION	0100	Repairs-Vehicles	\$ 3,052.40
14110680	4/28/2016	OGGI'S PIZZA	0100	Refreshments	\$ 141.44
14110681	4/28/2016	OPTIMUM FLOOR CARE	0100	Repairs & Maintenance	\$ 536.53
14110682	4/28/2016	SOCO GROUP, INC.	0100	Fuel	\$ 12,635.29
14110683	4/28/2016	STAPLES ADVANTAGE	0100	Duplicating Supplies	\$ 1,280.02
				Materials And Supplies	\$ 4,929.65
14110687	4/28/2016	WAXIE SANITARY SUPPLY	0100	Custodial Materials	\$ 221.52
14110688	4/28/2016	WESS TRANSPORTATION	0100	Fld. Trips By Prv. Contr	\$ 527.60
14110689	4/28/2016	WESTBERG & WHITE, INC.	2139	New Construction	\$ 25,530.00
14111341	4/29/2016	UNITED TIRE CENTERS, LLC	0100	Repairs-Vehicles	\$ 237.50
				Tires	\$ 1,044.93
14111342	4/29/2016	AMERICAN CHEMICAL	0100	Custodial Materials	\$ 6,084.72
14111343	4/29/2016	DIVISION OF THE STATE ARCHITECT	2519	New Construction	\$ 500.00
14111344	4/29/2016	LIONAKIS	2139	New Construction	\$ 27,000.00
14111345	4/29/2016	OCEANSIDE TRANSMISSION	0100	Repairs-Vehicles	\$ 3,081.20
14111346	4/29/2016	STAPLES ADVANTAGE	0100	Duplicating Supplies	\$ 283.99
				Materials And Supplies	\$ 2,302.18
14111348	4/29/2016	SSID# 5018539432	0100	Pay In Lieu Of Transp>	\$ 168.73
14111349	4/29/2016	WESELOH CHEVROLET CO	0100	Materials-Vehicle Parts	\$ 730.88
14111905	5/2/2016	ALEXIS HILLENBRAND	0100	Conference,Workshop,Sem.	\$ 2.70
14111906	5/2/2016	Pioneer Manufacturing Company	0100	Materials And Supplies	\$ 3,078.00
14111907	5/2/2016	REBECCA GALLOW	0100	Mileage	\$ 212.22
14111908	5/2/2016	MARY COURTNEY	0100	Mileage	\$ 56.16
14111909	5/2/2016	JOHN ADDLEMAN	0100	Mileage	\$ 139.37
14111910	5/2/2016	ARCH ACADEMY, THE	0100	Mediation Settlements	\$ 12,284.46
14111911	5/2/2016	ANGELICA ARELLANO	0100	Conference,Workshop,Sem.	\$ 596.87
14111912	5/2/2016	COAST MUSIC THERAPY INC	0100	Other Contr-N.P.A.	\$ 625.00
14111913	5/2/2016	COMMUNITY SCHOOL OF SD, THE	0100	Other Contr-N.P.S.	\$ 21,238.00
				Sub/Other Contr-Nps	\$ 10,906.00
14111914	5/2/2016	EFR ENVIRONMENTAL SERVICES	0100	Hazardous Waste Disposal	\$ 55.50
14111915	5/2/2016	MELISSA GRIFFEN	0100	Mileage	\$ 127.44
14111916	5/2/2016	MICHAEL GROVE	0100	Conference,Workshop,Sem.	\$ 333.76
14111917	5/2/2016	INST OF EFFECTIVE EDUCATION	0100	Other Contr-N.P.S.	\$ 35,618.17
				Sub/Other Contr-Nps	\$ 27,923.92
14111919	5/2/2016	INTERPRETERS UNLIMITED	0100	Professional/Consult Svs	\$ 230.00
14111920	5/2/2016	CAROYN LEE	0100	Conference,Workshop,Sem.	\$ 46.81
14111921	5/2/2016	NORTH COUNTY EQUIPMENT	0100	Repairs & Maintenance	\$ 336.34
14111922	5/2/2016	NCTD	0100	Fees - Business, Admission,Etc	\$ 1,559.25
14111923	5/2/2016	RUBIO'S	0100	Materials And Supplies	\$ 3.12
				Refreshments	\$ 180.48
14111924	5/2/2016	SAN DIEGUITO ACADEMY A S B	0100	Materials And Supplies	\$ 2,706.24
14111925	5/2/2016	So-Cal Dominoids	1300	Purchases Food	\$ 25,765.00
14111926	5/2/2016	SUNDANCE STAGE LINES INC	0100	Fld. Trips By Prv. Contr	\$ 8,140.00
				Subagreements For Services	\$ 14,055.00
14111928	5/2/2016	TCR SERVICES	0100	Computer Supplies	\$ 188.89
				Materials And Supplies	\$ 527.64

Report Total

\$ 5,464,816.89

## ITEM 15F

## RCF REPORT FROM 04/12/16 THROUGH 05/02/16

CK NBR	DATE	NAME/VENDOR	DESCRIPTION	AMOUNT
11351	04/26/2016	CURTIS FILLMORE	PETTY CASH REIMBURSEMENT	\$ 71.99
11352	04/26/2016	SCOTT JAY	PETTY CASH REIMBURSEMENT	\$ 73.89
11353	04/29/2016	VOID CHECKS	VOID: VOID CHECK	\$ -
11354	04/29/2016	RENEE CODY	PETTY CASH REIMBURSEMENT	\$ 78.07
			Report Total	\$ 223.95



# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** May 2, 2016

**BOARD MEETING DATE:** May 12, 2016

**PREPARED BY:** John Addleman, Exec. Director Planning Services  
Eric Dill, Assoc. Superintendent, Business

**SUBMITTED BY:** Rick Schmitt, Superintendent

**SUBJECT:** APPROVAL / RATIFICATION OF  
AGREEMENTS / PROPOSITION AA

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### EXECUTIVE SUMMARY

The attached Proposition AA report summarizes thirteen (13) agreements:

Three (3) agreements with American Time & Signal, to purchase the site-sync wireless clock systems for Torrey Pines High School, San Dieguito High School Academy and Oak Crest Middle School. American Time & Signal is the sole source manufacturer of the site-sync wireless clock system, no other manufacturer can reproduce the signal that operates the clocks.

Two (2) agreements through BB&T John Burnham Insurance Services; one (1) with Hanover Insurance to provide builder's risk insurance coverage for the proposed new classroom building at Canyon Crest Academy; and one (1) with Zurich Programs to provide builder's risk insurance coverage for the Torrey Pines High School B Building Phase 2C project. It is anticipated that the District will see overall cost savings to the project budgets of \$10,000 and \$30,000.00 respectively, with the actual savings to be noted in the final change orders at project acceptance.

An agreement with Darnell & Associates, for a traffic analysis at Torrey Pines High School to analyze and recommend improvements to traffic flow to, from and within the campus, including the ingress/egress at Torrington Street.

Two (2) agreements with Fredricks Electric, Inc., ("Fredricks"), for technology infrastructure improvements of fiber optics, data and telecommunications cabling at San Dieguito High School Academy and Torrey Pines High School, with pricing based on the unit price contract previously awarded to Fredricks.



## ITEM 15G

An agreement with Corovan to provide crews to move furniture and boxes at Torrey Pines High School during renovations of the B Building.

An Agreement with Class Leasing, LLC, to lease three (3) relocatable classroom buildings at Torrey Pines High School for interim housing. This agreement replaces an expiring agreement for thirteen (13) relocatable buildings, ten (10) of which will be returned to the contractor at the end of the school term.

An agreement with School Facilities Consultants to provide consulting services during the application process for state funding of new school construction and modernization projects district wide, the federal stimulus funding application process and funding through the implementation of Proposition 39-Clean Energy Act.

Two (2) agreements with Bissiri Studio, for architectural/engineering services in connection with final Division of State Architect (DSA) certification of the dug-out and the stadium press box projects at Torrey Pines High School.

### **RECOMMENDATION:**

It is recommended that the Board approve and/or ratify the professional services contracts and authorize Eric R. Dill, or Rick Schmitt to execute the agreements, as noted in the attached supplement.

### **FUNDING SOURCE:**

As noted on attached chart.

## ITEM 15G

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT****PROPOSITION AA – AGREEMENTS**  
**FACILITIES PLANNING & CONSTRUCTION****Board Meeting Date: 05-12-16**

<u>Contract Effective Dates</u>	<u>Consultant/ Vendor</u>	<u>Description of Services</u>	<u>School/ Department Budget</u>	<u>Fee Not to Exceed</u>
5/13/16 – Completion	American Time & Signal	To provide the site-sync wireless clock system for Torrey Pines High School.	Building Fund Prop 39—Fund 21-39	\$24,698.20
5/13/16 – Completion	American Time & Signal	To provide the site-sync wireless clock system for San Dieguito High School Academy.	Building Fund Prop 39—Fund 21-39	\$28,726.33
5/13/16 – Completion	American Time & Signal	To provide the site-sync wireless clock system for Oak Crest Middle School.	Building Fund Prop 39—Fund 21-39	\$12,225.32
5/13/16 – Completion	Hanover Insurance/BB&T John Burnham Insurance Services	To purchase builders risk insurance for the Torrey Pines High School B Building Phase 2C Project.	Building Fund Prop 39—Fund 21-39	\$13,513.00
5/13/16 – Completion	Zurich Programs/BB&T John Burnham Insurance Services	To purchase builders risk insurance for the Canyon Crest Academy B Building Project.	Building Fund Prop 39—Fund 21-39	\$18,789.00

## ITEM 15G

5/13/16 – Completion	Darnell & Associates	For a traffic analysis at Torrey Pines High School	Capital Facilities Fund 25-19	\$16,110.00
5/13/16 – Completion	Fredricks Electric, Inc.	For technology infrastructure improvements of fiber optics, data and telecommunications cabling at San Dieguito High School Academy.	Building Fund Prop 39—Fund 21-39	\$250,000.00
5/13/16 – Completion	Fredricks Electric, Inc.	For technology infrastructure improvements of fiber optics, data and telecommunications cabling at Torrey Pines High School.	Building Fund Prop 39—Fund 21-39	\$150,000.00
6/11/16 – Completion	Corovan	To provide crews to move furniture and boxes at Torrey Pines High School during B Building Renovations.	Building Fund Prop 39—Fund 21-39	\$25,787.81
6/20/16 – 6/19/19	Class Leasing, LLC	To lease (3) relocatable classroom buildings at Torrey Pines High School Interim Housing for thirty-six (36) months.	Building Fund Prop 39—Fund 21-39	\$210,900.00
7/1/16 – 6/30/17	School Facilities Consultants	For state funding of new school construction and modernization projects district wide, the federal stimulus funding application process and funding through the implementation of Proposition 39-Clean Energy Act.	Capital Facilities Fund 25-19	\$30,000.00
5/13/16 – Completion	Bissiri Studio	For architectural/engineering services to obtain Division of State Architecture (DSA) certification of the Torrey Pines High School Dug-Outs Project.	Capital Facilities Fund 25-19	\$5,000.00 Plus Reimbursable Expenses
5/13/16 - Completion	Bissiri Studio	For architectural/engineering services to obtain Division of State Architecture (DSA) certification of the Torrey Pines High School Stadium Press Box Project.	Capital Facilities Fund 25-19	\$5,000.00 Plus Reimbursable Expenses

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** May 2, 2016

**BOARD MEETING DATE:** May 12, 2016

**PREPARED BY:** John Addleman, Exec. Director Planning Services  
Eric Dill, Assoc. Superintendent, Business

**SUBMITTED BY:** Rick Schmitt, Superintendent

**SUBJECT:** APPROVAL / RATIFICATION OF AMENDMENTS  
PROPOSITION AA

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### EXECUTIVE SUMMARY

The attached Professional Services Report/Proposition AA summarizes amendments to four (4) existing contracts:

An agreement with Geocon, Inc., for additional geotechnical/engineering services at Earl Warren Middle School, including a consultation letter regarding seismic lateral earth pressure for retaining walls.

An agreement with Western Environmental & Safety Technologies, Inc., for additional hazardous materials removal and monitoring services at the San Dieguito High School Academy Math & Science Classroom Building Project.

An agreement with Public Storage, to allow for the increase in fees charged for interim storage during construction of the Earl Warren Middle School replacement campus.

An agreement with Little Diversified Architectural Consulting, Inc., for continued Division of State Architect (DSA) close-out certification of miscellaneous projects district-wide.

### RECOMMENDATION:

It is recommended that the Board approve and/or ratify the amendments to the professional services contracts, and authorize Eric R. Dill, or Rick Schmitt to execute the same.

### FUNDING SOURCE:

As noted on attached chart.

## ITEM 15H

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT****PROPOSITION AA – AMENDMENTS**  
**FACILITIES PLANNING & CONSTRUCTION****Board Meeting Date:05-12-16**

<u>Contract Effective Dates</u>	<u>Consultant/ Vendor</u>	<u>Description of Services</u>	<u>School/ Department Budget</u>	<u>Fee Not to Exceed</u>
3/19/15 – Completion	Geocon, Inc.,	To amend contract CA2015-44 for geotechnical/engineering services at Earl Warren Middle School	Building Fund Prop 39 – Fund 21-39	Additional \$500.00 for a new total of \$10,000.00
11/13/15 – Completion	Western Environmental & Safety Technologies, Inc.	To amend contract CA2016-07 for hazardous materials removal monitoring services at San Dieguito High School Academy.	Building Fund Prop 39 – Fund 21-39	Additional \$555.00 for a new total of \$11,283.00
04/22/15 – 6/30/17	Public Storage	To amend contract CA2015-47 for a 10x30 storage space for interim storage needs at Earl Warren Middle School.	Building Fund Prop 39 – Fund 21-39	Additional \$560.00 for a new total of \$10,562.00
10/1/14 – 6/30/17	Little Diversified Architectural Consulting, Inc.	To amend contract CA2014-45 for architectural/engineering services for close-out certification of projects district wide.	Building Fund Prop 39 – Fund 21-39	Additional \$10,000.00 for a new total of \$49,803.77

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** May 3, 2016

**BOARD MEETING DATE:** May 12, 2016

**PREPARED BY:** John Addleman, Exec. Director Planning Services  
Eric Dill, Assoc. Superintendent, Business

**SUBMITTED BY:** Rick Schmitt, Superintendent

**SUBJECT:** ADOPTION OF RESOLUTION / COOPERATIVE  
BID / SAVANNA SCHOOL DISTRICT

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### EXECUTIVE SUMMARY

In order to proceed with securing and/or maintaining Division of State Architect (DSA) approved relocatable buildings at Torrey Pines High School, Oak Crest Middle School, and future needs, District staff reviewed contract documents from other school districts which allow procuring items from those bids. The Savanna School District has a cooperative bid and award of contract (Bid No. SSPB #40-06-2015-16) with Class Leasing, LLC. It was determined that this vendor provided the best value of those reviewed.

The District is authorized, pursuant to Public Contract Code 20118, to utilize other public agency's Request for Proposal (RFP) documents if certain criteria have been met by the awarding District. The criteria includes the solicitation of RFPs through the sealed, formal bid process as outlined in Public Contract Code Section 20111, the inclusion of both a public agency clause and a waiver clause to draw warrants in favor of the vendor rather than the awarding agency.

Pursuant to District Board Policies 3310 and 3311/AR-1, Purchasing Procedures and Soliciting Bids, respectively, and to ensure these policies are being followed, District Staff is requesting the Board adopt the attached resolution authorizing the use of the Savanna School District cooperative bid.

### RECOMMENDATION:

It is recommended that the Board adopt the resolution authorizing contracting pursuant to the bid and award documents from Savanna School District Piggyback Bid No SSPB #40-06-2015-16.

### FUNDING SOURCE:

Not applicable.

**RESOLUTION**  
**AUTHORIZING CONTRACTING PURSUANT TO COOPERATIVE BID AND**  
**AWARD DOCUMENTS FROM THE SAVANNA SCHOOL DISTRICT**

ON MOTION of Member \_\_\_\_\_, seconded by Member \_\_\_\_\_, the following resolution is adopted:

WHEREAS, the Board of Trustees of San Dieguito Union High School District of San Diego County, State of California, has determined that the District is in need of Division of State Architect (DSA) approved portable buildings in support of its academic programs; and

WHEREAS, Public Contract Code provides authority for the Governing Board of any school district to lease data-processing equipment, purchase materials, supplies, equipment, automotive vehicles, tractors, and other personal property for the District without advertising for bids through agency if the purchase is made in the manner in which the public agency is authorized by law to make the leases or purchases; and

WHEREAS, the Savanna School District has conducted a cooperative bid process which named any school district within the State of California as a district which may utilize the contract under the same prices, terms, and conditions for the purchase, lease, relocation, dismantling and removal of Division of State Architect (DSA) approved portable buildings as the Savanna School District pursuant to Public Contract Code Section 20118; and

WHEREAS, said bids were timely filed at the Main Office of Savanna School District, 1330 S. Knott Avenue, Anaheim, California 92804; and

WHEREAS, sealed bids were opened and public read aloud at the time and place specified in Notice to Bidders, and it was determined that the low bidders for the purchase, lease, relocation, dismantling and removal of Division of State Architect (DSA) approved portable buildings was Class Leasing, LLC, who was thereafter awarded the bid; and

WHEREAS, the San Dieguito Union High School District wishes to purchase, lease, relocate, dismantle and remove Division of State Architect (DSA) approved portable buildings; and

WHEREAS, this Board has determined it to be in the best interests of the District to purchase or contract for the above-stated items using the bid awarded by the Savanna School District,

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND DECLARED that the purchase or contract for Division of State Architect (DSA) portable buildings is hereby authorized and approved and is subject to all terms, conditions and documents as specified in the Savanna School District's bid and award documents.

BE IT FURTHER RESOLVED, ORDERED AND DECLARED that Eric R. Dill, Associate Superintendent of Business Services is hereby authorized to execute the necessary contract documents with Class Leasing, LLC, naming the District as the contracting party.

PASSED AND ADOPTED by the San Dieguito Union High School District Board of Trustees at Encinitas, California, on May 12, 2016, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

State of California )

County of San Diego )

I, Amy Herman, Clerk of the Board of Trustees, do hereby certify that the foregoing is a full, true, and correct copy of a resolution accepted by said Board at a regular meeting held at its regular place of meeting by the vote above stated, which resolution is on file in the office of the said Board.

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Clerk of the Board of Trustees



# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** April 29, 2016

**BOARD MEETING DATE:** May 12, 2016

**PREPARED BY:** John Addleman, Exec. Director, Planning Services  
Eric Dill, Assoc. Superintendent, Business

**SUBMITTED BY:** Rick Schmitt, Superintendent

**SUBJECT:** APPROVAL OF CHANGE ORDERS

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### EXECUTIVE SUMMARY

The La Costa Valley Site & Athletic Field Improvements Construction Project is now complete.

On February 5, 2015, the Board authorized entering into a Lease-Leaseback Agreement with Byrom-Davey, Inc., at the final Guaranteed Maximum Price (GMP) of \$9,258,460.00.

Byrom-Davey, Inc., has a change order decreasing the contract amount by \$120,921.90, resulting in a revised contract value of \$9,137,538.10.

### RECOMMENDATION:

It is recommended that the Board approve the following change order and authorize Eric R. Dill to execute same:

1. La Costa Valley Site & Athletic Field Improvements Construction Project CA2015-34, contract entered into with Byrom-Davey, Inc., decreasing the amount by \$120,921.90 for a new total of \$9,137,538.10, extending the contract through May 12, 2016.

### FUNDING SOURCE:

N/A

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** April 28, 2016

**BOARD MEETING DATE:** May 12, 2016

**PREPARED BY:** John Addleman, Exec. Director Planning Services  
Eric Dill, Assoc. Superintendent, Business

**SUBMITTED BY:** Rick Schmitt, Superintendent

**SUBJECT:** ACCEPTANCE OF CONSTRUCTION PROJECTS

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### EXECUTIVE SUMMARY

La Costa Valley Site & Athletic Field Improvements Construction Project is now complete. The Project was completed on time and within budget.

### RECOMMENDATION:

It is recommended that the Board accept the following construction project as complete, and authorize the administration to file a Notice of Completion with the County Recorders' Office:

1. La Costa Valley Site & Athletic Field Improvements Project CA2015-34, contract entered into with Byrom-Davey, Inc.

### FUNDING SOURCE:

N/A

ITEM 15K

Recordation Requested by and ]  
When Recorded Return to: ]  
San Dieguito Union High School District ]  
Attn: Caroline Roberts ]  
710 Encinitas Blvd. ]  
Encinitas, CA 92024 ]

**ACCEPTANCE OF WORK  
AND  
NOTICE OF COMPLETION**

1. San Dieguito Union High School District In Fee 710 Encinitas Blvd., Encinitas, CA 92024  
(Name of School District)

2. Byrom-Davy, Inc.  
(Name of Contractor)

3. Fidelity and Deposit Company of Maryland  
(Name of Surety)

4. Description of Public Work Involved Sufficient for Identification:  
La Costa Valley Site & Athletic Field Improvements Construction Project  
2275 Calle Barcelona  
Carlsbad, CA 92009

as provided in contract specified herein which is on file with the Clerk of the Governing Board of the above named School District.

5. Date of Contract ] 6. Acceptance of the work and materials is recommended  
02/05/2015 ]  
] \_\_\_\_\_ ]  
] (Signature of Recommending Person) (Date)

7. Acceptance of Work and Materials  
NOTICE IS HEREBY GIVEN that the above referenced contract and public work to which Chapter 3 of Division 5 of Title 1 of the Government Code (commencing with Section 4200) applies were completed by acceptance by the Governing Board of the above named school district on the 12 day of May, 2016 ; No. \_\_\_\_\_

The Contractor on said contract and public work and the name of the surety on the Contractor's Bond of said Contractor are as set forth above.

San Dieguito Union High School District

By \_\_\_\_\_

[Code of Civil Procedure Section 1192.1]  
[Government Code Section 27361.6 ]

**VERIFICATION**

The undersigned declares that he is an officer, namely, the Secretary of the Governing Board of the San Dieguito Union High School District, which is the owner of the public work described in the within Notice of Completion executed by said district; that he has read the same and knows the contents thereof and that the facts therein stated are true of his own knowledge; and that he makes this verification for and on behalf of said school district.

I declare under penalty of perjury that the foregoing is true and correct.  
Executed on \_\_\_\_\_, 20\_\_\_\_, of San Diego, California

\_\_\_\_\_  
Rick Schmitt

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** March 11, 2016

**BOARD MEETING DATE:** May 12, 2016

**PREPARED BY:** Jason Vilorio, Ed.D.  
Associate Superintendent of  
Educational Services

**SUBMITTED BY:** Rick Schmitt, Superintendent

**SUBJECT:** APPROVAL OF PROPOSED INSTRUCTIONAL  
CALENDARS, 2017-18 & 2018-19 SCHOOL YEARS

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### EXECUTIVE SUMMARY

District administration has worked closely with school sites, SDFA, CSEA and the feeder elementary districts in developing the proposed 2017-18 and 2018-19 instructional calendars. The calendars are being submitted for approval.

### RECOMMENDATION:

It is recommended that the Board approve the proposed Instructional Calendars for the 2017-18 and 2018-19 school years, as shown in the attached supplements.

### FUNDING SOURCE:

Not applicable.

ITEM 16

**DRAFT**

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**

*Instructional Calendar 2017-18*

August 29, 2017 through June 15, 2018

School Month	M	T	W	T	F	Student Days	Cumulative Student Days	Holiday Legal-Local	Student Holidays/Recesses	
1	Aug		1	2	3	4	0			
	Aug	7	8	9	10	11	0	0		
	Aug	14	15	16	17	18	0	0	8/22-25 Teacher Prep/Inservice Days	
	Aug	21	[22]	[23]	[24]	[25]	0	0	8/28 Teacher Non-Work Day	
	Aug	28	29 >	30	31	1	4 4	4	8/29 First day of School	
2	Sep	<b>4</b>	5	6	7	8	4	8	1	9/4 Labor Day
	Sep	11	12	13	14	15	5	13		
	Sep	18	19	20	21	<b>22</b>	4	17		
	Sep	25	26	27	28	29	5 18	22		
3	Oct	2	3	4	5	6	5	27		
	Oct	9	10	11	12	13	5	32		
	Oct	16	17	18	19	20	5	37		
	Oct	23	24	25	26	27	5 20	42		
4	Oct	30	31	1 #	2	3	5	47		10/31 1st Quarter Ends# (45 days)
	Nov	6	7	8	9	<b>10</b>	4	51	1	11/10 Veterans Day
	Nov	13	14	15	16	17	5	56		
	Nov	<b>20</b>	<b>21</b>	<b>22</b>	<b>23</b>	<b>24</b>	0 14	56	1 1	11/20-24 Fall Break
5	Nov	27	28	29	30	1	5	61		
	Dec	4	5	6	7	8	5	66		
	Dec	11	12	13	14	15	5	71		
	Dec	18	19	20	21	22	5	76		
	Dec	<b>25</b>	<b>26</b>	<b>27</b>	<b>28</b>	<b>29</b>	0	76	1 4	12/25-1/5 Winter Break
6	Jan	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	0 20	76	1 4	
	Jan	8	9	10	11	12	5	81		
	Jan	<b>15</b>	16	17	18	19	4	85	1	1/15 M.L. King Jr. Day
	Jan	22	23	24	25	26 #	5	90		1/26 First Semester Ends# (45 days)
	Jan	<b>29</b>	<b>30</b>	31	1	2	3 17	93		1/29 & 1/30 Teacher Prep/Inservice Day
7	Feb	5	6	7	8	9	5	98		
	Feb	12	13	14	15	<b>16</b>	4	102	1	2/16 Lincoln Day
	Feb	<b>19</b>	20	21	22	23	4	106	1	2/19 Washington Day
	Feb	26	27	28	1	2	5 18	111		
8	Mar	5	6	7	8	9	5	116		
	Mar	12	13	14	15	16	5	121		
	Mar	19	20	21	22	23	5	126		
	Mar	26	27	28	29	30	5 20	131		
9	Apr	2	3	4	5	6 #	5	136		4/6 3rd Quarter Ends# (46 days)
	Apr	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	0	136		4/9-13 Spring Recess
	Apr	16	17	18	19	20	5	141		
	Apr	23	24	25	26	27	5 15	146		
10	Apr	30	1	2	3	4	5	151		
	May	7	8	9	10	11	5	156		
	May	14	15	16	17	18	5	161		
11	May	21	22	23	24	25	5 20	166		
	May	<b>28</b>	29	30	31	1	4	170	1	5/28 Memorial Day
	Jun	4	5	6	7	8	5	175		
	Jun	11	12	13	14	15 #	5 14	180		6/15 2nd Semester/Term Ends# (44 days)
	Jun	18	19	20	21	22	0	180		
	Jun	25	26	27	28	29				
	Jul	2	3	<b>4</b>	5	6			1	7/4 Independence Day
	Jul	9	10	11	12	13				
	Jul	16	17	18	19	20				
	Jul	23	24	25	26	27				



Holidays/Breaks/Inservice Days - No School

# Quarter/Semester/Term Ending Dates

ITEM 16

**DRAFT**

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**  
*Instructional Calendar 2018-19*  
August 28, 2018 through June 14, 2019

School Month		M	T	W	T	F	Student Days	Cumulative Student Days	Holiday Legal-Local	Student Holidays/Recesses	
1	Aug			1	2	3	0				
	Aug	6	7	8	9	10	0	0			
	Aug	13	14	15	16	17	0	0		8/21-24 Teacher Prep/Inservice Days	
	Aug	20	[21]	[22]	[23]	[24]	0	0		8/27 Teacher Non-Work Day	
	Aug	27	28 >	29	30	31	4	4		8/28 First day of School	
2	Sep	<b>3</b>	4	5	6	7	4	8	1	9/3 Labor Day	
	Sep	<b>10</b>	11	12	13	14	4	12			
	Sep	17	18	19	20	21	5	17			
	Sep	24	25	26	27	28	5	18			
3	Oct	1	2	3	4	5	5	27			
	Oct	8	9	10	11	12	5	32			
	Oct	15	16	17	18	19	5	37			
	Oct	22	23	24	25	26	5	20			
4	Oct	29	30	31	1	2	5	47		10/31 1st Quarter Ends# (45 days)	
	Nov	5	6	7	8	9	5	52	1		
	Nov	<b>12</b>	13	14	15	16	4	56		11/12 Veterans Day	
	Nov	<b>19</b>	<b>20</b>	<b>21</b>	<b>22</b>	<b>23</b>	0	56	1	1	11/19-23 Fall Break
5	Nov	26	27	28	29	30	5	19			
	Dec	3	4	5	6	7	5	66			
	Dec	10	11	12	13	14	5	71			
	Dec	17	18	19	20	21	5	76			
	Dec	<b>24</b>	<b>25</b>	<b>26</b>	<b>27</b>	<b>28</b>	0	76	1	4	12/24-1/4 Winter Break
	Jan	<b>31</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	0	15	1	4	
6	Jan	7	8	9	10	11	5	81			
	Jan	14	15	16	17	18	5	86			
	Jan	<b>21</b>	22	23	24	25 #	4	90	1	1/21 M.L. King Jr. Day	
	Jan	<b>28</b>	<b>29</b>	30	31	1	3	17		1/25 First Semester Ends (45 days)	
	Jan									1/28 & 1/29 Teacher Prep/Inservice Day	
7	Feb	4	5	6	7	8	5	98			
	Feb	11	12	13	14	<b>15</b>	4	102	1	2/15 Lincoln Day	
	Feb	<b>18</b>	19	20	21	22	4	106	1	2/18 Washington Day	
	Feb	25	26	27	28	1	5	18			
8	Mar	4	5	6	7	8	5	116			
	Mar	11	12	13	14	15	5	121			
	Mar	18	19	20	21	22	5	126			
	Mar	25	26	27	28	29	5	20			
9	Apr	1	2	3	4	5 #	5	136		4/5 3rd Quarter Ends# (46 days)	
	Apr	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	0	136		4/8-12 Spring Recess	
	Apr	15	16	17	18	19	5	141			
	Apr	22	23	24	25	26	5	15			
10	Apr	29	30	1	2	3	5	151			
	May	6	7	8	9	10	5	156			
	May	13	14	15	16	17	5	161			
	May	20	21	22	23	24	5	166			
11	May	<b>27</b>	28	29	30	31	4	24	1	5/27 Memorial Day	
	Jun	3	4	5	6	7	5	175			
	Jun	10	11	12	13	14 #	5	10		6/14 2nd Semester/Term Ends# (44 days)	
	Jun	17	18	19	20	21					
	Jun	24	25	26	27	28					
	Jul	1	2	3	<b>4</b>	5				7/4 Independence Day	
	Jul	8	9	10	11	12					
	Jul	15	16	17	18	19					
	Jul	22	23	24	25	26					
	Jul	29	30	31							



Holidays/Breaks/Inservice Days - No School

# Quarter/Semester/Term Ending Dates

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** May 4, 2016

**BOARD MEETING DATE:** May 12, 2016

**PREPARED BY:** Eric Dill, Assoc. Supt. of Business

**SUBMITTED BY:** Rick Schmitt, Superintendent

**SUBJECT:** ACCEPTANCE OF PROPOSITION AA  
INDEPENDENT CITIZENS OVERSIGHT  
COMMITTEE 2015 ANNUAL REPORT

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### EXECUTIVE SUMMARY

Following the passage of Proposition AA in November, 2012, the Board of Trustees appointed nine members to an Independent Citizens Oversight Committee (ICOC). The ICOC held its first meeting on April 16, 2013 and has met quarterly over the last three years. The committee reviews project budgets, timelines, change orders and management processes. The ICOC toured project sites and holds its meetings at school sites so it can observe classroom conditions or work in progress. The 2014-15 Prop AA Independent Audit Report was reviewed by the committee at a special meeting on March 9, 2016.

The ICOC is required to complete an annual report on its activities which will be posted on the District website. The report, which covers the 2015 calendar year, was drafted by the committee at the March 9, 2016 special meeting and finalized and approved at their regular meeting on April 20, 2016. The ICOC 2015 Annual Report is being presented to the Board of Trustees for consideration and approval.

### RECOMMENDATION:

It is recommended that the Board accept the Proposition AA Independent Citizens Oversight Committee 2015 Annual Report.

### FUNDING SOURCE:

Not applicable.

# San Dieguito

## Union High School District

### **Proposition AA Independent Citizens Oversight Committee 2015 Annual Report**

**April 20, 2016**

**San Dieguito Union High School District**

**710 Encinitas Blvd.  
Encinitas, California 92024**

**(760) 753-6491**

<http://www.sduhsd.net/>



ITEM 17



Dear Community Members,

The Independent Citizens Oversight Committee (ICOC) of the San Dieguito Union High School District is pleased to present our third annual report. The 2015 Annual report covers activity for the period ending December 31, 2015.

Through June 30, 2015, the District has issued \$277 million in general obligation bonds and has expended \$119,715,245 on projects.

The ICOC wishes to thank the District staff and project management team for their support, their detailed updates and transparency of information, not only to the Committee, but also to the public.

We welcome your questions and comments. You will find ICOC members' e-mail addresses within this report.

For more information about Proposition AA and the ICOC, please visit:

[www.sduhsd.net/PropAA](http://www.sduhsd.net/PropAA)

[www.sduhsd.net/ICOC](http://www.sduhsd.net/ICOC)

Sincerely,

*Rhea A. Stewart*

President,

San Dieguito Union High School District Independent Citizens Oversight Committee



## **INTRODUCTION**

Proposition AA is a \$449 million bond initiative approved by over 55% of District voters in November 2012. The Abbreviation of Proposition AA Bond Measure stated the purpose of Proposition AA is to "provide safe, modern schools and prepare students for success in college and careers by repairing and upgrading outdated classrooms and schools, construction and upgrading school facilities, including classrooms, science labs, and libraries, improving safety and security, and supporting career training and math, science, and technology instruction with 21st Century instructional technology and facilities." See "Full Text of Measure" in **Exhibit A**.

Proposition AA was passed under the rules of California Proposition 39 (passed in November 2000), which requires that the Board of Trustees appoint an Independent Citizens Oversight Committee (ICOC) to monitor bond expenditures. The ICOC is responsible for providing oversight of the District's use of Proposition AA bond proceeds and reporting to the Board and public on their findings. Specifically, the ICOC will ensure that all funds are used in support of the projects approved by the bond measure and not for unspecified projects, general operating expenses, or teacher salaries. The ICOC will also inspect facilities and grounds, review cost-saving measures, and review the annual independent audits that are required of general obligation bond funds.

For additional information about the ICOC and Proposition AA projects, visit the ICOC page at [www.sduhsd.net/ICOC](http://www.sduhsd.net/ICOC) and the Proposition AA page at [www.sduhsd.net/PropAA](http://www.sduhsd.net/PropAA).

See the complete audit report in **Exhibit B** or at [www.sduhsd.net/PropAA](http://www.sduhsd.net/PropAA).

These websites contain the projects mentioned in this annual report, including the Performance Audit, Project Status, Master Plans, and ICOC actions.

## ITEM 17

**INDEPENDENT CITIZENS OVERSIGHT COMMITTEE (ICOC)**

Members of the Independent Citizens Oversight Committee (ICOC) were reappointed by the District's Board of Trustees on February 19, 2015, with new members, Robert Nascenzi and Rimga Viskanta being appointed by the Board at a special meeting on May 7, 2015. All current members' terms end in 2017. ICOC officers were elected at the first meeting on July 8, 2015.

<b>Name</b>	<b>Affiliation</b>	<b>Email Address</b>
Rhea Stewart, President	At-Large Member	<a href="mailto:rhea.stewart@sduhsd.net">rhea.stewart@sduhsd.net</a>
Clarke Caines, Representative	Parent and Active in Parent-Teacher Organization Member	<a href="mailto:clarke.caines@sduhsd.net">clarke.caines@sduhsd.net</a>
Lorraine Kent, Secretary	Taxpayer Association Member	<a href="mailto:lorraine.kent@sduhsd.net">lorraine.kent@sduhsd.net</a>
Kim Bybee	At-Large Member	<a href="mailto:kim.bybee@sduhsd.net">kim.bybee@sduhsd.net</a>
Mary Farrell	Senior Citizen Organization Member	<a href="mailto:mary.farrell@sduhsd.net">mary.farrell@sduhsd.net</a>
Robert Nascenzi	Business Organization Member	<a href="mailto:robert.nascenzi@sduhsd.net">robert.nascenzi@sduhsd.net</a>
Jeffery Thomas	At-Large Member	<a href="mailto:jeffery.thomas@sduhsd.net">jeffery.thomas@sduhsd.net</a>
Rimga Viskanta	Parent of SDUHSD Student Member	<a href="mailto:rimga.viskanta@sduhsd.net">rimga.viskanta@sduhsd.net</a>

ICOC members follow these guidelines:

- Compare the ballot language with actual expenditures and projects of the District
- "Do what they promised to do"
- Maintain trust but verify District bond expenditures
- Make sure that the District's information is transparent and open to the public
- Review major initiatives and projects
- Understand the District's priority setting process for Proposition AA projects and hold the District accountable to their obligations

## **LEGAL ROLE OF THE ICOC**

The ICOC provides only after-the-fact review and monitoring of how the District spends bond dollars. The ICOC does not have the authority to approve or determine how the bonds funds are spent, rate of taxes collected, bond financing or any role in selection, or participate in any negotiations or bid process for contractors or consultants.

The ICOC is required by law to issue regular annual audit reports of its activities and findings and alert the public to any waste or improper expenditure of school bond money. Upon any allegations of waste or misuse, the legislature requires investigation by the appropriate law enforcement officials.

Listed below are the key tools used for actively reviewing and reporting on the proper expenditures of taxpayer's money for Prop AA.

## **AUDIT OF PROPOSITION AA BOND**

Per the Audit Report for the year ending June 30, 2015, there were no findings of noncompliance to report for the Proposition AA Building Fund during the review period. See the complete audit report in **EXHIBIT B** or at [www.sduhsd.net/PropAA](http://www.sduhsd.net/PropAA).

## **FINANCIAL AUDIT**

California Senate Bill 423, signed September 6, 2011, requires that audits for the preceding year be submitted to the oversight committee by March 31 for its review. For the 2015 audit report, the ICOC held a special meeting on March 9, 2016, to receive the audit report and ask questions of the audit firm's representative.

## **PERFORMANCE AUDIT**

California Education Code requires that performance audits must conform to Generally Accepted Government Audit Standards (GAGAS).

Items included:

- Current bond program management/program plan
- Design construction timelines/benchmarks
- Review of project budgets
- Uses of best practices in design and construction
- Payment procedures and processing
- Program management/construction management fees
- Change orders procedures
- Construction delivery methods
- Best Practice procurement
- Evaluation of public outreach
- Transparency

## **PROPOSITION AA DELIVERY METHOD**

In the construction industry, delivery methods are used as the means of organizing and financing the design, construction, operations and maintenance of construction projects.

Construction projects funded by Proposition AA are accomplished using one of the following delivery methods:

- District Forces: Smaller projects which can be accomplished using district staff or through contracting under existing competitive bids.
- Design-Bid-Build (DBB): The District engages an architect to create plans and specifications that are then the basis of a competitive bid process conducted by the District to hire either a general contractor and sub-contractors or a series of trade contractors who are assigned to a construction manager.
- Lease-Leaseback (LLB): The District engages an architect and a construction manager through a competitive proposal process. The architect drafts plans and specifications in cooperation with the District and the construction manager. The District then leases the construction site to the construction manager who then leases the site back to the district for a guaranteed maximum price that represents the cost of construction.

Use of the LLB method under the authorization granted by the California Education Code is an often-litigated issue. Specifically, Section 17406(a) allows school districts to enter into LLB agreements without advertising for bids. The concerns surrounding this authority relates to the possibility that school districts will not receive the lowest price, and that the process lends itself to accusations of favoritism or improprieties.

## ITEM 17

In 2015, the ICOC determined that the District's LLB implementation utilizes a competitive process that involves issuing requests for proposals for construction managers with the District's LLB partners being selected on a best value basis, and not necessarily based on the lowest bid basis. The ICOC found this practice to be consistent with the methodology traditionally employed with the design-build delivery method and is a recommended best practice.

Another concern discussed in the media relates to the fact that LLB construction managers are not required to competitively bid trade subcontractors. As a result, the project may not be getting the best price and the difference is being passed on to the District under the provisions of the Facilities lease, which obligates the District to pay for costs incurred by the LLB construction managers up to the guaranteed maximum price for the project. In 2015, the ICOC learned that the District has included provisions in its LLB agreements that require the LLB construction managers to obtain three to five competitive bids per trade contract, and that those bids are conducted under the supervision of District staff. The construction manager's final maximum price is then comprised of the low-bid trade contracts along with the LLB fees and general conditions, which are also based on the low-bid amounts.

The significant advantage that the LLB method affords the District is the ability to establish a guaranteed maximum price for the projects and minimizes the time associated with administering changes. Additionally, the construction manager in a LLB agreement is responsible for any project delays, so there is an incentive for the builder to deliver the project on schedule. Since Prop AA projects are coupled very tightly with the academic calendars at the affected schools, it is imperative that execution of the projects be completed on or before their scheduled completion dates. In addition to cost impacts for delaying projects, the adverse impact to student and faculty at the schools would be very difficult to assess and work around.

In 2015, the ICOC determined that the District's LLB implementation incorporated industry recommendations and best practices related to the LLB delivery method. We encouraged the District to continue to monitor what other districts are doing to improve their process and to enhance transparency of the processes and information to their constituents. The ICOC is pleased that in 2015 the District embraced the ICOC's recommendations and modified its status reports to identify the delivery methods that have been selected for each project.

The ICOC's evaluation of the District's delivery method designations to date appear to be appropriate in balancing the risks associated with the projects initiated thus far. Because the LLB delivery method continues to be controversial, the ICOC continues to monitor the District's use of this and other delivery methods. In 2015, the District decided to move away from a LLB to DBB delivery method for the construction of the new Math and Science Building at San Dieguito High School Academy. In 2016, the ICOC will be meeting with the District to evaluate the details associated with this decision.

## **PROP AA BASELINE BUDGETS**

Since its inception, the ICOC has been working with the District to adjust project status reports to reflect the budget baselines for each project based on the estimates that existed when the voters passed Prop AA. In 2015, the District published revised status reports that now included the budgets on which the Prop AA vote was based.

Previously, the ICOC was briefed that budgets established for the Prop AA projects included normal construction contingencies. However, in 2015, the ICOC learned that the project budgets did not include allowances to deal with costs that result from legislatively mandated requirements (for example, storm water mitigation, green initiatives, and new electrical code requirements). These unanticipated challenges, and future mandates, must be dealt with by the District through utilization of savings from other Prop AA projects or, as a last resort, scaling back future Prop AA projects.



## **ICOC ACTIVITIES IN 2015**

The ICOC reviews plans, timelines, budgets, change orders, and management processes as a standing practice at each meeting.

The first meeting of the year was held on **January 13, 2015**, at the District Office. The ICOC received information about the school facilities portion of Governor Brown's proposed budget and Series B bond issuance from Associate Superintendent of Business Services, Eric Dill. Executive Director of Planning Services, John Addleman and Chief Facilities Officer, Russ Thornton provided change orders and project and budget reports. The ICOC received information about upcoming reappointment to the ICOC for second terms. Eric Dill informed the Committee that a change in laws allows members to serve three consecutive two-year terms and asked current members about their interest in continuing their service. The ICOC decided to establish dates and locations of future meetings once new ICOC members were appointed.

At the special meeting on **March 9, 2015**, the ICOC met at the District Office to review the 2013/2014 building fund audit report. The District received high marks in the report with no findings of noncompliance or exceptions identified by the auditor. Eric Dill updated the committee on current and upcoming projects in the District, discussed the history of financing, bond options, and proposed projects for Series B bonds. This was the same presentation given to the Board. The 2014 ICOC annual report drafts were shared. Meeting agenda items were set to review the draft report at the regular meeting on April 21, 2015, and a special meeting to finalize the report on April 28, 2015.

At the regular meeting on **April 21, 2015**, Eric Dill updated the ICOC on the process the Board would follow to replace the ICOC's two vacancies. The Board was scheduled to hold a special public meeting on May 7, 2015, to interview candidates and deliberate on the appointments. Project and Budget reports from John Addleman and Russ Thornton included the announcement that Canyon Crest Academy's athletic fields and stadium were complete, as well as describing upcoming projects. Eric Dill discussed Series B bond financing details. The ICOC collaborated on the 2014 report, and agreed to finalize the report on April 28, 2015. The ICOC selected July 7, 2015 as the next meeting date, and decided to wait until the July meeting to establish the remainder of the year's calendar with new ICOC members.

The ICOC met on **April 28, 2015**, at the District Office for the final review of the 2014 ICOC report. A motion was made and unanimously carried to approve the report with proposed amendments. The ICOC presented the report to the Board at the **May 7, 2015**, meeting, where the Board unanimously approved to accept the report.

At the **July 7, 2015**, meeting at Pacific Trails Middle School, new ICOC members Robert Nascenzi and Rimga Viskanta were welcomed. The ICOC elected Rhea Stewart to serve as President, Clarke Caines to serve as Representative, and Lorraine Kent to serve as Secretary. Regular meetings for the 2015-2016 term were set for October 13, 2015, January 12, 2016, and April 20, 2016. The October meeting was later rescheduled to



## ITEM 17

October 20, 2015. The ICOC and meeting attendees were given a tour of the school in its almost-completed state. The ICOC was informed that Scott Seidenverg had submitted his resignation. Russ Thornton and John Addleman provided project and budget reports. The ICOC discussed the LLB delivery methods, recent litigation in California, and reviewed the District's process and procedures.

The ICOC joined the Board and District staff on a tour of Proposition AA Fall projects on **October 8, 2015**. The tour included Torrey Pines High School, Earl Warren Middle School, and Pacific Trails Middle School.

ICOC representatives were present at the demolition/groundbreaking ceremony for Earl Warren Middle School on **October 16, 2015**. Representatives from the San Dieguito Union High School District, Solana Beach Elementary School District, Friends of the Solana Beach Library, and other dignitaries watched as the 60-year-old school building was demolished as the first step in constructing the new school.

The final meeting of the year was held on **October 20, 2015**, at the District Office. Eric Dill discussed the change to San Dieguito HS Academy's math and science building project, moving from LLB to construction manager/multi-prime delivery methods. Information about District's exploration of moving up issuance of Series C bonds from 2018 to 2016 and availability of JPA North City West funding was also discussed. Russ Thornton and John Addleman provided project and budget reports. The ICOC was informed that closeout savings from the data center project at Earl Warren MS will be used to complete a small remodel project at Canyon Crest Academy's Media Center.

**FIRST BOND DRAW BUDGET AND COMMITMENTS SUMMARY** ITEM 17

This is the overall Proposition AA bond program budget for 2015.

Project Sites	Budget 12/16/14	Budget 12/21/15	Commitments 12/21/15	Delta 12/21/15
Pacific Trails MS	52,529,244.00	53,138,160.00	49,130,853.64	4,007,306.36
Carmel Valley MS	177,793.15	180,936.51	180,936.51	-
Earl Warren MS	6,412,225.00	51,647,895.60	49,663,895.99	1,983,999.61
La Costa Valley Site	11,532,803.59	11,248,000.00	10,937,371.90	310,628.10
Diegueno MS	5,056,230.74	5,063,051.84	5,060,403.22	2,648.62
Oak Crest MS	4,416,226.22	9,237,434.22	9,262,615.84	(25,181.62)
Canyon Crest Academy	19,444,586.83	30,571,973.03	19,998,221.00	10,573,752.03
Torrey Pines HS	12,102,750.21	35,279,723.21	26,471,773.50	8,807,949.71
San Dieguito High School Academy	28,432,092.92	53,382,024.92	14,359,668.64	39,022,356.28
La Costa Canyon HS	7,417,330.06	8,905,251.73	7,165,903.37	1,739,348.36
District-wide Tech Infrastructure	5,859,813.65	11,253,526.88	7,276,098.70	3,977,428.18
Solar Bonds - 3 yr. option	2,294,071.36	4,590,745.36	2,301,664.72	2,289,080.64
Administration	2,389,544.43	6,126,632.75	2,478,951.87	3,647,680.88
<b>Subtotal Expense Budget</b>	<b>158,064,712.16</b>	<b>280,625,356.05</b>	<b>204,288,358.90</b>	<b>76,336,997.15</b>
<b>Project Funding</b>				
Prop AA Project Fund	157,935,639.78	274,705,639.78		
North City West Funding	4,835,697.00	4,835,697.00		
Estimated Interest Earnings - Yld .58%	1,167,964.65	1,817,973.35		
<b>Subtotal Funding Budget</b>	<b>163,939,301.43</b>	<b>281,359,310.13</b>		
<b>Excess / (Shortage of) Funding</b>	<b>5,874,589.27</b>	<b>733,954.08</b>		

**COMPLETED PROJECTS 2015**

Project	Delivery Method	Budget	Actual Expenses	Savings
Canyon Crest Academy Field and Track	LLB	3,931,010.00	3,313,106.83	(617,903.17)
Canyon Crest Academy Stadium and Fields	LLB	16,131,723.00	15,440,715.00	(691,008.00)
Earl Warren MS Infrastructure & Data Center	LLB	5,038,875.00	4,010,509.52	(1,028,365.48)
<b>Subtotal</b>		<b>25,101,608.00</b>	<b>22,764,331.35</b>	<b>(2,337,276.65)</b>

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**2015 Change Orders**

Board Date	Project	Contractor	Original	Change Order	Revised
<b>1/15/2015</b>	Diegueno MS Entry Enhancement and Media Center Renovations	EC Constructors	430,758.00	(21,924.00)	408,834.00
<b>8/20/2015</b>	Earl Warren MS Data Center	McCarthy Building Companies, Inc	2,401,873.00	(302,474.40)	2,099,398.60
<b>8/20/2015</b>	Canyon Crest Academy Stadium & Fields	Byrom Davey, Inc	13,484,567.00	(472,989.80)	13,011,577.20
<b>8/20/2015</b>	San Dieguito HSA Stadium Project, Interim Housing, Tennis Courts	Gilbane Building Company	2,611,846.00	522,738.00	3,134,584.00
<b>10/1/2015</b>	Energy Conservation Services, Phase III	Siemens Industry, Inc	1,995,855.00	(80,228.76)	1,915,626.24
<b>11/13/2015</b>	Earl Warren MS Interim Campus	McCarthy Building Companies, Inc	2,995,234.00	(327,716.03)	2,667,517.97
<b>Net Change</b>			<b>23,920,133</b>	<b>(682,594.99)</b>	<b>23,237,538.01</b>

These are the 2015 change orders approved by the Board and included in the Board minutes.

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**ONGOING PROJECTS AS OF DECEMBER 2015**

Project	Delivery Method	Bond Series	Est Start Date	Estimated Budget
CCA Media Center Renovation	LLB	A	6/15	280,000.00
CCA Science Classroom, Black Box, Dance Room	LLB	B	6/16	11,451,856.00
CVMS Music & Performing Arts Renovations, Relocate Food Service	LLB	North City West	6/16	5,767,426.00
Earl Warren MS Campus Reconstruction	LLB	B	7/15	42,785,935.00
Earl Warren MS Interim Housing	LLB	A	4/15	4,732,785.00
La Costa Canyon HS Phase 2-800/900 Modernization	LLB	A	6/16	1,868,968.00
La Costa Valley Site - Field Project	LLB	A	3/15	11,532,803.00
Pacific Trails Middle School Phase 1	LLB	B	5/14	52,529,244.00
Oak Crest MS - Phase 2 - Balour, Drainage, Media Center - Series A	LLB	A	6/15	4,831,722.00
SDHSA Stadium Phase 1b/Math-Science Phase 2	LLB	A	4/15	24,270,769.61
Torrey Pines HS - Phase 1a - Stadium Lighting/Upgrade Bldg B/Science Classroom (4 clsrms)/Weight Room Building	LLB	A	4/14	11,361,649.56
Torrey Pines HS - Phase 2a - Bldg B	LLB	A/B	4/15	23,176,973.00

\* LLB - Lease/Leaseback

## **OVERVIEW OF 2015 PROJECTS, BY SCHOOL**

The following represents the status of the projects under ICOC oversight upon publication of this annual report.

For more information about each site's projects, and to view photos from 2015 work, visit [www.sduhsd.net/PropAA](http://www.sduhsd.net/PropAA).

### **CANYON CREST ACADEMY**

- Natural turf field improvement project – **completed**
- Stadium seating, concessions, and restroom building– **completed**
- Baseball and softball diamonds relocation – **completed**
- Media center renovation – **in progress**
- Science Classroom building, black box theater & dance room planning and design – **in progress**

### **CARMEL VALLEY MIDDLE SCHOOL**

- Music & Performing Arts renovations planning and design – **in progress**
- Relocation of food service planning and design – **in progress**

### **DIEGUENO MIDDLE SCHOOL**

- No activity

### **EARL WARREN MIDDLE SCHOOL**

- New network operations center, utilities upgrades, and campus reconstruction planning - **complete**
- Campus demolition, interim housing and reconstruction – **in progress**
- Redesign of Warren Hall with shared-use spaces for the County Library planning and design – **in progress**

### **LA COSTA CANYON HIGH SCHOOL**

- Installations of current District-standard audio-visual technology and HVAC upgrades in remaining classrooms – **in progress**

### **LA COSTA VALLEY SITE**

- Athletic field, parking lot, and restroom building construction – **in progress**

### **PACIFIC TRAILS MIDDLE SCHOOL**

- First phase of campus construction of classrooms, media center, multi-purpose room, gymnasium, food service, and administration, track & fields for 500-student enrollment – **in progress**

### **NORTH COAST ALTERNATIVE HIGH SCHOOL**

- No activity

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**OAK CREST MIDDLE SCHOOL**

- Media center renovations –**completed**
- Balour Street and site improvements – **in progress**

**SAN DIEGUITO HIGH SCHOOL ACADEMY**

- Construction of two-story math and science building – **in progress**
- Replacement of tennis courts – **completed**
- Preparation for interim classrooms for future projects – **completed**

**SUNSET HIGH SCHOOL**

- No activity

**TORREY PINES HIGH SCHOOL**

- Construction of new chemistry building and new weight room – **complete**
- Multi-media and HVAC improvements of B Building classrooms – **in progress**
- Planning and design of media center renovations – **in progress**

**EXHIBIT A**

**PROPOSITION AA BALLOT MEASURE**

The San Dieguito Union High School District Proposition AA Ballot Measure follows. The Proposition AA ballot measure can also be found at [www.sduhsd.net/ICOC](http://www.sduhsd.net/ICOC).

## EXHIBIT A

### I. ABBREVIATION OF THE MEASURE

To provide safe, modern schools and prepare students for success in college and careers by repairing and upgrading outdated classrooms and schools, constructing and upgrading school facilities, including classrooms, science labs, and libraries, improving safety and security, and supporting career training and math, science, and technology instruction with 21st Century instructional technology and facilities, shall San Dieguito Union High School District issue \$449 million in bonds with independent oversight, no money for administrator salaries, and all money staying local?



II. FULL TEXT OF THE MEASURE

BEGINNING OF FULL TEXT OF MEASURE----->>>>>

**BOND AUTHORIZATION**

By approval of this proposition by at least 55% of the registered voters voting on the proposition, the San Dieguito Union High School District (the “District”) shall be authorized to issue and sell bonds of up to \$449,000,000 in aggregate principal amount to provide financing for the specific school facilities projects listed in the Bond Project List below, and in order to qualify to receive State matching grant funds, subject to all of the accountability safeguards specified below.

**ACCOUNTABILITY SAFEGUARDS**

The provisions in this section are specifically included in this proposition in order that the District’s voters and taxpayers may be assured that their money will be spent wisely to address specific facilities needs of the District, all in compliance with the requirements of Article XIII A, Section 1(b)(3) of the State Constitution, and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at Education Code Sections 15264 and following).

Evaluation of Needs. The Board of Trustees hereby certifies that it has evaluated the facilities needs of the District, and the priority of addressing each of these needs. In the course of its evaluation, the Board of Trustees took safety, class size reduction and information technology needs into consideration while developing the Bond Project List.

Limitation on Use of Bond Proceeds. The State of California does not have the power to take locally approved school district bond funds for any State purposes. The Constitution allows proceeds from the sale of bonds authorized by this proposition to be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities listed in this proposition, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff only when performing work on or necessary and incidental to the bond projects.

Independent Citizens’ Oversight Committee. The Board of Trustees shall establish an independent Citizens’ Oversight Committee (pursuant to Education Code Section 15278 and following), to ensure bond proceeds are spent only for the school facilities projects listed in the Bond Project List. The committee shall be established within 60 days of the date on which the Board of Trustees enters the election results on its minutes.

Annual Performance Audits. The Board of Trustees shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed in the Bond Project List.

Annual Financial Audits. The Board of Trustees shall conduct an annual, independent financial audit of the bond proceeds (which shall be separate from the District’s regular annual

## ITEM 17

financial audit) until all of those proceeds have been spent for the school facilities projects listed in the Bond Project List.

Special Bond Proceeds Account; Annual Report to Board. Upon approval of this proposition and the sale of any bonds approved, the Board of Trustees shall take actions necessary pursuant to Government Code Section 53410 and following to establish an account in which proceeds of the sale of bonds will be deposited. As long as any proceeds of the bonds remain unexpended, the Superintendent or the Associate Superintendent, Business Services of the District (or such other employee as may perform substantially similar duties) shall cause a report to be filed with the Board no later than December 31 of each year, commencing December 31, 2012, stating (1) the amount of bond proceeds received and expended in that year, and (2) the status of any project funded or to be funded from bond proceeds. The report may relate to the calendar year, fiscal year, or other appropriate annual period as such officer shall determine, and may be incorporated into the annual budget, audit, or other appropriate routine report to the Board.

### FURTHER SPECIFICATIONS

Specific Purposes. All of the purposes enumerated in this proposition shall be united and voted upon as one single proposition, pursuant to Education Code Section 15100, and shall constitute the specific purposes of the bonds, and proceeds of the bonds shall be spent only for such purposes, pursuant to Government Code Section 53410.

Joint Use. The District may enter into agreements with the County of San Diego or other public agencies or nonprofit organizations for joint use of school facilities financed with the proceeds of the bonds in accordance with Education Code Section 17077.42 (or any successor provision). The District may seek State grant funds for eligible joint-use projects as permitted by law, and this proposition hereby specifies and acknowledges that bond funds will or may be used to fund all or a portion of the local share for any eligible joint-use projects identified in the Bond Project List or as otherwise permitted by California State regulations, as the Board of Trustees shall determine.

Rate of Interest. The bonds shall bear interest at a rate per annum not exceeding the statutory maximum, payable at the time or times permitted by law.

Term of Bonds. The number of years the whole or any part of the bonds are to run shall not exceed the legal limit, though this shall not preclude bonds from being sold which mature prior to the legal limit.

### BOND PROJECT LIST

The Bond Project List below describes the specific projects the San Dieguito Union High School District proposes to finance with proceeds of the bonds. Listed projects will be completed as needed at a particular school site according to Board-established priorities, and the order in which such projects appear on the Bond Project List is not an indication of priority for funding or completion. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. Certain construction funds expected from non-bond sources, including State grant funds for eligible projects, have not yet been secured. Until all project costs and funding sources are known, the Board of Trustees cannot determine the amount of bond proceeds available to be spent on each project, nor guarantee that the bonds will provide sufficient

## ITEM 17

funds to allow completion of all listed projects. Completion of some projects may be subject to further government approvals by State officials and boards, to local environmental review, and to input from the public. For these reasons, inclusion of a project on the Bond Project List is not a guarantee that the project will be funded or completed. The Board of Trustees may make changes to the Bond Project List in the future consistent with the projects specified in the proposition.

**Part I - Site-specific Authorization.** the following projects are authorized at the specific sites indicated below (and are supplemental to, and do not limit, the authorization set forth in Part II, below):

**Canyon Crest Academy**

- Increase school capacity to accommodate growing student enrollment;
- Consolidate under-utilized space to improve classrooms and science labs;
- Repurpose the existing temporary Black Box Theater for engineering/robotics;
- Add new physical education/athletics facilities.

**Carmel Valley Middle School**

- Repair, rehabilitate, reconstruct or modernize science and technology labs and other classrooms;
- Reconfigure instructional spaces and labs to create larger instruction spaces.

**Diegueño Middle School**

- Repair, reconstruct, rehabilitate or replace existing modular or portable classroom buildings;
- Reconfigure classrooms or labs to support instruction;
- Improve traffic circulation;
- Reconfigure quad area.

**Earl Warren Middle School**

- Repair, replace, reconstruct, or modernize outdated, aging school classrooms and buildings including constructing new classrooms and buildings if necessary;
- Repair, replace, reconstruct or modernize multi-use facility (Warren Hall) to allow for group learning, and expanded joint-use partnership with the County of San Diego;
- Construct new facilities for athletics and performing arts.

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**La Costa Canyon High School**

- Repair, replace, reconstruct or modernize existing modular or portable classroom buildings with 2-story classroom buildings that include labs for science, including physics;
- Construct new classrooms and media center;
- Reconfigure existing classrooms and labs to support instruction;
- Repair, replace, reconstruct or modernize labs and other classrooms;
- Add new web-based learning center for online/distance learning;
- Reconfigure quad area;
- Construct physical education/athletics facilities;
- Make necessary site improvements including grading, infrastructure, and roads.

**La Costa Valley Site**

- Construct new flexible meeting and instructional space for district and community use;
- Construct new gymnasium multi-purpose building for district and community use;
- Construct new play fields and hard courts to allow community access, as well as to support the athletic program at La Costa Canyon High School.

**New Middle School at Pacific Highlands Ranch**

- Add new classrooms and instructional spaces to prevent overcrowding at neighboring facilities;
- Add new multi-use instructional facility and media center;
- Add new physical education/athletics facilities;
- Make necessary site improvements including grading, infrastructure, and roads;
- Construct school facilities including buildings necessary for non-instructional purposes.

**Oak Crest Middle School**

- Repair, reconstruct, rehabilitate or reconfigure classrooms and labs to support instruction;
- Repair, reconstruct, rehabilitate or reconfigure Crest Hall to improve functionality;

## ITEM 17

- Repair, reconstruct, rehabilitate or reconfigure media center and reconfigure spaces for group instruction;
- Add new physical education/athletics facilities;
- Add a new science quad.

#### **San Dieguito Academy**

- Expand total campus space, including space for engineering technology, science and physics labs, and classroom space;
- Add 2-story math and science building with math classrooms, science classrooms, and science labs;
- Add 2-story arts/English/social science/adult education building with new classrooms;
- Repair, reconstruct, rehabilitate or reconfigure industrial arts building;
- Add new physical education/athletics facilities.

#### **Sunset High School/North Coast Alternative**

- Construct new classrooms;
- Repair, reconstruct, rehabilitate or reconfigure classrooms and labs to support instruction;
- Repair, reconstruct, rehabilitate or reconfigure school facilities to ensure they are accessible for students, parents, teachers and staff with disabilities by repairing, constructing, reconstructing, rehabilitating or reconfiguring schools and classrooms to be compliant with Americans with Disabilities Act.

#### **Torrey Pines High School**

- Repair, construct, reconstruct, rehabilitate or reconfigure old and outdated buildings, labs, classrooms and technologies.
- Repair, construct, reconstruct, rehabilitate or reconfigure student commons area;
- Repair, construct, reconstruct, rehabilitate or reconfigure arts and education spaces, and industrial arts classrooms, labs and shop facilities;
- Add new physical education/athletics facilities.

**Part II - District-wide Authorization.** The following projects are authorized at each or any of the District's sites, as shall be approved by the Board of Trustees:

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- Enable 21<sup>st</sup> Century learning in science, engineering, technology and related subjects by providing modern equipment, including instructional equipment, technology, servers, wiring, and data systems;
- Construct, reconstruct, rehabilitate or repair utility infrastructure, heating and cooling systems, and building infrastructure to improve functionality and efficiency, including adding solar and other renewable technology;
- Ensure schools, classrooms and facilities meet current fire, earthquake and other safety codes;
- Repair, reconstruct, rehabilitate or modernize science and technology labs and other classrooms;
- Improve traffic safety and parking at and around each school;
- Acquire or lease facilities;
- Construct, reconstruct, rehabilitate or repair school facilities, including science laboratories, instructional classrooms, playgrounds, athletic fields, playfields, multi-use facilities, and performing arts spaces.

Each project listed is assumed to include its share of costs of the election and bond issuance and other construction-related costs, such as construction management, architectural, engineering, inspection and other planning costs, legal, accounting and similar fees, independent annual financial and performance audits, a customary construction contingency, and other costs incidental to and necessary for completion of the listed projects (whether work is performed by the District or by third parties), including:

Remove, dispose of, and otherwise remediate hazardous materials, including asbestos, lead, etc., where necessary.

Address unforeseen conditions revealed by construction/modernization (including plumbing or gas line breaks, dry rot, seismic, structural, etc.).

Site preparation/restoration in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, demolition of existing structures, removing, replacing, or installing irrigation and drainage, utility lines (such as gas lines, water lines, electrical lines, sewer lines, and communication lines), trees and landscaping, relocating fire access roads, traffic lights and mitigation, and acquiring any necessary easements, licenses, or rights of way to the property.

Rental or construction of storage facilities and other space on an interim basis, as needed to accommodate construction materials, equipment, and personnel, and interim classrooms (including relocatables) for students and school functions or other storage for classroom materials displaced during construction.

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Acquisition of any of the facilities on the Bond Project List through temporary lease or lease-purchase arrangements, or execute purchase option under a lease for any of these authorized facilities.

Furnishing and equipping of existing and newly constructed, modernized or rehabilitated classrooms and facilities on an ongoing basis, including replacing worn, broken, or out-of-date furniture and equipment for all classrooms, athletic facilities and other facilities, as needed.

For any project involving renovation, modernization, remodeling or rehabilitation of a building or the major portion of a building, the District may proceed with new replacement construction instead (including any necessary demolition), if the Board of Trustees determines that replacement and new construction is more practical than rehabilitation and renovation, considering the building's age, condition, expected remaining life, comparative cost, and other relevant factors.

The Bond Project List shall be considered a part of this ballot proposition, and shall be reproduced in any official document required to contain the full statement of the bond proposition.

<<<<<-----END OF FULL TEXT OF MEASURE.

**EXHIBIT B**

**2015 AUDIT REPORT**

The San Dieguito Union High School District Proposition AA Building Fund General Obligation Bonds Audit Report, dated June 30, 2015, follows. The report can also be found at [www.sduhsd.net/PropAA](http://www.sduhsd.net/PropAA).



**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS**

**AUDIT REPORT**

**JUNE 30, 2015**

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS  
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**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION 39 GENERAL OBLIGATION BONDS  
PROPOSITION AA  
INTRODUCTION AND CITIZENS' OVERSIGHT COMMITTEE MEMBER LISTING**

On November 6, 2012 the San Dieguito Union High School District was successful under Proposition AA in obtaining District voters to issue up to \$449,000,000 in General Obligation Bonds pursuant to a 55% vote in a bond election. The General Obligation Bonds are considered Proposition 39 bonds. The passage of Proposition 39 in November 2000 amended the California Constitution to include accountability measures. Specifically, the District must conduct an annual, independent performance audit to ensure that funds have been expended only on the specific projects listed as well as an annual, independent financial audit of the proceeds from the sale of the bonds until all of the proceeds have been expended.

Upon passage of Proposition 39, an accompanying piece of legislation, AB 1908 was also enacted, which amended the Education Code to establish additional procedures which must be followed if a District seeks approval of a bond measure pursuant to the 55% majority authorized in Proposition 39 including formation, composition and purpose of the Independent Citizens' Oversight Committee, and authorization for injunctive relief against improper expenditure of bond revenues.

The San Dieguito Union High School District Proposition AA Independent Citizens' Oversight Committee as of June 30, 2015 was comprised of the following members:

Name	Position	Term Expiration
Rhea Stewart	President-At Large Member	June 2017
Clarke Caines	Representative-Parent and Active in PTA	June 2017
Lorraine Kent	Secretary-Taxpayer Association Member	June 2017
Rimga Viskanta	Member-Parent of SDUHSD Student	June 2017
Robert Nascenzi	Member-Business Organization	June 2017
Mary Farrell	Member-Senior Citizen Organization	June 2017
Kim Bybee	Member-At-Large	June 2017
Jeffery Thomas	Member-At Large	June 2017

P. Robert Wilkinson, CPA  
Brian K. Hadley, CPA



Aubrey W. King, CPA  
Kevin A. Sproule, CPA

## INDEPENDENT AUDITOR'S REPORT

**Governing Board Members and  
Citizens' Oversight Committee  
San Dieguito Union High School District  
Encinitas, California**

### **Report on Financial Statements**

We have audited the accompanying financial statements of Proposition AA Building Fund (21-39) of San Dieguito Union High School District, which comprise the balance sheet as of June 30, 2015, and the related statement of revenues, expenditures, and changes in fund balance for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

El Cajon Office

218 W. Douglas Avenue El Cajon, CA 92020  
Tel. (619) 447-6700 Fax (619) 447-6707

Emeryville Office

1900 Powell Street, Suite 600 Emeryville, CA 94608  
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**Emphasis of Matter**

As discussed in Note B, the financial statements present only the Building Fund (21-39) which is specific to Proposition AA and is not intended to present fairly the financial position and results of operations of San Dieguito Union High School District in conformity with accounting principles generally accepted in the United States of America.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Proposition AA Building Fund (21-39) of San Dieguito Union High School District as of June 30, 2015, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2016, on our consideration of San Dieguito Union High School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Wilkinson Hadley King & Co., LLP*

El Cajon, California  
February 11, 2016

ITEM 17

**FINANCIAL SECTION**

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS  
BALANCE SHEET  
JUNE 30, 2015**

**ASSETS****CURRENT ASSETS**

Cash in County Treasury	\$ 161,012,876
Investments - Cash With Fiscal Agent	843,325
Accounts Receivable	130,667
Due From General Fund	<u>76</u>

**TOTAL ASSETS**

**\$ 161,986,944**

---

**LIABILITIES AND FUND BALANCE**

Accounts Payable	\$ 7,044,823
Due to Other Funds	<u>776,113</u>

**TOTAL LIABILITIES**

7,820,936

**FUND BALANCE**

Restricted for Capital Projects	<u>154,166,008</u>
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**TOTAL LIABILITIES AND FUND BALANCE**

**\$ 161,986,944**

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The accompanying notes are an integral part of these financial statements

## ITEM 17

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2015**

<b>REVENUES</b>	
Other State Income	\$ 7,408
Interest Income	390,140
Other Local Income	<u>1,038</u>
<b>TOTAL REVENUES</b>	<b>398,586</b>
<b>EXPENDITURES</b>	
Classified Salaries	693,383
Employee Benefits	238,623
Professional and Consulting Services	421,105
Other Operating Expenses	22,723
Capital Outlay:	
Architect Fees	10,047
Land Improvements	14,451,161
New Construction	41,331,378
Construction Improvement	10,808,985
Equipment	788,182
Equipment Replacement	<u>2,269,491</u>
<b>TOTAL EXPENDITURES</b>	<b>71,035,078</b>
<b>EXCESS OF EXPENDITURES OVER REVENUES</b>	<u><b>(70,636,492)</b></u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Proceeds from Sales of Bonds	117,040,000
Bond Premium	206,990
Interfund Transfer to General Fund	<u>(765,589)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>116,481,401</b>
<b>NET CHANGE IN FUND BALANCE</b>	<u><b>45,844,909</b></u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u><b>108,321,099</b></u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u><b>\$ 154,166,008</b></u></u>

The accompanying notes are an integral part of these financial statements



**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**A. Definition of the Fund**

The Building Fund (21-39) was formed to account for property acquisition and construction of new schools as well as renovation of current schools for the San Dieguito Union High School District (District), through expenditures of general obligation bonds issued under the General Obligation Bonds Election of 2012. Fund (21-39) is one of the Building Funds of the District.

**B. Summary of Significant Accounting Policies**

*Basis of Presentation*

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB) and *Audits of State and Local Governmental Units* issued by the American Institute of Certified Public Accountants.

*Fund Structure*

The accompanying financial statements are used to account for the transactions of the Building Fund (21-39) specific to Proposition AA as defined in Note A and are not intended to present fairly the financial position and results of operations of San Dieguito Union High School District in conformity with accounting principles generally accepted in the United States of America.

*Basis of Accounting*

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

Building Fund (21-39) is maintained on the modified accrual basis of accounting. Its revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered). With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

*Budgets and Budgetary Accounting*

The Board of Trustees adopts an operating budget no later than July 1 in accordance with state law. This budget is revised by the Board of Trustees during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)**

**B. Summary of Significant Accounting Policies (Continued)**

*Encumbrances*

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated at June 30 since they do not constitute expenditures or liabilities.

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

*Cash in County Treasury*

In accordance with Education Code §41001, the District maintains a substantial amount of its cash in the San Diego County Treasury. The County pools these funds with those of other districts in the County and invests the cash. These pooled funds are carried at cost, which approximates fair value, in accordance with the requirements of GASB Statement No. 31.

Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The county is authorized to deposit cash and invest excess funds by California Government Code §53648 et.seq. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

Information regarding the amount of dollars invested in derivatives with San Diego County Treasury was not available.

*Receivables and Payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables/payables. Accounts receivable are recorded net of estimated uncollectible amounts. There were no significant receivables that are not scheduled for collection within one year of year-end.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)**

**B. Summary of Significant Accounting Policies (Continued)**

*Fund Balance Reserves and Designations*

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the District’s governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund’s primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts has been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)**

**B. Summary of Significant Accounting Policies (Continued)**

*Deferred Inflows and Deferred Outflows of Resources*

Deferred outflows of resources is a consumption of net assets or net position that is applicable to a future reporting period. Deferred inflows of resources is an acquisition of net assets or net position that is applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources are recorded in accordance with GASB Statement numbers 63 and 65. At June 30, 2015 the District's Building Fund (21-39) did not have any deferred inflows or deferred outflows of resources.

**C. Cash and Investments**

*Cash in County Treasury*

In accordance with Education Code Section 41001, the District maintains significantly all of its cash in the San Diego County Treasury as part of the common investment pool. As of June 30, 2015, the portion of cash in county treasury attributed to Building Fund (21-39) was \$161,012,876. The fair value of Building Fund (21-39)'s portion of this pool as of that date, as provided by the pool sponsor, was \$161,012,876. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001).

The fair value of the District's investment in the pool is reported in the accounting financial statement at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

*Investments*

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State: U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposits placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies; certificates of participation; obligations with first priority security; and collateralized mortgage obligations.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)**

**C. Cash and Investments (Continued)**

The District's investments attributed to Building Fund (21-39) at June 30, 2015 are shown below.

<u>Investment or Investment Type</u>	<u>Average Days to Maturity*</u>	<u>Amount Reported</u>	<u>Fair Value</u>
Federated Treasury Obligations	44 Days	\$ 768,592	\$ 768,592
Principal Cash Funds	<30 Days	74,733	74,733
Total Investments		<u>\$ 843,325</u>	<u>\$ 843,325</u>

\*Represents an average of the days to maturity.

*Analysis of Specific Deposit and Investment Risks*

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. *Credit Risk*

Credit risk is the risk that an issuer or their counterparty to an investment will not fulfill its obligations. The county is restricted by Government Code Section 53635 pursuant to Section 53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District's Building Fund (21-39) was not exposed to credit risk. The San Diego County Investment Pool is rated AAA by Standard & Poors and Federated Treasury Obligations are rated AAAM by Standard & Poors.

b. *Custodial Credit Risk*

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. At year end, the District's Building Fund (21-39) was not exposed to custodial credit risk.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)**

**C. Cash and Investments (Continued)**

*c. Concentration of Credit Risk*

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. Investments in any one issuer that represent five percent or more of the total investments are either an external investment pool and are therefore exempt. As such, the District's Building Fund (21-39) was not exposed to concentration of credit risk.

*d. Interest Rate Risk*

This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposures to interest rate risk by investing in the county pool.

*e. Foreign Currency Risk*

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

*f. Investment Accounting Policy*

The District is required by GASB statement No. 31 to disclose its policy for determining which investments, if any are reported at amortized cost. The District's general policy is to report money market investments and short-term participating interest-earning investment contracts using a cost-based measure; however, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value.

All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.



**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)**

**D. Accounts Receivable**

Accounts receivable at June 30, 2015 consisted of:

Accrued Interest	\$ 130,661
Other Local Income	<u>6</u>
Total	<u>\$ 130,667</u>

**E. Accounts Payable**

Accounts payable at June 30, 2015 consisted of:

Vendors Payable	\$ 7,031,287
Salaries and Benefits	<u>13,536</u>
Total	<u>\$ 7,044,823</u>

**F. Interfund Transactions**

Interfund receivable and payable balances at June 30, 2015 are as follows:

Due from General Fund	<u>\$ 76</u>
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The amount due from the General Fund is for reimbursement of an expense that was paid by Building Fund (21-39).

Due to General Fund	<u>\$ 775,282</u>
---------------------	-------------------

The amount due to the General Fund represents the portion of lease principal payment due on the solar facilities project in accordance with the authorized purpose under the facility lease agreement with the San Dieguito Public Facilities Financing Authority in the amount of \$765,589. The remaining \$9,693 due to the General Fund represents miscoded May and June 2015 payroll and benefits expenses for an employee that was to be charged to Building Fund (21-39) but was inadvertently posted in error to general fund suspense by the new software system. The Building Fund (21-39) is reimbursing the General Fund for these payroll and benefits expenses.

Due to Self Insurance Fund	<u>\$ 831</u>
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The amount due to the Self Insurance Fund represents Other Post-Employment Benefits (OPEB) contribution costs for employees charged to Building Fund (21-39).

All expenses charged were in conjunction with the Bond Project List as listed in the full text of the Proposition AA Ballot Measure.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)**

**F. Interfund Transactions (Continued)**

Interfund transfers to and from other funds at June 30, 2015 are as follows:

Transfer to General Fund \$ 765,589

The amount transferred to the General Fund represents the portion of lease principal payment due on the solar facilities project in accordance with the authorized purpose under the facility lease agreement with the San Dieguito Public Facilities Financing Authority in conjunction with the Bond Project List as listed in the full text of the Proposition AA Ballot Measure.

**G. Long-Term Debt**

The outstanding bonded debt as of June 30, 2015 is as follows:

Date of Issuance	Interest Rate	Maturity Date	Amounts Outstanding Issue	Amounts Outstanding July 1, 2014	Issued Current Year	Redeemed Current Year	Amounts Outstanding June 30, 2015
4/11/13	1.00-5.00%	08/01/38	\$160,000,000	\$160,000,000	\$ -	\$10,245,000	\$ 149,755,000
4/15/15	0.60-4.50%	08/01/40	\$117,040,000	-	117,040,000	-	117,040,000
4/11/13	Premium	08/01/38	\$ 8,336,717	8,016,074	-	320,643	7,695,431
4/15/15	Premium	08/01/40	\$ 6,379,386	-	6,379,386	63,794	6,315,592
4/11/13	Discount	08/01/38	\$ (744,000)	(715,385)	-	(28,615)	(686,770)
Totals				<u>\$167,300,689</u>	<u>\$ 123,419,386</u>	<u>\$10,600,822</u>	<u>\$ 280,119,253</u>

*General Obligation Bonds*

**2013 General Obligation Bonds**

In April 2013, the District issued \$2,320,000 taxable, 2012 Election, Series A-1, General Obligation Bonds and \$157,680,000 tax-exempt, 2012 Election, Series A-2 General Obligation Bonds. The issue consisted of \$93,035,000 of current interest bonds with interest rates ranging from 1.00% to 5.00% with annual maturities from August 2014 through August 2033 and \$66,965,000 in a term bond with an interest rate of 4.00% with an annual maturity date of August 1, 2038. Interest on the bonds accrues from the date of delivery and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2014. The bonds were authorized at an election of the registered voters held on November 6, 2012 at which 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of bonds in order to finance specific construction, acquisition and modernization projects approved by the voters including lease payments with respect to such facilities in addition to purchasing the San Dieguito Public Facilities Authority's interest in, and pay and prepay lease payments due on the Torrey Pines High School Projects.



**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)**

**G. Long-Term Debt (Continued)**

2015 General Obligation Bonds

In April 2015, the District issued \$7,010,000 taxable, 2012 Election, Series B-1, General Obligation Bonds and \$110,030,000 tax-exempt, 2012 Election, Series B-2 General Obligation Bonds. The issue consisted of \$61,050,000 of current interest bonds with interest rates ranging from 0.60% to 4.50% with annual maturities from August 2016 through August 2036 and \$55,990,000 in a term bond with an interest rate of 4.00% with an annuity maturity date of February 1, 2040. Interest on the bonds accrues from the date of delivery and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2016. The bonds were authorized at an election of the registered voters held on November 6, 2012 at which 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of the bonds in order to finance specific construction, acquisition and modernization projects approved by the voters including lease payments with respect to such facilities in addition to purchasing the San Dieguito Public Facilities Authority's interest in and pay and prepay lease payments due on the Torrey Pines High School Projects.

*Bond Premium and Discount*

Bond premium arises when the market rate of interest is higher than the stated interest rate on the bond. Generally Accepted Accounting Principles (GAAP) require that the premium increase the face value of the bond and then amortize the premium over the life of the bond as interest. Bond discount arises when the market rate of interest is lower than the stated interest rate on the debt. Generally Accepted Accounting Principles (GAAP) require that the discount decrease the face value of the debt and then amortize the discount over the life of the debt as interest.

Debt service requirements on the general obligation bonds, net of premium and discount, as of June 30, 2015 is as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 5,535,000	\$ 9,375,073	\$ 14,910,073
2017	7,010,000	10,404,480	17,414,480
2018	3,500,000	10,330,950	13,830,950
2019	3,035,000	10,217,750	13,252,750
2020	1,320,000	10,130,650	11,450,650
2021-2025	13,715,000	49,225,300	62,940,300
2026-2030	37,110,000	43,705,125	80,815,125
2031-2035	70,450,000	32,621,800	103,071,800
2036-2040	125,120,000	14,784,275	139,904,275
Totals	<u>\$ 266,795,000</u>	<u>\$ 190,795,403</u>	<u>\$ 457,590,403</u>

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)**

**H. Construction Commitments**

As of June 30, 2015, the Building Fund had the following commitments with respect to unfinished capital projects:

<u>Construction in Process:</u>	<u>Commitment</u>	<u>*Expected Date of Final Completion</u>
Canyon Crest Academy Stadium and Fields Phase 2	\$ 15,969,359	08/21/2015
Earl Warren Middle School Data Center Phase 1	4,406,062	08/21/2015
Earl Warren Middle School Interim Housing Phase 2	4,748,539	08/21/2015
La Costa Canyon High School 800/900 Renovations	192,940	08/21/2015
La Costa Valley Field Improvements	10,842,264	02/05/2016
Oak Crest Middle School Drainage and Media Center Improvements	1,113,347	12/18/2016
Pacific Trails Middle School	48,376,773	02/05/2016
San Dieguito Academy Stadium Phase 1B and Interim Housing	6,240,350	10/06/2015
TPHS Stadium Lighting/Science Classroom/Weight Room	10,913,064	09/01/2015
TPHS Building B - Phase 1	6,502,132	09/01/2015

\*Expected date of final completion subject to change.

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**OTHER INDEPENDENT AUDITOR'S REPORTS**

P. Robert Wilkinson, CPA  
Brian K. Hadley, CPA



Aubrey W. King, CPA  
Kevin A. Sproule, CPA

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Governing Board Members and  
Citizens Oversight Committee  
San Dieguito Union High School District  
Encinitas, California**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Proposition AA Building Fund (21-39) of San Dieguito Union High School District, which comprise the balance sheet as of June 30, 2015, and the related statement of revenues, expenditures, and changes in fund balance for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 11, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered San Dieguito Union High School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of San Dieguito Union High School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether San Dieguito Union High School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wilkinson Hadley King & Co., LLP*

El Cajon, California  
February 11, 2016

P. Robert Wilkinson, CPA  
Brian K. Hadley, CPA



Aubrey W. King, CPA  
Kevin A. Sproule, CPA

## INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

### **Governing Board Members and Citizens Bond Oversight Committee San Dieguito Union High School District Encinitas, California**

We have audited the financial statements of the Proposition AA Building Fund (21-39) of San Dieguito Union High School District as of and for the fiscal year ended June 30, 2015 and have issued our report thereon dated February 11, 2016. Our audit was made in accordance with generally accepted auditing standards in the United States of America and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In connection with our performance audit, we performed an audit for compliance as required in the performance requirements for the Proposition 39 Proposition AA General Obligation Bonds for the fiscal year ended June 30, 2015. The objective of the audit of compliance applicable to San Dieguito Union High School District is to determine with reasonable assurance that:

- The proceeds from the sale of the Proposition AA Bonds were only used for the purposes set forth in the ballot measure and not for any other purpose, such as teacher and administrative salaries.
- The Governing Board of the District, in establishing the approved projects set forth in the ballot measure, will modernize, replace, renovate, construct, acquire, equip, furnish, and otherwise improve facilities of the District as noted in the bond project list.

In performing our audit of compliance, we performed procedures including but not limited to those listed as follows:

### **Internal Control Evaluation**

#### Procedure Performed:

Inquiries were made of management regarding internal controls to:

- Prevent fraud, waste, or abuse regarding Proposition AA resources
- Prevent material misstatement in the Proposition AA Building Fund (21-39) financial statements
- Ensure all expenditures are properly allocated
- Ensure adequate separation of duties exists in the accounting of Proposition AA funds

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## ITEM 17

All purchase requisitions are reviewed for proper supporting documentation. The Project Manager or the Executive Director of Planning Services gives directions and submits documentation to the Construction and Facilities Coordinator to initiate a purchase requisition. The budget is verified by the Facilities Planning Analyst (Budget) and supporting documents are reviewed by a second Facilities Planning Analyst (Contracts). This requisition is first forwarded to the Executive Director of Planning Services for an initial review and then forwarded to the finance office where the Budget Analyst verifies the budget string and the requisition is subsequently reviewed and approved by the Chief Financial Officer, Chief Facilities Officer, and the Director of Purchasing to ensure the requested purchase is an allowable project cost in accordance with the Proposition AA ballot measure initiative approved by local voters as well as the board approved budget, and by the Accounting Specialist that all expenditures are properly recorded by project and expense category. Once the purchase requisition has gone through the approval process, the Facilities Planning Analyst (Contracts) creates a purchase order, which is provided to the vendor, who proceeds to provide the requested services or goods. Other copies of the purchase order are also submitted to the finance office, purchasing office, and the Facilities Planning Analyst (Budget) for monitoring and review.

When the invoice is received the Executive Director of Planning Services and Facilities Planning Analyst (Budget) verify that the charges are consistent with the amounts on the approved contract/purchase order, then the invoice is subsequently signed and approved by the Project Manager and Chief Facilities Officer and either e-mailed or scanned to the finance office for subsequent approval. Invoices are approved by the Accounting Technician and monitored by the Chief Financial Officer in the finance office and subsequently processed through the accounts payable system of the District for payment. The invoices and support documents are submitted to the San Diego County Office of Education's Commercial Warrant Unit for audit to ensure compliance with procurement regulations and good business practices before payment is released. The commercial warrants are routed back to the District finance office where they are signed by the Chief Financial Officer and then forwarded to the Facilities Planning and Construction Office for appropriate distribution.

#### Results of Procedures Performed

The results of our audit determined the internal control procedures as implemented are sufficient to meet the financial and compliance objectives required by generally accepted accounting standards and applicable laws and regulations.

#### **Facilities Site Review**

##### Procedures Performed:

We reviewed the Independent Citizens' Oversight Committee minutes and agenda including the information on the tour of Proposition AA ongoing projects and determined that Proposition AA funds expended for the year ended June 30, 2015 were for valid facilities acquisition and construction purposes as stated in the Bond Project List.

##### Results of Procedures Performed:

Based on our review, of the Independent Citizens' Oversight Committee meetings, the documentation of the Proposition AA projects tour, and the explanation of management, it appears the construction work performed was consistent with the Bond Project List.



### **Tests of Contracts and Bid Procedures**

#### Procedures Performed:

We reviewed the District's board minutes for approval of construction contracts and change orders, if any, to determine compliance with the District's policy and Public Contract Code provisions related to biddings and contracting.

#### Results of Procedures Performed:

We noted no instances where the District was out of compliance with respect to contracts and bidding procedures.

### **Tests of Expenditures**

#### Procedures Performed:

We tested expenditures to determine whether Proposition AA funds were spent solely on voter and Board approved school facilities projects as set forth in the Bond Project List and the Proposition AA ballot measure language. Our testing included a sample of vendor and payroll payments totaling approximately \$61,534,581 or approximately 87% of total expenditures for the year. Our testing included \$60,867,085 of capital outlay expenditures which was 87% of capital outlay expenses.

#### Results of Procedures Performed:

We found no instances where expenditures tested were not in compliance with the terms of the Proposition AA ballot measure and applicable state laws and regulations.

### **Citizens' Oversight Committee**

#### Procedures Performed:

We have reviewed the minutes of the Citizens' Oversight Committee meetings to verify compliance with Education Code Sections 15278 through 15282.

#### Results of Procedures Performed:

We have determined the San Dieguito Union High School District's Proposition AA Citizens' Oversight Committee and its involvement is in compliance with Education Code Sections 15278 through 15282. Our audit of compliance made for the purposes set forth in the second and third paragraphs of this report above would not necessarily disclose all instances of noncompliance. In our opinion, the District complied, in all material respects, with the compliance requirements for the Proposition AA Building Fund, for the fiscal year ended June 30, 2015.

This report is intended solely for the information and use of the District's Governing Board, the Proposition AA Independent Citizens' Oversight Committee, management, others within the entity, and the taxpayers of San Dieguito Union High School District and is not intended to be and should not be used by anyone other than these specified parties.

*Wilkinson Hadley King & Co., LLP*

El Cajon, California  
February 11, 2016



ITEM 17

**FINDINGS AND RESPONSES SECTION**

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2015**

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There were no findings to report.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2015**

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There were no audit findings noted for the fiscal year ended June 30, 2014.

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** April 28, 2016,

**BOARD MEETING DATE:** May 12, 2016

**PREPARED BY:** John Addleman, Exec. Director of Planning Services  
Eric Dill, Assoc. Superintendent, Business

**SUBMITTED BY:** Rick Schmitt, Superintendent

**SUBJECT:** APPROVAL OF FINAL GUARANTEED MAXIMUM  
PRICE / LEASE-LEASEBACK / BALFOUR BEATTY  
CONSTRUCTION COMPANY

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### EXECUTIVE SUMMARY

On December 10, 2015, the Board approved entering into a Site Lease, Sublease Agreement and Construction Services Agreement with Balfour Beatty Construction Company for delivery of the proposed B Building at Canyon Crest Academy by Lease-Leaseback, at the preliminary Guaranteed Maximum Price (GMP) of \$12,165,011.00.

At that time, the estimate received based upon plans submitted to the Division of State Architect forecasted a total project need of \$13.96 million. Funding for the project from Prop AA was initially estimated at \$11.45 million, projecting a need for additional funds of \$2.51 million.

On April 26, 2016, bids were conducted under supervision of the District, with a total of 102 bid responses to 20 scope packages.

The final GMP of \$11,334,454.00 for the project, including efforts to value engineer the building, has resulted in an initial savings of \$830,557.00 over the preliminary GMP, and includes:

Trades Direct Costs	\$8,045,859.00
General Conditions & Sublease Payments	\$1,159,984.00
Bonds & Insurance	\$286,762.00
Builder's Fee	\$368,370.00
Contingency	\$1,133,445.00
Acceleration	\$340,034.00
Total	\$11,334,454.00

## ITEM 18

With these efforts and initial savings, the total project need of \$13.96 million has been reduced to \$13.13 million requiring additional funding of approximately \$1.68 million to be paid from Mello Roos funds and/or proceeds.

### **RECOMMENDATION:**

It is recommended that the Board approve the final Guaranteed Maximum Price (GMP) for the Lease-Leaseback contract CA2016-06 entered into with Balfour Beatty Construction Company for construction of the new B Building at Canyon Crest Academy at the final guaranteed maximum price (GMP) of \$11,334,454.00.

### **FUNDING SOURCE:**

Building Fund Prop 39 - Fund 21-39 and Mello Roos.

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** May 3, 2016

**BOARD MEETING DATE:** May 12, 2016

**PREPARED BY:** John Addleman, Exec. Director of Planning Services  
Eric Dill, Assoc. Superintendent, Business

**SUBMITTED BY:** Rick Schmitt, Superintendent

**SUBJECT:** **ADOPTION OF RESOLUTION OF THE BOARD OF TRUSTEES OF THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF AND SALE OF NOT TO EXCEED \$62,000,000 AGGREGATE PRINCIPAL AMOUNT OF BONDS OF THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT, BY A NEGOTIATED SALE PURSUANT TO A BOND PURCHASE AGREEMENT, PRESCRIBING THE TERMS OF SALE, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A PAYING AGENT AGREEMENT AND A CONTINUING DISCLOSURE CERTIFICATE, APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT FOR THE SERIES 2016 BONDS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS**

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### EXECUTIVE SUMMARY

On November 6, 2012, the voters of the San Dieguito Union High School District voted to approve Proposition AA to authorize the District to issue up to \$449 million of general obligation bonds to finance certain specified capital projects and facilities. On December 13, 2012, the Board adopted the Resolution Declaring Results of the School Bond Election declaring, in effect, that Proposition AA had gathered more than the required 55% affirmative vote under Proposition 39 to authorize the bonds.

In April 2013, the District issued the first series of bonds, Series A-1 and A-2, in the amount of \$160 million for the construction and modernization of multiple school facilities across the District, in addition to making principal lease payment towards the solar facilities constructed by the 2010A Qualified School Construction Bonds (QSCB) and the repayment of the 2012A Torrey Pines High School Lease Revenue Bonds (Torrey Pines LRB).

## ITEM 19

In April 2015, the District issued the second series of bonds, Series B-1 and B-2, in the amount of \$117.04 million for the continued construction and modernization of several school facilities across the District, in addition to maintaining the option for continued principal lease payments towards the solar facilities at Canyon Crest Academy and La Costa Canyon High School.

Similar to both Series A and B, Series C-1 and C-2, in the amount of \$62 million will be used for the construction and modernization of several school facilities across the District, including the B Building at Canyon Crest Academy, new Performing Arts Center at Torrey Pines High School, a new two story classroom building at Pacific Trails Middle School, a science classroom building, expansion of Crest Hall, and modernization of buildings at Oak Crest Middle School, and a classroom building and modernization of buildings at Diegueno Middle School, in addition to maintaining the option for continued principal lease payments towards the solar facilities at Canyon Crest Academy and La Costa Canyon High School.

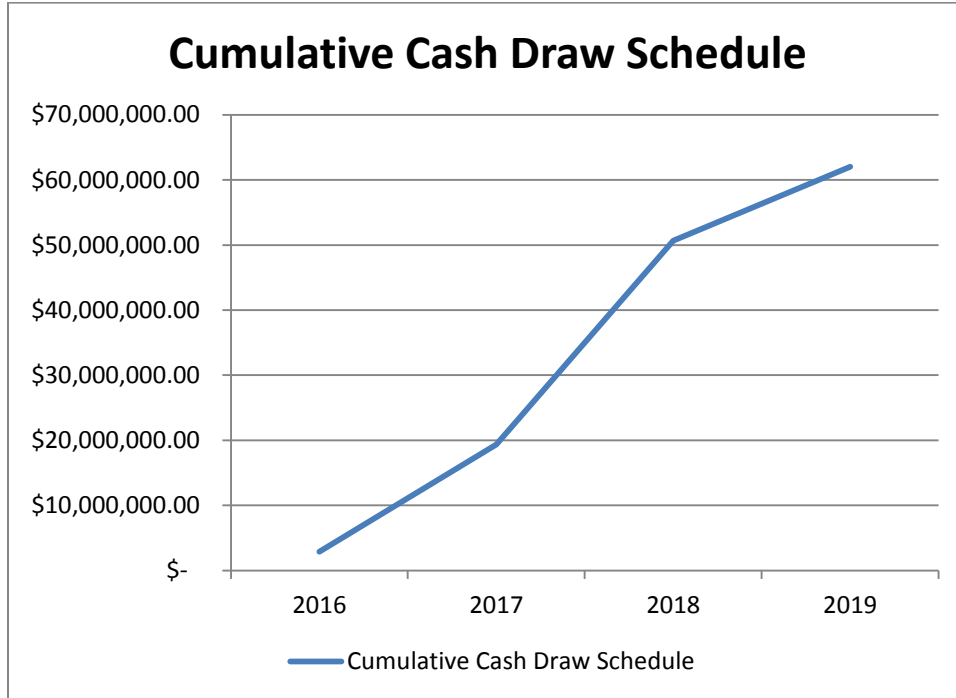
Due to the taxable nature of the 2010A QSCBs, a taxable series of bonds, Series C-1, will be issued in an amount of \$795 thousand. The remaining projects will be funded with a tax-exempt series of bonds, Series C-2, in the amount of \$61.205 million, after the payment of certain costs of issuance.

Projects to be funded under Series C-1 (taxable) and C-2 (tax-exempt)

- Series C-1
  - 2010-A QSCB: \$795K
- Series C-2
  - Canyon Crest Academy \$5.77M
    - Building B
  - Torrey Pines High School: \$18.64M
    - Interim Housing and Performing Arts Center
  - Oak Crest Middle School: \$9.34M
    - Balance of remodel of Media Center
    - Science Classroom Building
    - Crest Hall Expansion
  - Pacific Trails Middle School: \$17.16M
    - Two-story classroom building
  - Diegueno Middle School: \$8.91M
    - Interim Housing and Classroom Building
    - Modernization of classrooms, including the G Building
  - Project Administration: \$1.38M

The projects will be funded over the next three years.

## ITEM 19

Projected Cumulative Construction Cash Draw Schedule**Proposed Financing**

Staff has been working closely with Fieldman, Rolapp & Associates (Financial Advisor), Orrick, Herrington & Sutcliffe LLP (Bond Counsel), Hawkins Delafield & Wood LLP (Disclosure Counsel), and Stifel, Nicolaus & Company, Inc. (Underwriter), collectively the Finance Team, to develop a financing plan that maintains the long-term financing goals that:

- pledge to limit the tax rate to no more than \$25/\$100,000 of assessed value (AV),
- continue the practice of limiting the repayment term to no more than 25 years,
- continue the practice to develop a financing plan that eliminates or reduces the use of Capital Appreciation Bonds (CABs), and
- continue the conservative view of projected yearly AV growth of 4%.



## ITEM 19

**Standard Bond Information**

As a result, the financing plan developed for Series C-1 and C-2 contains the following elements:

- The use of Current Interest Bonds (CIBs) only. No CABs.
- The upper limit of the amount to be borrowed will be \$62 million.
- The maximum allowable interest rate allowed by California Education Code is 8%. Pursuant to the attached resolution, the true interest cost (TIC) on the Series C bonds shall not exceed 5%. TIC is the total annual cost of obtaining debt financing, expressed as a percentage of the total debt amount. It is often referred to as the real cost of taking out a loan as it includes all ancillary fees and costs, along with factors related to the time value of money. As of May 3, 2016 the estimated true interest cost of Series C is 3.34%.
- The continued pledge of not to exceed \$25/\$100,000 will be maintained as illustrated in the attached "2016 GO Bonds, Series C-1 and C-2".
- The repayment term is 25 years.
- The projected yearly AV growth is constrained to 4% during the 25 year repayment term.
- The Series C-2 (Tax-Exempt) bonds will have a call feature to provide flexibility in future refinancing.
- The repayment schedule is detailed here (Net Debt Service).

## ITEM 19

**NET DEBT SERVICE**  
 San Dieguito Union High School District  
 Series C Aggregate Financing Results  
 Election of 2012 General Obligation Bonds  
 Series C-1 (Taxable) & Series C-2 (Tax-Exempt)  
 Aggregate Financing Results

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Capitalized Interest</b>	<b>Net Debt Service</b>
8/1/2017	795,000.00	2,476,092.68	3,271,092.68	2,466,660.00	804,432.68
8/1/2018	800,000.00	2,349,200.00	3,149,200.00	1,724,138.85	1,425,061.15
8/1/2019	-	2,317,200.00	2,317,200.00	-	2,317,200.00
8/1/2020	-	2,317,200.00	2,317,200.00	-	2,317,200.00
8/1/2021	-	2,317,200.00	2,317,200.00	-	2,317,200.00
8/1/2022	-	2,317,200.00	2,317,200.00	-	2,317,200.00
8/1/2023	-	2,317,200.00	2,317,200.00	-	2,317,200.00
8/1/2024	1,220,000.00	2,317,200.00	3,537,200.00	-	3,537,200.00
8/1/2025	1,495,000.00	2,256,200.00	3,751,200.00	-	3,751,200.00
8/1/2026	2,100,000.00	2,181,450.00	4,281,450.00	-	4,281,450.00
8/1/2027	-	2,076,450.00	2,076,450.00	-	2,076,450.00
8/1/2028	-	2,076,450.00	2,076,450.00	-	2,076,450.00
8/1/2029	-	2,076,450.00	2,076,450.00	-	2,076,450.00
8/1/2030	380,000.00	2,076,450.00	2,456,450.00	-	2,456,450.00
8/1/2031	640,000.00	2,061,250.00	2,701,250.00	-	2,701,250.00
8/1/2032	890,000.00	2,035,650.00	2,925,650.00	-	2,925,650.00
8/1/2033	1,175,000.00	2,000,050.00	3,175,050.00	-	3,175,050.00
8/1/2034	1,425,000.00	1,953,050.00	3,378,050.00	-	3,378,050.00
8/1/2035	1,700,000.00	1,896,050.00	3,596,050.00	-	3,596,050.00
8/1/2036	570,000.00	1,828,050.00	2,398,050.00	-	2,398,050.00
8/1/2037	725,000.00	1,805,250.00	2,530,250.00	-	2,530,250.00
8/1/2038	890,000.00	1,776,250.00	2,666,250.00	-	2,666,250.00
8/1/2039	1,070,000.00	1,740,650.00	2,810,650.00	-	2,810,650.00
8/1/2040	14,715,000.00	1,697,850.00	16,412,850.00	-	16,412,850.00
8/1/2041	31,410,000.00	1,256,400.00	32,666,400.00	-	32,666,400.00
<b>TOTAL</b>	<b>62,000,000.00</b>	<b>51,522,442.68</b>	<b>113,522,442.68</b>	<b>4,190,798.85</b>	<b>109,331,643.83</b>

(1) Assumes preliminary scale provided by Stifel, Nicolaus & Company, Inc. as of 5-3-16.

## ITEM 19

**Debt Service**

As referenced above,

- the principal amount of \$62,000,000 will be paid over the course of 25 years,
- the period from 2019 to 2023 and 2027 to 2029 will be interest only to allow for the growth of AV and to accommodate future issuances, Series D, E, F and G respectively,
- gross interest over the time will amount to \$51,522,442.68 for Total Debt Service of \$113,522,442.68, and
- capitalized Interest, as a result of premium generated, will be paid out in full in years 2017 and 2018 in the amount of \$4,190,798.85 reducing Total Debt Service to a Net Debt Service to taxpayers of \$109,331,643.83 with a payback ratio of 1.76:1.

**Bond Components**

Bond Component	Par Value	Price	Average Coupon	Average Life
Taxable Current Interest Bonds	795,000.00	100.00	1.130%	1.050
Tax-Exempt Current Interest Bonds	61,205,000.00	107.147	3.773%	22.305
	62,000,000.00			22.033

	TIC	All-In TIC*
Par Value	62,000,000.00	62,000,000.00
+ Premium (Discount)	4,374,413.85	4,374,413.85
- Underwriter's Discount	-186,000.00	-186,000.00
-Cost of Issuance Expense		-250,000.00
Target Value	66,188,413.85	65,938,413.85
Target Date	7/13/2016	7/13/2016
Yield	3.337433%	3.362908%

\* Like TIC, All-In TIC calculates the cost of the debt to be issued. All-In TIC includes all Cost of Issuance expenses, including underwriter's discount.

**Bond Pricing, Series C-2 (Tax Exempt)**

The bonds are expected to trade above its par value, creating a premium of approximately \$4,374,413.85. Typically a bond will trade at premium when it offers a coupon rate that is higher than prevailing interest rates. This is because investors want a higher yield and will pay more for it. The \$4,374,413.85 gained by selling at premium will not be available for projects as it must be limited to the payment of capitalized interest, as noted previously to reduce debt service by \$4,190,798.85, and for costs of issuance related to underwriter's discount of the tax-exempt bonds in the amount of \$183,615.00.

ITEM 19

**BOND PRICING**

**San Dieguito Union High School District  
General Obligation Bonds (Election of 2012), Series C-2 (Tax-Exempt)**

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Tax-Exempt Current Interest Bonds:									
	08/01/2018	800,000	4.000%	0.830%	106.429				51,432.00
	08/01/2024	1,220,000	5.000%	1.570%	125.841				315,260.20
	08/01/2025	1,495,000	5.000%	1.680%	127.764				415,071.80
	08/01/2026	2,100,000	5.000%	1.810%	129.191				613,011.00
	08/01/2030	380,000	4.000%	2.470%	113.541 C	2.825%	08/01/2026	100.000	51,455.80
	08/01/2031	640,000	4.000%	2.550%	112.782 C	2.943%	08/01/2026	100.000	81,804.80
	08/01/2032	890,000	4.000%	2.610%	112.216 C	3.033%	08/01/2026	100.000	108,722.40
	08/01/2033	1,175,000	4.000%	2.670%	111.654 C	3.114%	08/01/2026	100.000	136,934.50
	08/01/2034	1,425,000	4.000%	2.680%	111.561 C	3.155%	08/01/2026	100.000	164,744.25
	08/01/2035	1,700,000	4.000%	2.740%	111.002 C	3.223%	08/01/2026	100.000	187,034.00
	08/01/2036	570,000	4.000%	2.790%	110.539 C	3.279%	08/01/2026	100.000	60,072.30
	08/01/2037	725,000	4.000%	2.840%	110.078 C	3.330%	08/01/2026	100.000	73,065.50
	08/01/2038	890,000	4.000%	2.890%	109.620 C	3.378%	08/01/2026	100.000	85,618.00
	08/01/2039	1,070,000	4.000%	2.930%	109.255 C	3.416%	08/01/2026	100.000	99,028.50
	08/01/2040	14,715,000	3.000%	3.320%	94.726				-776,069.10
	08/01/2041	31,410,000	4.000%	3.000%	108.619 C	3.481%	08/01/2026	100.000	2,707,227.90
		<b>61,205,000</b>							<b>4,374,413.85</b>

Dated Date	07/13/2016		
Delivery Date	07/13/2016		
First Coupon	02/01/2017		
Par Amount	61,205,000.00		
Premium	4,374,413.85		
Production	65,579,413.85	107.147151%	
Underwriter's Discount	-183,615.00	-0.300000%	
Purchase Price	65,395,798.85	106.847151%	
Accrued Interest			
Net Proceeds	65,395,798.85		

**Estimate of Costs including Underwriter's Discount (Series C-1 and C-2):**

Services	Firm	Payable at Closing	% of Par
Underwriter's Disc. (est.)	Stifel, Nicolaus & Company, Inc.	\$186,000	0.300%
Bond Counsel	Orrick, Herrington & Sutcliffe LLP	\$55,000	0.089%
Bond Counsel/Expenses	Orrick, Herrington & Sutcliffe LLP	\$2,500	0.004%
Underwriter's Counsel	Stradling Yocca Carlson & Rauth	\$30,000	0.048%
Financial Advisor	Fieldman, Rolapp & Associates	\$49,500	0.080%
Financial Advisor/Expenses	Fieldman, Rolapp & Associates	\$2,700	0.004%
Reimbursement/Cal Muni	Fieldman, Rolapp & Associates	\$1,425	0.002%
Paying Agent	County of San Diego	\$1,500	0.002%
COI Custodian	U.S. Bank	\$500	0.001%
Rating Agency	Standard & Poor's	\$50,000	0.081%
Rating Agency	Moody's Investors Service	\$50,000	0.081%
Printing	TBD	\$2,500	0.004%
Contingency		\$4,375	0.007%
<b>Total</b>		<b>\$436,000</b>	<b>0.703%</b>

## ITEM 19

As noted above, the All-In Cost to issue the transaction will be less than 1% of the \$62 million par value.

Attached is the District resolution and pursuant to the resolution the following documents, in form, for approval:

**Bond Purchase Agreement:** An agreement between the District and Stifel, Nicolaus & Company, Inc., (“Underwriter”), for the purchase of bonds from the District by the Underwriter for reoffering to the public.

**Paying Agent Agreement:** An agreement between the District and County of San Diego through the Office of the Treasurer-Tax Collector to levy and collect the tax necessary to pay debt service on the bonds, as well as maintaining the bond proceeds held in the Building Fund.

**Continuing Disclosure Certificate:** Any government entity issuing bonds has an obligation to meet specific continuing disclosure standards in compliance with Securities and Exchange Commission (SEC) Rule 15c2-12. When the bonds are issued, the District for the benefit of the underwriter(s) to meet the SEC requirements, promises to provide certain annual financial information and material event notices to the public.

**Preliminary Official Statement:** Copies will be made available to persons who may be interested in purchasing the bonds.

Upon issuance of the Series 2016 C-1 and C-2 Bonds, the District’s remaining bonding capacity will be approximately:

Fiscal Year	Assessed Value	Factor	Bonding Capacity	Estimated Outstanding Principal as of May 2016	Remaining Capacity as of May 2016
2015-2016	\$55,782,648,493	1.25%	\$697,283,106	\$261,260,000	\$436,023,106

**RECOMMENDATION:**

It is recommended that the Board adopt the Resolution of the Board of Trustees of the San Dieguito Union High School District Authorizing the Issuance and Sale of Not to Exceed \$62,000,000 Aggregate Principal Amount of Bonds of the San Dieguito Union High School District, by a Negotiated Sale Pursuant to a Bond Purchase Agreement, Prescribing the Terms of Sale, , Approving the Form of and Authorizing the Execution and Delivery of a Bond Purchase Agreement, a Paying Agent Agreement and a Continuing Disclosure Certificate, Approving the Form of and Authorizing the Distribution of an Official Statement for the Series 2016 Bonds, and Authorizing the Execution of Necessary Documents and Certificates and Related Actions, as shown in the attached supplements.

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$62,000,000 AGGREGATE PRINCIPAL AMOUNT OF BONDS OF THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT, BY A NEGOTIATED SALE PURSUANT TO A BOND PURCHASE AGREEMENT, PRESCRIBING THE TERMS OF SALE, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A PAYING AGENT AGREEMENT AND A CONTINUING DISCLOSURE CERTIFICATE, APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT FOR THE SERIES 2016 BONDS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS**

**WHEREAS**, an election was duly called and regularly held in the San Dieguito Union High School District, County of San Diego, California (herein called the “District”), on November 6, 2012, pursuant to Section 15100 and following of the California Education Code (the “Education Code”), at which a bond proposition (“Proposition AA”) summarized as follows was submitted to the electors of the District:

*“To provide safe, modern schools and prepare students for success in college and careers by repairing and upgrading outdated classrooms and schools, constructing and upgrading school facilities, including classrooms, science labs, and libraries, improving safety and security, and supporting career training and math, science, and technology instruction with 21st Century instructional technology and facilities, shall San Dieguito Union High School District issue \$449 million in bonds with independent oversight, no money for administrator salaries, and all money staying local?”; and*

**WHEREAS**, at least 55% of the votes cast on the proposition were in favor of issuing the bonds; and

**WHEREAS**, the District has heretofore issued its “San Dieguito Union High School District 2013 General Obligation Bonds (Election of 2012), Series A-1 (Taxable)” in the original principal amount of \$2,320,000, and its “San Dieguito Union High School District 2013 General Obligation Bonds (Election of 2012), Series A-2 (Tax-Exempt)” in the original principal amount of \$157,680,000, for authorized school purposes; and

**WHEREAS**, the District has heretofore issued its “San Dieguito Union High School District 2015 General Obligation Bonds (Election of 2012), Series B-1 (Taxable)” in the original principal amount of \$7,010,000, and its “San Dieguito Union High School District 2015 General Obligation Bonds (Election of 2012), Series B-2 (Tax-Exempt)” in the original principal amount of \$110,030,000, for authorized school purposes; and

**WHEREAS**, at this time, the Board of Trustees deems it necessary and desirable to authorize and consummate the sale of an additional portion of the bonds, designated the “San

Dieguito Union High School District 2016 General Obligation Bonds (Election of 2012), Series C-1 (Taxable)” (the “Taxable Bonds”) and the “San Dieguito Union High School District 2016 General Obligation Bonds (Election of 2012), Series C-2 (Tax-Exempt)” (the “Tax-Exempt Bonds” and, together with the Taxable Bonds, the “Series 2016 Bonds”), with such additional or other series or subseries designations as may be approved as herein provided, in an aggregate initial principal amount not exceeding \$62,000,000, for purposes of financing projects authorized to be financed under Proposition AA, according to the terms and in the manner hereinafter set forth; and

**WHEREAS**, Sections 53506 and following of the California Government Code (the “Government Code”), including Section 53508.7 thereof, provide that a school district may issue and sell bonds on its own behalf at a private or negotiated sale pursuant to Sections 15140 and 15146 of the Education Code; and

**WHEREAS**, Section 15140(b) of the Education Code provides that the board of supervisors of a county may authorize a school district in the county to issue and sell its own bonds without the further action of the board of supervisors or officers of the county if said school district has not received a qualified or negative certification in its most recent interim report; and

**WHEREAS**, the District has not received a qualified or negative certification in its most recent interim report; and

**WHEREAS**, the Series 2016 Bonds shall be issued and sold by the District on its own behalf at a negotiated sale pursuant to authorization to be obtained from the Board of Supervisors (the “Board of Supervisors”) of the County of San Diego (the “County”); and

**WHEREAS**, a form of Bond Purchase Agreement (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 the “Bond Purchase Agreement”) to purchase the Series 2016 Bonds proposed to be entered into with Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) has been prepared; and

**WHEREAS**, a form of Paying Agent Agreement (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 the “Paying Agent Agreement”), proposed to be entered with the Office of the Treasurer-Tax Collector of the County, as paying agent (the “Paying Agent”) has been prepared; 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 Series 2016 Bonds, the Underwriter must have reasonably determined that the issuer or other obligated person has undertaken in a written agreement or contract for the benefit of the holders of the Series 2016 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 a Continuing Disclosure Certificate (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 the “Continuing Disclosure Certificate”), a form of which has been prepared; and

**WHEREAS**, the Preliminary Official Statement to be distributed in connection with the public offering of the Series 2016 Bonds (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”) has been prepared; and

**WHEREAS**, the Board of Trustees has been presented with the form of each document referred to herein relating to the financing contemplated hereby, and the Board of Trustees has examined each document and desires to approve, authorize and direct the execution of such documents and the consummation of such financing; and

**WHEREAS**, the District desires that the County levy and collect a tax on all taxable property within the District sufficient to provide for payment of the Series 2016 Bonds, and intends by the adoption of this Resolution to notify the Board of Supervisors, the Auditor and Controller of the County, the Treasurer-Tax Collector of the County 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 the Series 2016 Bonds, all pursuant to Sections 15250 and 15251 of the Education Code; 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 the Board of Trustees of the San Dieguito Union High School District, as follows:

**Section 1. Recitals.** All of the above recitals are true and correct and the Board of Trustees so finds.

**Section 2. Definitions.** Unless the context clearly otherwise requires, the terms defined in this Section shall, for all purposes of this Resolution, have the meanings specified herein, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

**“Auditor and Controller”** means the Auditor and Controller of the County or any authorized deputy thereof.

**“Authorized District Representative”** means the President of the Board of Trustees, or such other member of the Board of Trustees as the President may designate, the Superintendent of the District, the Associate Superintendent, Business Services, of the District, the Executive



Director of Planning Services, or such other officer or employee of the District as the Superintendent may designate.

**“Board of Trustees”** means the Board of Trustees of the District.

**“Board of Supervisors”** means the Board of Supervisors of the County.

**“Bond Purchase Agreement”** means the Bond Purchase Agreement relating to the sale of the Series 2016 Bonds by and between the District and the Underwriter in accordance with the provisions hereof.

**“Cede & Co.”** means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2016 Bonds.

**“Code”** means the Internal Revenue Code of 1986.

**“Continuing Disclosure Certificate”** means the Continuing Disclosure Certificate executed and delivered by the District relating to the Series 2016 Bonds.

**“County”** means the County of San Diego.

**“District”** means the San Dieguito Union High School District.

**“DTC”** means 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 the Series 2016 Bonds, including any such successor thereto appointed pursuant to Section 9 hereof.

**“Interest Payment Date”** means February 1 and August 1 of each year commencing on February 1, 2017 or such other dates as may be set forth in the Bond Purchase Agreement.

**“Investment Management Agreement”** means the Investment Management Agreement relating to the Series 2016 Bonds by and between the District and the Treasurer.

**“Official Statement”** means the Official Statement of the District relating to the Series 2016 Bonds.

**“Opinion of Bond Counsel”** means an opinion of counsel of nationally recognized standing in the field of law relating to municipal bonds.

**“Owner”** means, with respect to any Series 2016 Bond, the person whose name appears on the Registration Books as the registered Owner thereof.

**“Paying Agent”** means the Treasurer or any bank, trust company, national banking association or other financial institution appointed as Paying Agent to act as authenticating agent, bond registrar, transfer agent and paying agent for the Series 2016 Bonds in accordance with Section 8 hereof.

**“Paying Agent Agreement”** means the Paying Agent Agreement relating to the Series 2016 Bonds by and between the District and the Treasurer in accordance with the provisions hereof.

**“Preliminary Official Statement”** means the Preliminary Official Statement of the District relating to the Series 2016 Bonds.

**“Record Date”** means, with respect to any Interest Payment Date for the Series 2016 Bonds, 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.

**“Registration Books”** means the books for the registration and transfer of the Series 2016 Bonds maintained by the Paying Agent in accordance with Section 8(d) hereof.

**“Series 2016 Bonds”** means the bonds authorized and issued pursuant to this Resolution, in one or more series or subseries, designated the “San Dieguito Union High School District 2016 General Obligation Bonds (Election of 2012), Series C-1 (Taxable)” and the “San Dieguito Union High School District 2016 General Obligation Bonds (Election of 2012), Series C-2 (Tax-Exempt)”, with such additional or other series or subseries designations as may be approved as herein provided.

**“State”** means the State of California.

**“Tax Certificate”** means the Tax Certificate with respect to the Tax-Exempt Bonds, executed by the District, dated the date of issuance of the Series 2016 Bonds.

**“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 Code.

**“Taxable Bonds”** means those Series 2016 Bonds the interest on which is not Tax-Exempt.

**“Treasurer”** means the Office of the Treasurer-Tax Collector of the County or any authorized deputy thereof.

**“Underwriter”** means Stifel, Nicolaus & Company, Incorporated.

**Section 3. Authorization and Designation of Bonds.** Subject to the authorization of the District by the Board of Supervisors to issue and sell the Series 2016 Bonds without the further action of the Board of Supervisors pursuant to Sections 15140 and 15146 of the Education Code, as permitted by Section 53508.7 of the Government Code, which authorization is hereby respectfully requested, the Series 2016 Bonds described herein are being issued pursuant to the authority of Article 4.5 of Chapter 3, of Part 1 of Division 2 of Title 5 of the Government Code, and other applicable provisions of law, including applicable provisions of the Education Code.

The Board of Trustees hereby authorizes the issuance and sale, by a negotiated sale, of not to exceed \$62,000,000 aggregate principal amount of Series 2016 Bonds. The Series 2016 Bonds may be issued in one or more series or subseries and shall be designated "San Dieguito Union High School District 2016 General Obligation Bonds (Election of 2012), Series C-1 (Taxable)" and the "San Dieguito Union High School District 2016 General Obligation Bonds (Election of 2012), Series C-2 (Tax-Exempt)," with appropriate additional or other series or subseries designations as approved by an Authorized District Representative, or such other designation as may be approved by an Authorized District Representative. The Series 2016 Bonds shall be issued as current interest bonds as provided in Section 5 hereof. The proceeds of the Series 2016 Bonds, exclusive of any premium and accrued interest received, shall be applied to finance projects authorized to be financed under Proposition AA.

**Section 4. Form of Bonds; Execution.** (a) *Form of Series 2016 Bonds.* The Series 2016 Bonds shall be issued in fully registered form without coupons. The Series 2016 Bonds and the certificate of authentication and registration and the forms of assignment to appear on each of them, shall be in substantially the forms attached hereto as Exhibit A, with necessary or appropriate variations, omissions and insertions as permitted or required by this Resolution.

(b) *Execution of Bonds.* The Series 2016 Bonds shall be signed by the manual or facsimile signatures of the President of the Board of Trustees, and countersigned by the manual or facsimile signature of the Clerk of the Board of Trustees. The Series 2016 Bonds shall be authenticated by a manual signature of a duly authorized signatory of the Paying Agent.

(c) *Valid Authentication.* Only such of the Series 2016 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 Series 2016 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 Series 2016 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 5. Terms of Bonds.** (a) *Date of Series 2016 Bonds.* The Series 2016 Bonds shall be dated the date of their delivery, or such other date as shall be set forth in the Bond Purchase Agreement.

(b) *Denominations.* The Series 2016 Bonds shall be issued in denominations of \$5,000 principal amount or any integral multiple thereof.

(c) *Maturity.* The Series 2016 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 Bond Purchase Agreement. No Series 2016 Bond shall mature later than the date which is 25 years from the date of the Series 2016 Bonds, to be determined as provided in subsection (a) of

this Section. No Series 2016 Bond shall have principal maturing on more than one principal maturity date.

The aggregate principal amount of the Series 2016 Bonds issued shall not exceed \$62,000,000.

(d) *Interest; Series 2016 Bonds.* The Series 2016 Bonds shall bear interest at an interest rate not to exceed 8.00% per annum, payable on the Interest Payment Dates in each year computed on the basis of a 360-day year of twelve 30-day months. Each Series 2016 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 a 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 Series 2016 Bond, interest is in default on any outstanding Series 2016 Bonds, such Series 2016 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Series 2016 Bonds.

(e) *Interest; Tax-Exempt or Taxable.* Each series of Series 2016 Bonds may be issued such that the interest on such series of Series 2016 Bonds is Tax-Exempt or such that the interest on such series of Series 2016 Bonds is not Tax-Exempt. The Board of Trustees hereby finds and determines that, pursuant to Section 5903 of the Government Code, the interest payable on each series of Series 2016 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 Series 2016 Bonds.

**Section 6. Payment of Bonds.** (a) *Request for Tax Levy.* The money for the payment of principal, redemption premium, if any, and interest on the Series 2016 Bonds 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 the Series 2016 Bonds in such year, and to pay from such taxes all amounts due on the Series 2016 Bonds. The District hereby requests the Board of Supervisors to annually levy a tax upon all taxable property in the District sufficient to redeem the Series 2016 Bonds, and to pay the principal, redemption premium, if any, and interest thereon as and when the same become due.

(b) *Principal.* The principal of the Series 2016 Bonds shall be payable in lawful money of the United States of America to the Owner thereof, upon the surrender thereof at the principal corporate trust office of the Paying Agent.

(c) *Interest; Record Date.* The interest on the Series 2016 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 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 Series 2016 Bonds 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 the Series 2016 Bonds shall be paid from the interest and sinking fund of the District as provided in Section 15146 of the Education Code.

(e) *Obligation of the District.* No part of any fund or account of the County is pledged or obligated to the payment of the Series 2016 Bonds. The obligation for repayment of the Series 2016 Bonds is the sole obligation of the District.

**Section 7. Redemption Provisions.** (a) *Optional Redemption.* The Series 2016 Bonds may be subject to redemption, at the option of the District, on the dates and terms as shall be designated in the Bond Purchase Agreement. The Bond Purchase Agreement may provide that all or a portion of the Series 2016 Bonds shall not be subject to optional redemption.

(b) *Selection.* If less than all of the Series 2016 Bonds are subject to such redemption and are called for redemption, such Series 2016 Bonds shall be redeemed in inverse order of maturities or as otherwise directed by the District (or as otherwise set forth in the Bond Purchase Agreement), and if less than all of the Series 2016 Bonds of any given maturity are called for redemption, the portions of such 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 Series 2016 Bonds, if any, which are designated in the 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 Bond Purchase Agreement), from mandatory sinking fund payments in the amounts and in accordance with the terms to be specified in the Bond Purchase Agreement. Unless otherwise provided in the Bond Purchase Agreement, the principal amount of each mandatory sinking fund payment of any maturity shall be reduced proportionately by the amount of any Series 2016 Bonds of that maturity redeemed in accordance with subsection (a) of this Section prior to the mandatory sinking fund payment date. The Bond Purchase Agreement may provide that the Series 2016 Bonds shall not be subject to mandatory sinking fund redemption. The Auditor and Controller is hereby authorized to create such sinking funds or accounts for the term Series 2016 Bonds as shall be necessary to accomplish the purposes of this Section.

(d) *Notice of Redemption.* Notice of any redemption of the Series 2016 Bonds shall be mailed by the Paying Agent, postage prepaid, not less than 20 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 Continuing Disclosure Certificate.

Each notice of redemption shall state (i) the date of such notice; (ii) the name of the Series 2016 Bonds and the date of issue of the Series 2016 Bonds; (iii) the redemption date; (iv)

the redemption price; (v) the series of Series 2016 Bonds and the dates of maturity or maturities of Series 2016 Bonds to be redeemed; (vi) if less than all of the Series 2016 Bonds of a series of any maturity are to be redeemed, the distinctive numbers of the Series 2016 Bonds of each maturity of such series to be redeemed; (vii) in the case of Series 2016 Bonds of a series redeemed in part only, the respective portions of the principal amount of the Series 2016 Bonds of each maturity of such series to be redeemed; (viii) the CUSIP number, if any, of each maturity of Series 2016 Bonds of a series to be redeemed; (ix) a statement that such Series 2016 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 Series 2016 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 Series 2016 Bonds 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 Series 2016 Bonds called for redemption is set aside for the purpose as described in subsection (g) of this Section, the Series 2016 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 Series 2016 Bonds at the place specified in the notice of redemption, such Series 2016 Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Series 2016 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 Series 2016 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 Series 2016 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 Series 2016 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 Series 2016 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) *Conditional Notice.* Any notice of optional redemption delivered hereunder may be conditioned on any fact or circumstance stated therein, and if such condition shall not have been satisfied on or prior to the redemption date stated in such notice, said notice shall be of no force and effect on and as of the stated redemption date, the redemption shall be cancelled, and



the District shall not be required to redeem the Series 2016 Bonds that were the subject of the notice. The Paying Agent shall give notice of such cancellation and the reason therefor in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Series 2016 Bond of notice of such cancellation shall not be a condition precedent to cancellation, and failure to receive such notice or any defect in such notice shall not affect the validity of the cancellation.

(h) *Funds for Redemption.* Prior to or on the redemption date of any Series 2016 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 Series 2016 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 Series 2016 Bonds to be redeemed upon presentation and surrender of such Series 2016 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 Series 2016 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 Series 2016 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.

(i) *Defeasance of 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 Series 2016 Bonds all or any part of the principal, interest and premium, if any, on the Series 2016 Bonds at the times and in the manner provided herein and in the Series 2016 Bonds, or as provided in the following paragraph, or as otherwise provided by law consistent herewith, then such Owners shall cease to be entitled to the obligation of the District as provided in Section 6 hereof, and such obligation and all agreements and covenants of the District and of the County to such Owners hereunder and under the Series 2016 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 the Series 2016 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 this subsection shall apply in all events.

For purposes of this Section, the District may pay and discharge any or all of the Series 2016 Bonds by depositing in trust with the Paying Agent or an escrow agent, selected by the District, at or before maturity, money 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 Series 2016 Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

(j) *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 the Series 2016 Bonds and remaining unclaimed for two years after the principal of all of the Series 2016 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 8. Paying Agent.** (a) *Appointment; Payment of Fees and Expenses.* This Board of Trustees does hereby consent to and confirm the appointment of the Treasurer to act as the initial paying agent for the Series 2016 Bonds. 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 Series 2016 Bonds, or from the interest and sinking fund of the District, insofar as permitted by law, including specifically by Section 15232 of the 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 District as provided in the Paying Agent's service agreement. If at any time the Paying Agent shall resign or be removed, the District 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 the State, with at least \$100,000,000 in net assets.

(c) *Principal Corporate Trust Office.* The initial Paying Agent, and any successor Paying Agent, shall designate each place or places where it will conduct the functions of transfer, registration, exchange, payment, and surrender of the Series 2016 Bonds, and any reference herein to the "principal corporate trust office" of the Paying Agent shall mean the office so designated for a particular purpose. If no office is so designated for a particular purpose, such functions shall be conducted at the office of the Treasurer, or the principal corporate trust office of any successor Paying Agent.

(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 Series 2016 Bonds, which shall at all times be open to inspection by the District and the County, 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, Series 2016 Bonds as provided in Sections 9 and 10 hereof. The Paying Agent shall keep accurate records of all funds administered by it and of all Series 2016 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.



**Section 9. Transfer Under Book-Entry System; Discontinuation of Book-Entry System.** (a) Unless otherwise specified in the Bond Purchase Agreement, DTC is hereby appointed depository for each series of the Series 2016 Bonds and the Series 2016 Bonds shall be issued in book-entry form only, and shall be initially registered in the name of “Cede & Co.,” as nominee of DTC. One bond certificate shall be issued for each maturity of each series or subseries of the Series 2016 Bonds; provided, however, that if different CUSIP numbers are assigned to Series 2016 Bonds of a series or subseries maturing in a single year or, if Series 2016 Bonds of the same series or subseries 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 Series 2016 Bonds of each such maturity, or any portion thereof, may not thereafter be transferred except as provided in this Section or Section 10 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 Series 2016 Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, a new Series 2016 Bond for each maturity shall be executed and delivered, 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 Series 2016 Bonds by the Paying Agent together with a written request of the District to the Paying Agent, new Series 2016 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 5 hereof and the receipt of such a written request of the District, and thereafter, the Series 2016 Bonds shall be transferred pursuant to the provisions set forth in Section 10 hereof; provided, however, that the Paying Agent shall not be required to deliver such new Series 2016 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 the Series 2016 Bonds evidencing all or a portion of the principal amount then outstanding, DTC shall make an appropriate notation on the Series 2016 Bonds 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 Series 2016 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 Series 2016 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 Series 2016 Bonds.

(e) So long as the outstanding Series 2016 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 Series 2016 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 10. Transfer and Exchange.** (a) *Transfer.* Following the termination or removal of DTC or successor depository pursuant to Section 9 hereof, any Series 2016 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 Series 2016 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 Series 2016 Bond or Series 2016 Bonds shall be surrendered for transfer, the designated District officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 4 hereof, a new Series 2016 Bond or Series 2016 Bonds, of the same maturity, Interest Payment Date and interest rate for a like aggregate principal amount. The Paying Agent may require the payment by any Owner of Series 2016 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 Series 2016 Bond shall be required to be made by the Paying Agent (i) during the period established by the Paying Agent for selection of the Series 2016 Bonds for redemption, and (ii) after any Series 2016 Bond has been selected for redemption.

(b) *Exchange.* The Series 2016 Bonds may be exchanged for Series 2016 Bonds of other authorized denominations of the same maturity, Interest Payment Date and interest rate, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Series 2016 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 Series 2016 Bond or Series 2016 Bonds shall be surrendered for exchange, the designated District officials shall execute and the Paying Agent shall authenticate and

deliver, as provided in Section 4 hereof, a new Series 2016 Bond or Series 2016 Bonds of the same maturity and interest payment mode and interest rate and 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 Series 2016 Bonds shall be required to be made by the Paying Agent (i) during the period established by the Paying Agent for selection of the Series 2016 Bonds for redemption, and (ii) after any Series 2016 Bond has been selected for redemption.

**Section 11. Bond Purchase Agreement; Sale of Bonds.** The form of Bond Purchase Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved, and the Authorized District Representatives are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver one or more instruments in substantially said form, with such changes, insertions and omissions therein as the Authorized District Representative executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that (a) the interest rate on the Series 2016 Bonds shall not exceed 8.00% per annum, (b) the true interest cost on the Series 2016 Bonds shall not exceed 5.0%, (c) the ratio of total debt service to principal of the Series 2016 Bonds shall not exceed four to one, (d) the Underwriter's discount for the sale of Series 2016 Bonds shall not exceed 0.4% of the principal amount of such Series 2016 Bonds exclusive of any costs of issuance the Underwriter contracts to pay, and (e) the Series 2016 Bonds shall otherwise conform to the limitations specified herein.

The Bond Purchase Agreement shall recite the aggregate principal amount of the Series 2016 Bonds, and the date thereof, the maturity dates, principal amounts and annual rates of interest of each maturity thereof, the initial and semiannual Interest Payment Dates thereof, and the terms of optional and mandatory sinking fund redemption thereof, if any.

The Board of Trustees hereby finds and determines that the sale of the Series 2016 Bonds at negotiated sale as contemplated herein and by the Bond Purchase Agreement will provide more flexibility in the timing of the sale, and ability to implement the sale in a shorter time period, an increased ability to structure the Series 2016 Bonds to fit the needs of particular purchasers, and greater opportunity for the Underwriter to pre-market the Series 2016 Bonds to potential purchasers prior to the sale, all of which will contribute to the District's goal of achieving the lowest overall cost of funds. Estimates of the costs associated with the issuance of the Series 2016 Bonds, including any such costs which the Underwriter may agree to pay pursuant to the Bond Purchase Agreement, are set forth on Exhibit B attached hereto and incorporated herein.

In accordance with Section 15146(h) of the Education Code, to the extent not contracted to be paid by the Underwriter, the Authorized District Representatives 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 8, as cost of issuance administrator, proceeds of sale of the Series 2016 Bonds (exclusive of any premium or accrued interest received) in an amount not exceeding 2.00% of the principal amount of the Series 2016 Bonds sold, as shall be set forth in

the Bond Purchase Agreement, for the purposes of paying the costs associated with the issuance of the Series 2016 Bonds.

In accordance with subsections (i) and (j) of Section 15146 of the Education Code, the Authorized District Representatives are each hereby authorized to cause to be deposited in the interest and sinking fund of the District proceeds of sale of the Series 2016 Bonds (in addition to any premium or accrued interest received) to fund (i) an annual reserve permitted by Section 15250 of the Education Code, and/or (ii) capitalized interest in an amount not exceeding the interest scheduled to become due on the Series 2016 Bonds for a period of two years from the date of issuance of the Series 2016 Bonds, as shall be set forth in the Bond Purchase Agreement, if any such deposit is deemed by the Authorized District Representative executing the same to be in the best interests of the District.

**Section 12. Paying Agent Agreement.** The Paying Agent Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved, and the Authorized District Representatives are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver one or more instruments in substantially said form, with such changes, insertions and omissions as the Authorized District Representative executing the same may require or approve, such determination, requirement or approval to be conclusively evidenced by the execution of the Paying Agent Agreement by such Authorized District Representative.

**Section 13. Pledge of Tax Revenues.** The District hereby pledges all revenues from the property taxes collected from the levy by the Board of Supervisors for the payment of the Series 2016 Bonds and the outstanding bonds of the District heretofore or hereafter issued pursuant to voter approved measures of the District, including any refunding bonds thereof (for the purpose of this pledge, hereinafter collectively referred to as the "District Bonds") 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 District Bonds. This pledge shall be valid and binding from the date hereof for the benefit of the owners of the District Bonds and successors thereto. 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 District 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 bondholders to provide security for the Series 2016 Bonds in addition to any statutory lien that may exist, and the Series 2016 Bonds and each of the other District Bonds secured by the pledge are or were issued to finance one or more of the projects specified in the applicable voter-approved measure.

**Section 14. Continuing Disclosure Certificate.** The Continuing Disclosure Certificate, in substantially the form submitted to this meeting (and included as Appendix D to the Preliminary Official Statement) and made a part hereof as though set forth herein, is hereby approved, and the Authorized District Representatives are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver one or more instruments

in substantially said form, as is necessary to cause the requirements of Rule 15c2-12 to be satisfied, with such changes, insertions and omissions as the Authorized District Representative executing the same may require or approve, such determination, requirement or approval to be conclusively evidenced by the execution of the Continuing Disclosure Certificate by such Authorized District Representative.

**Section 15. Preliminary Official Statement.** The Preliminary Official Statement to be distributed in connection with the public offering of the Series 2016 Bonds, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, with such changes, insertions and omissions as may be approved by an Authorized District Representative, is hereby approved, and the use of such Preliminary Official Statement by the Underwriter in connection with the offering and sale of the Series 2016 Bonds is hereby authorized and approved. The Authorized District Representatives are each hereby authorized to certify on behalf of the District that 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).

**Section 16. Official Statement.** The preparation and delivery of an Official Statement with respect to the Series 2016 Bonds, and its use by the Underwriter in connection with the offering and sale of the Series 2016 Bonds, is hereby authorized and approved. Such Official Statement shall be in substantially the form of the Preliminary Official Statement distributed in connection with the public offering of the Series 2016 Bonds with such changes, insertions and omissions as may be approved by an Authorized District Representative, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized District Representatives are each hereby authorized and directed, for and in the name of and on behalf of the District, to execute the final Official Statement with respect to the Series 2016 Bonds and any amendment or supplement thereto and thereupon to cause such final Official Statement and any such amendment or supplement to be delivered to the Underwriter.

**Section 17. Investment of Proceeds.** (a) All funds held in the interest and sinking fund of the District shall be invested at the discretion of the Treasurer of the County. In the absence of written request from the District, proceeds of the Series 2016 Bonds held in the building fund of the District shall be invested at the sole discretion of the Treasurer of the County pursuant to State law, including Government Code Section 53601 *et. seq.*, as the same may be amended or supplemented from time to time, and the investment policy of the County.

(b) To the extent permitted by law (i) at the written request of an Authorized District Representative, each of whom is hereby expressly authorized to make such request, all or any portion of the building fund of the District may be invested on behalf of the District in the Local Agency Investment Fund in the treasury of the State, and (ii) at the written request of an Authorized District Representative, each of whom is hereby expressly authorized to make such request, all or any portion of the building fund of the District may be invested on behalf of the District, in investment agreements, including guaranteed investment contracts, float contracts or other investment products (collectively, "Investment Agreements"), which comply with the requirements of each rating agency then rating the Series 2016 Bonds necessary in order to maintain the then-current rating on the Series 2016 Bonds. Pursuant to Section 5922 of the Government Code, the Board of Trustees hereby finds and determines that the Investment



Agreements will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreements and are designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Series 2016 Bonds or enhance the relationship between risk and return with respect to investments of proceeds of the Series 2016 Bonds and funds held to pay the Series 2016 Bonds.

**Section 18. 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 Series 2016 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 to be executed by the District on the date of issuance of each Tax-Exempt series of Series 2016 Bonds. The provisions of this subsection (a) shall survive payment in full or defeasance of the Series 2016 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 Treasurer of the County on behalf of the District, in accordance with this Resolution or pursuant to law, the District shall so request of the Treasurer in writing, and the District shall make its best efforts to ensure that the 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 Treasurer of the County an 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 a Tax-Exempt series of Series 2016 Bonds under Section 103 of the Code, the Treasurer may conclusively rely on such Opinion of Bond Counsel in complying with the requirements of this Section and of each Tax Certificate with respect to the Tax-Exempt series of Series 2016 Bonds, and the covenants hereunder shall be deemed to be modified to that extent.

**Section 19. Professional Services.** Fieldman, Rolapp & Associates, Inc. shall serve as financial advisor to the District for the Series 2016 Bonds. Orrick, Herrington & Sutcliffe LLP shall serve as bond counsel to the District for the Series 2016 Bonds. Stifel, Nicolaus & Company, Incorporated shall serve as underwriter for the Series 2016 Bonds.

**Section 20. Delegation of Authority.** The Authorized District Representatives are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, and to execute and deliver any and all contracts or agreements, including, but not limited to, agreements with bond insurers and paying agents, commitment letters, depository agreements (including for the payment of issuance costs), consultant contracts, printing contracts, and similar contracts relating to issuance of the Series 2016 Bonds, or the investment of the proceeds, and all certificates and representations, including signature certificates, no-litigation certificates, certificates concerning the contents of the Official Statement, representation letters to DTC, the Tax Certificate, the Investment Management Agreement, continuing disclosure filings and any

other certificates proposed to be distributed in connection with the Series 2016 Bonds, which any of them deem necessary or desirable to accomplish the transactions authorized herein and to prepare and revise, as such officer determines appropriate, post issuance compliance procedures to insure continued compliance by the District with the covenants related to the Series 2016 Bonds. The Authorized District Representatives are also authorized to execute and deliver more than one of each or any of the documents approved by this Resolution should the Authorized District Representatives determine, in consultation with the Financial Advisor and Bond Counsel, that it is necessary or desirable to do so. All actions heretofore taken by the officers, employees and agents of the District with respect to the transactions set forth above are hereby approved, confirmed and ratified.

**Section 21. Filing with County.** The Superintendent, or such other officer or employee of the District as the Superintendent may designate, is hereby authorized and directed to report to the Auditor and Controller of the County the final terms of sale of the Series 2016 Bonds, and to file with the Auditor and Controller and with the Treasurer of the County a copy of the executed Bond Purchase Agreement and this Resolution, and the schedule of amortization of the principal of and payment of interest on the Series 2016 Bonds, and to file with the Treasurer of the County a proposed schedule of draws on the building fund of the District, and this Resolution shall serve as the notice required to be given by Section 15140(c) of the Education Code and as the District's request to the Auditor and Controller of the County and the Board of Supervisors to propose and adopt in each year a tax rate applicable to all taxable property of the District for payment of the Series 2016 Bonds, pursuant to law; and to the other officers of the County to levy and collect said taxes for the payment of the Series 2016 Bonds, to pay in a timely manner to the Paying Agent on behalf of the Owners of the Series 2016 Bonds the principal, interest, and premium, if any, due on the Series 2016 Bonds in each year, and to create in the County treasury to the credit of the District a building fund and an interest and sinking fund pursuant to Section 15146 of the Education Code.

**Section 22. Indemnification of County.** The District shall indemnify and hold harmless, to the extent permitted by law, the County and its officers and employees ("Indemnified Parties"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become subject because of action or inaction related to the adoption of any resolution by the Board of Supervisors authorizing the District to issue and sell the Series 2016 Bonds without the further action of the Board of Supervisors pursuant to Sections 15140 and 15146 of the Education Code, as permitted by Section 53508.7 of the Government Code. The District shall also reimburse any such Indemnified Parties for any legal or other expenses incurred in connection with investigating or defending any such claims or actions.

**Section 23. Effective Date.** This Resolution shall take effect from and after its date of adoption.

**PASSED AND ADOPTED** this day, May 12, 2016.

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President of the Board of Trustees of the  
San Dieguito Union High School District

ATTEST:

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Clerk of the Board of Trustees of the  
San Dieguito Union High School District



**EXHIBIT A**

**FORM OF SERIES 2016 BOND**

<b>Number</b> R-__	<b>UNITED STATES OF AMERICA</b> <b>STATE OF CALIFORNIA</b> <b>COUNTY OF SAN DIEGO</b>	<b>Amount</b> \$ _____
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**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**  
**(SAN DIEGO COUNTY, CALIFORNIA)**  
**2016 GENERAL OBLIGATION BONDS**  
**(ELECTION OF 2012), SERIES [C-1 (TAXABLE)/C-2]**

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Dated as of</u>	<u>CUSIP No.</u>
August 1, 20__	____%	_____, 2016	_____

Registered Owner: CEDE & CO.

Principal Amount: \_\_\_\_\_ DOLLARS

San Dieguito Union High 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, 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 January 15, 2017, in which event it shall bear interest from the date hereof) at the Interest Rate per annum stated above, payable commencing on February 1, 2017, 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 Trustees of the District on May 12, 2016 (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 Office of the Treasurer-Tax Collector of the County of San Diego, the paying agent/registrar and transfer agent of the District (the “Paying Agent”). 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 15th 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 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 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, interest payment modes, maturities and redemption provisions), in the aggregate principal amount of \$\_\_\_\_\_, and designated as “San Dieguito Union High School District 2016 General Obligation Bonds (Election of 2012), Series [C-1 (Taxable)/C-2]” (the “Bonds”). The Bonds were authorized by a vote of at least 55% percent of the voters voting at an election duly and legally called, held and conducted in the District on November 6, 2012. The Bonds are issued and sold by the Board of Trustees 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 \_\_\_\_\_, 2016 (the “Bond Purchase Agreement”), by and between the District and Stifel, Nicolaus & Company, Incorporated, 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, interest payment mode, 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 payment mode, 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 optional and mandatory sinking fund redemption on the terms and subject to the conditions specified in Appendix A hereto. 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 Trustees 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 Trustees 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

ITEM 19

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 Trustees of the San Dieguito Union High 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 dated date set forth above.

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President of the Board of Trustees of the  
San Dieguito Union High School District

Countersigned:

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Clerk of the Board of Trustees of the  
San Dieguito Union High School District

**CERTIFICATE OF AUTHENTICATION AND REGISTRATION**

This is one of the Bonds described in the within-mentioned Resolution and authenticated and registered on \_\_\_\_\_, 2016.

**TREASURER-TAX COLLECTOR, SAN  
DIEGO COUNTY, as Paying 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.

**APPENDIX A TO FORM OF SERIES 2016 BOND****REDEMPTION SCHEDULE**

**Optional Redemption.** [The Taxable Bonds are not subject to redemption. The Tax-Exempt Bonds maturing on or before August 1, 20\_\_ are not subject to redemption prior to their respective stated maturity dates. The Tax-Exempt Bonds maturing on or after August 1, 20\_\_, are subject to redemption prior to their 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 100% of the principal amount called for redemption, together with interest accrued thereon to the date of redemption, without premium.]

**Mandatory Sinking Fund Redemption.** The \$\_\_\_\_\_ term Tax-Exempt Bonds maturing on August 1, 20\_\_, is also subject to mandatory sinking fund redemption on each mandatory sinking fund redemption date 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 (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to Be Redeemed
_____	_____

\*

\_\_\_\_\_  
\* Maturity.

**EXHIBIT B****ESTIMATES OF COSTS OF ISSUANCE****\$62,000,000\*****San Dieguito Union High School District  
2016 General Obligation Bonds (Election of 2012),  
Series C-1 (Taxable) and Series C-2 (Tax-Exempt)**

Services	Firm	Payable at Closing <sup>†</sup>
Bond Counsel	Orrick, Herrington & Sutcliffe LLP	\$ 55,000
Bond Counsel - Expenses	Orrick, Herrington & Sutcliffe LLP	2,500
Underwriter's Counsel and Underwriter's Counsel Expenses	Stradling Yocca Carlson & Rauth	30,000
Financial Advisor	Fieldman, Rolapp & Associates	49,500
Financial Advisor – Expenses	Fieldman, Rolapp & Associates	2,700
Reimbursement for CalMuni Report	Fieldman, Rolapp & Associates	1,425
Paying Agent	County of San Diego	1,500
COI Custodian	U.S. Bank National Association	500
Rating Agency	Standard & Poor's	50,000
Rating Agency	Moody's Investors Service	50,000
Printer	TBD	2,500
Contingency	N/A	4,375
Total Cost of Issuance		\$250,000

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\* Preliminary, subject to change.

<sup>†</sup> Numbers represent estimates and are subject to revision by the Financial Advisor.

**CLERK'S CERTIFICATE**

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I, Amy Herman, Clerk of the Board of Trustees of the San Dieguito Union High 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 Trustees of said District duly and regularly held at the regular meeting place thereof on May 12, 2016, and entered in the minutes thereof, of which meeting all of the members of the Board of Trustees 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 710 Encinitas Boulevard, Encinitas, 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: \_\_\_\_\_ 2016.

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Clerk of the Board of Trustees of  
San Dieguito Union High School District



FORM OF  
BOND PURCHASE AGREEMENT

\$ \_\_\_\_\_  
**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**  
**(County of San Diego, California)**  
**2016 General Obligation Bonds (Election of 2012)**  
**Series C-1 (Taxable)**

\$ \_\_\_\_\_  
**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**  
**(County of San Diego, California)**  
**2016 General Obligation Bonds (Election of 2012)**  
**Series C-2 (Tax-Exempt)**

**BOND PURCHASE AGREEMENT**

June \_\_, 2016

Board of Trustees  
San Dieguito Union High School District  
710 Encinitas Boulevard  
Encinitas, California 92024

Ladies and Gentlemen:

The undersigned, Stifel, Nicolaus & Company, Incorporated, acting on behalf of itself as underwriter (the "Underwriter") and not as a fiduciary or agent for any other party, offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with the San Dieguito Union High School District (the "District"), which, upon your acceptance hereof, will be binding upon both the District and the Underwriter. This offer is made subject to the written acceptance of this Purchase Agreement by the District and delivery of such acceptance to us at or prior to 11:59 P.M., Pacific Daylight Time, on the date hereof. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the District Resolution (defined below).

1. **Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, 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 \$\_\_\_\_\_ in aggregate principal amount of the above captioned 2016 General Obligation Bonds (Election of 2012), Series C-1 (Taxable) (the "Taxable Bonds") and \$\_\_\_\_\_ in aggregate principal amount of the above captioned 2016 General Obligation Bonds (Election of 2012), Series C-2 (Tax-Exempt) (the "Tax-Exempt Bonds" and collectively with the Taxable Bonds, the "Bonds"). The Bonds shall bear interest at the rates, and shall mature in the years and shall be subject to redemption as shown on Exhibit A hereto, which is incorporated herein by this reference. The Bonds shall be dated the date of delivery (the "Date of Delivery") thereof and shall be payable as to interest on each February 1 and August 1, commencing February 1, 2017.

The Underwriter shall purchase the Taxable Bonds at a price of \$\_\_\_\_\_ (which is equal to the aggregate principal amount of the Taxable Bonds of \$\_\_\_\_\_, less \$\_\_\_\_\_ of Underwriter's discount on the Taxable Bonds). The Underwriter shall purchase the Tax-Exempt Bonds at a price of \$\_\_\_\_\_ (which is equal to the aggregate principal amount of the Tax-Exempt Bonds of \$\_\_\_\_\_, plus net original issue premium of \$\_\_\_\_\_, less \$\_\_\_\_\_ of Underwriter's discount on the Tax-Exempt Bonds).

The District acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the District and the Underwriter, (ii) in connection therewith and with the discussion, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is acting solely as a principal and not as agent or fiduciary of or a financial advisor to the District, (iii) the Underwriter has not assumed (individually or collectively) an advisory or fiduciary responsibility in favor of the District with respect to (x) the offering of the Bonds or the process leading thereto (whether or not either Underwriter has advised or is currently advising the District on other matters) or (y) any other obligation to the District except the obligations expressly set forth in this Purchase Agreement and (iv) the District has consulted with its own legal and other professional advisors, including Fieldman, Rolapp & Associates, Inc., as financial advisor to the District (the "Financial Advisor"), to the extent it deemed appropriate in connection with the offering of the Bonds.

The District acknowledges that it has previously provided the Underwriter with acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the Municipal Securities Rulemaking Board (the "MSRB").

2. **The Bonds.** The Bonds shall be dated their date of delivery and shall be issued and secured pursuant to the provisions of the Resolution of the Board of Trustees of the District adopted on May 12, 2016, (the "District Resolution"), the Paying Agent Agreement, dated as of June \_\_, 2016, by and between the District and the County of San Diego (the "County") through the office of the Treasurer-Tax Collector of the County, as paying agent for the Bonds (in such capacity, the "Paying Agent") and Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code and other applicable law (the "Act"). The Bonds shall mature on the dates shown in Exhibit A hereto, and shall otherwise be as described in the Official Statement (as defined herein).

The District has been authorized to issue the Bonds on its own behalf pursuant to a resolution of the Board of Supervisors of the County adopted on [June 21, 2016] (the "County Resolution" and, together with the District Resolution, the "Resolutions") and Section 15140(b) of the California Education Code.

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Agreement, the Paying Agent Agreement and the District Resolution. The Bonds shall be in book-entry form, shall bear CUSIP numbers, 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"); and initially be in authorized denominations of Five Thousand Dollars (\$5,000) principal amount or any integral multiple thereof.

3. **Use of Documents.** The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Bonds, this Purchase Agreement, the Preliminary Official Statement and Official Statement (defined below), the District Resolution 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 issuance and offering of the Bonds (except as such documents otherwise provide).

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 to be set forth on the inside cover page of the Official Statement and on Exhibit A hereto. Subsequent to such initial public

offering, the Underwriter reserves the right to change such initial public offering prices or yields as they deem necessary in connection with the marketing of the Bonds. The Bonds may be offered and sold to certain securities dealers at prices lower than such initial public offering prices.

5. **Review of Official Statement.** The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated June \_\_, 2016 (the “Preliminary Official Statement”). The District represents that it has deemed the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount and maturity value, principal amount and maturity value per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing, as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”).

The Underwriter agrees that prior to the time the final Official Statement (the “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 hereby represents that they will provide, consistent with the requirements of MSRB Rule G-32, for the delivery of a copy of the Official Statement to each customer who purchases any Bonds within twenty-five (25) days of the Closing (defined herein), and deliver a copy of the Official Statement to a repository recognized by the MSRB on or before the Closing, and that they will otherwise comply with all applicable statutes and regulations in connection with the offering and sale of the Bonds, including, without limitation, MSRB Rule G-32 and Rule 15c2-12, promulgated by the Securities and Exchange Commission.

References herein to the Preliminary Official Statement and the final Official Statement include the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto.

6. **Closing.** At 9:00 A.M., Pacific Daylight Time, on June \_\_, 2016 or at such other time or on such other date as shall have been mutually agreed upon by and between the District and the Underwriter (the “Closing”), the District will cause to be delivered to the Underwriter (except as otherwise provided in the District Resolution) through the facilities of DTC, or at such other place as we may mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and at the offices of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), in San Francisco, California, the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds by check, draft or wire transfer to or upon the order of the District.

7. **Representations, Warranties and Agreements of the District.** The District hereby represents, warrants and agrees with the Underwriter that:

(a) Due Organization of the District. The District is a school district duly established 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) Due Authorization. (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 District has full legal right, power and authority to enter into this Purchase Agreement and the Paying Agent Agreement, to adopt the District Resolution, to perform its obligations under each such document or instrument, to approve the Official Statement and to carry out and effectuate the transactions contemplated by this Purchase Agreement, the Official Statement, the Paying Agent Agreement and the District Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the District Resolution, the Paying Agent Agreement and this Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Agreement constitutes a valid and legally binding obligation of the District; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Agreement.

(c) Consents. Except for the actions of the parties hereto, no consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any person, organization, court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds, the execution and delivery of this Purchase Agreement and the Paying Agent Agreement, the adoption of the District Resolution, or the consummation of the other transactions effected or contemplated herein or hereby, which have not been taken or obtained, 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; provided, however, that the District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

(d) Internal Revenue Code. The District has complied with the Internal Revenue Code of 1986, as amended, with respect to the Tax-Exempt Bonds.

(e) No Conflicts. To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of this Purchase Agreement, the Paying Agent Agreement, the District Resolution, and the Bonds, and the compliance with the provisions hereof and thereof do not conflict with or constitute on the part of the District a violation of, or default under, the Constitution of the State or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a 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) Litigation. As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending or, to the best knowledge of the District, threatened: (i) in

any way affecting the existence of the District or in any way challenging the titles of the officials of the District who are required to execute any contracts, certificates, or official statements in connection with the delivery of the Bonds to their respective offices, or the powers of those offices; or (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, the levy or collection of *ad valorem* property taxes by the County on behalf of the District required to be collected and applied to pay the principal of and interest on the Bonds, or the application of the proceeds thereof, or, the levy of any taxes contemplated by the District Resolution, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement, the Paying Agent Agreement, or the District Resolution or contesting the powers of the District or its authority with respect to the Bonds, the District Resolution, the Paying Agent Agreement or this Purchase Agreement; or (iii) in which a final adverse decision could (A) materially adversely affect the operations of the District or the consummation of the transactions consummated by this Purchase Agreement, or the District Resolution, (B) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (C) adversely affect the exclusion of the interest paid on the Tax-Exempt Bonds from gross income for federal income tax purposes and the exemption of interest paid on the Bonds from California personal income taxation.

(g) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Underwriter, neither the District directly, nor any person on behalf of the District, will have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

(h) Levy of Tax. The District hereby agrees to take any and all actions as may be required by the County or otherwise necessary in order to arrange for the levy and collection of taxes, payment of the Bonds, and the deposit and investment of Bond proceeds. In particular, the District hereby agrees to provide to the County Treasurer-Tax Collector a copy of the District Resolution and the Paying Agent Agreement, a copy of Exhibit A hereto, and the full debt service schedule for the Bonds, in accordance with California Education Code Section 15140(c) and policies and procedures of the County.

(i) Certificates. 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.

(j) Continuing Disclosure. In accordance with the requirements of Rule 15c2-12, at or prior to the Closing, the District shall have duly authorized, executed and delivered a continuing disclosure certificate (the "Continuing Disclosure Certificate") on behalf of each obligated person for which financial and/or operating data is presented in the Official Statement. The Continuing Disclosure Certificate shall comply with the provisions of Rule 15c2-12 and be substantially in the form attached to the Official Statement as Appendix D. The District has not within the last five years failed to comply in any material respect with any undertaking to provide annual reports or notices of certain events pursuant to Rule 15c2-12.

(k) Interim Financial Report. The District has not designated its most recent interim financial report as qualified or negative, nor has such interim financial report received a qualified or negative certification or designation from the County Superintendent of Schools.

(l) Official Statement Accurate and Complete. The Preliminary Official Statement (except for information regarding DTC and its book-entry only system, and information regarding the investment portfolio, policies, practices and valuation procedures of the County Treasurer-Tax Collector), at the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. At the date hereof and on the Closing Date, the final Official Statement (except for information regarding DTC and its book-entry only system, and information regarding the investment portfolio, policies, practices and valuation procedures of the County Treasurer-Tax Collector) does not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

8. **Covenants of the District.** The District covenants and agrees with the Underwriter that:

(a) Securities Laws. 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 of such states and jurisdictions, provided, however, that the District shall not be required to consent to service of process in any jurisdiction in which it is not so subject as of the date hereof;

(b) Application of Proceeds. The District will apply the proceeds from the sale of the Bonds for the purposes specified in the District Resolution and the Paying Agent Agreement;

(c) Official Statement. The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the seventh (7th) business day following the date this Purchase Agreement is signed, and in sufficient time to accompany any confirmation that requests payment from any customer, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the District in such quantities as may be requested by the Underwriter, in order to permit the Underwriter to comply with paragraph (b)(4) of Rule 15c2-12 and with the rules of the MSRB. The District hereby authorizes the Underwriter to use and distribute the Official Statement in connection with the offering and sale of the Bonds;

(d) Subsequent Events. The District hereby agrees to notify the Underwriter of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement relating to the District until the date which is twenty-five (25) days following the Closing or until such time (if earlier) as the Underwriter shall no longer hold any of the Bonds for sale;



(e) References. References herein to the Preliminary Official Statement and the final Official Statement include the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto; and

(f) Amendments to Official Statement. During the period ending on the 25th day after the End of the Underwriting Period (or such other period as may be agreed to by the District and the Underwriter), the District (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter and (ii) shall notify the Underwriter promptly if any event shall occur, or information comes to the attention of the District, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Underwriter, such event requires the preparation and distribution of a supplement or amendment to the Official Statement, the District shall prepare and furnish to the Underwriter, at the District's expense, such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the District and the Underwriter, as the Underwriter may reasonably request. If such notification shall be given subsequent to the Closing, the District also shall furnish, or cause to be furnished, at its own expense, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

For purposes of this Agreement, the "End of the Underwriting Period" is used as defined in Rule 15c2-12 and shall occur on the later of (x) the date of Closing or (y) when the Underwriter no longer retains an unsold balance of the Bonds; unless otherwise advised in writing by the Underwriter on or prior to the Closing Date, or otherwise agreed to by the District and the Underwriter, the District may assume that the End of the Underwriting Period is the Closing Date.

**9. Representations and Agreements of the Underwriter.** The Underwriter represents to and agrees with the District that, as of the date hereof and as of the date of the Closing:

(a) The Underwriter is duly authorized to execute this Purchase Agreement and to take any action under this Purchase Agreement required to be taken by it.

(b) The Underwriter is in compliance with MSRB Rule G-37 with respect to the District, and the Underwriter is prohibited thereby from acting as underwriter with respect to securities of the District.

(c) The Underwriter has, and has had, no financial advisory relationship with the District with respect to the Bonds, as such term is defined in California Government Code Section 53590(c) or MSRB Rule G-23, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship.



10. **Conditions to Closing.** The Underwriter has entered into this 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 Purchase Agreement are and shall be subject, at the option of the Underwriter, to the following further conditions at the Closing:

(a) Representations True. 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 Purchase Agreement;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Purchase Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate and the District 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 Underwriter; (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 their obligations required under or specified in the District Resolution, this Purchase Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate or the Official Statement to be performed at or prior to the Closing;

(c) Adverse Rulings. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, pending or threatened which has any of the effects described in Section 7(f) hereof or contesting in any way the completeness or accuracy of the Official Statement;

(d) Marketability. Between the date hereof and the Closing, the market price 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, of the Bonds shall not have been materially adversely affected in the judgment of the Underwriter (evidenced by a written notice to the District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) by reason of any of the following:

(i) legislation enacted or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(A) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service, with the purpose or effect, directly or indirectly, of causing inclusion in gross income for purposes of

federal income taxation of the interest received by the owners of the Tax-Exempt Bonds; or

(B) 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;

(ii) legislation enacted by the legislature of the State, or a decision rendered by a court of the State, or a ruling, order, or regulation (final or temporary) made by State authority, which would have the effect of changing, directly or indirectly, the State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof, or

(iii) the formal declaration of war by Congress or a new major engagement in or escalation of military hostilities by order of the President of the United States, or the occurrence of any other declared national emergency that interrupts or causes disorder to the operation of the financial markets in the United States;

(iv) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange;

(v) 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, either Underwriter;

(vi) 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;

(vii) the withdrawal, review, downgrading or placement on credit watch of any underlying rating of any of the District's outstanding indebtedness by a national rating agency;

(viii) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any statement or information contained 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 necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading and, in either such event, the District refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(ix) the suspension by the SEC of trading in the outstanding securities of the District.

(e) Delivery of Documents. At or prior to the date of the Closing, Bond Counsel shall deliver sufficient copies of each of the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Underwriter:

(i) Bond Opinions. The approving opinions of Bond Counsel (A) as to the validity of the Taxable Bonds, and (B) as to the validity and tax exempt status of the Tax-Exempt Bonds, in each case dated the date of the Closing and addressed to the District in substantially the forms set forth in the Preliminary Official Statement and the Official Statement in Appendix C;

(ii) Supplemental Opinion of Bond Counsel. A supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriter, to the effect that the Underwriter can rely upon the opinion described in (e)(1) above and that:

(A) the description of the Bonds and the security for the Bonds and statements in the Official Statement on the cover page thereof and under the captions "PLAN OF FINANCE," "THE BONDS," and "TAX MATTERS," to the extent they purport to summarize certain provisions of the District Resolution, the Paying Agent Agreement, and California law or federal law, fairly and accurately summarize the matters purported to be summarized therein; provided that Bond Counsel need not express any opinion with respect to any financial or statistical data, information concerning the Depository Trust Company or related to its book-entry only system contained therein;

(B) this Purchase Agreement has been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a legal, valid and binding agreement of the District and is enforceable in accordance with its terms, 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 its enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought and by the limitations on legal remedies against public agencies in the State; and

(C) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the District Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(iii) Underwriter's Counsel Opinion. The opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, counsel to the Underwriter ("Underwriter's Counsel"), dated the Closing Date and addressed to the Underwriter, in form and substance satisfactory to the Underwriter;

(iv) Letter Regarding the Official Statement. A letter of Underwriter's Counsel regarding the Official Statement, dated the Closing Date and addressed to the District, in substantially the form attached hereto as Exhibit B;

(v) District Certificate. A certificate signed by appropriate officials of the District to the effect that (A) such officials are authorized to execute this Purchase Agreement, (B) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing, (C) the District has complied with all the terms of the District Resolution, the Paying Agent Agreement, and this Purchase Agreement, which are necessary to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect, (D) such District officials have reviewed the Preliminary Official Statement and the Official Statement and on such basis certify that the Preliminary Official Statement and the Official Statement as of its date and as of the Closing Date (excluding therefrom information regarding DTC and its book-entry only system, and information regarding the investment portfolio, policies, practices and valuation procedures of the County Treasurer-Tax Collector, as to which no view need be expressed) does not contain any untrue statement of a material fact nor omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (E) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Agreement substantially conform to the descriptions thereof contained in the Paying Agent Agreement;

(vi) Tax Certificate. A non-arbitrage certificate of the District in form satisfactory to Bond Counsel;

(vii) Rating. Evidence satisfactory to the Underwriter that (A) the Bonds shall have been rated "\_\_\_" by Moody's Investors Service ("Moody's") and "\_\_\_" by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), (or such other equivalent ratings as such rating agencies may give), and (B) that any such ratings have not been revoked or downgraded;

(viii) District Resolution. A certificate, together with fully executed copies of the District Resolution and the Paying Agent Agreement, of the Secretary to the District Board of Trustees to the effect that:

(A) such copies are true and correct copies of the District Resolution and Paying Agent Agreement; and

(B) that the District Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing;

(ix) Official Statement. A certificate of the appropriate official of the District evidencing his or her determinations respecting the Preliminary Official Statement in accordance with Rule 15c2-12;

(x) Continuing Disclosure Certificate. An executed copy of the Continuing Disclosure Certificate, substantially in the form presented in the Official Statement as Appendix D thereto;

(xi) Underwriter's Counsel Opinion. The opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, counsel to the Underwriter, dated the Closing Date and addressed to the Underwriter, in form and substance satisfactory to the Underwriter; and

(xii) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request to evidence compliance (A) by the District with legal requirements, (B) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained and of the Official Statement, and (C) 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.

(f) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the District to the Underwriter as provided in Section 6 hereof, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriter under Section 14 hereof.

If the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this 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, 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.

11. **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.

**12. Costs of Issuance; Expenses.**

(a) The District shall pay (or to cause to be paid) costs of issuance of the Bonds including but not limited to the following: (i) the cost of the preparation and reproduction of the District Resolution and the Paying Agent Agreement; (ii) the fees and disbursements of Bond Counsel and Underwriter's Counsel; (iii) the cost of the preparation, printing and delivery of the Bonds; (iv) the fees, if any, for bond ratings, including all necessary travel expenses; (v) the cost of the printing and distribution of the Preliminary Official Statement and the Official Statement; (vi) the fees of the Paying Agent; (vii) the fees and expenses of the Financial Advisor; (viii) the fees of U.S. Bank National Association, retained by the District for the purpose of disbursing amounts in respect of such expenses; and (ix) any other fees and expenses incident to the issuance and sale of the Bonds identified in writing by the District.

(b) Pursuant to Section 11 of the District Resolution, the District hereby directs the Underwriter to deposit \$\_\_\_\_\_ of the proceeds of the sale of the Bonds with U.S. Bank National Association for the purpose of paying the costs associated with the issuance of the Bonds.

(c) Notwithstanding any of the foregoing, the Underwriter shall pay all out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory Commission fee, travel and other expenses (except those expressly provided above).

**13. Notices.** Any notice or other communication to be given under this 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 Superintendent of the San Dieguito Union High School District, 710 Encinitas Boulevard, Encinitas, California 92024; or if to the Underwriter, to Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, 35th Floor, San Francisco, California 94104, Attention: Ralph Holmes.

**14. Parties in Interest; Survival of Representations and Warranties.** When accepted by the District in writing as heretofore specified, this Purchase Agreement shall constitute the entire agreement between the District and the Underwriter. This 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 representations, warranties and agreements of the District in this 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 Purchase Agreement.

**15. Severability.** In the event any provision of this 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 thereof.

**16. Nonassignment.** Notwithstanding anything stated to the contrary herein, neither party hereto may assign or transfer its interest herein, or delegate or transfer any of its obligations hereunder, without the prior consent of the other party hereto.

ITEM 19

17. **Execution in Counterparts.** This 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 BLANK]

18. **Applicable Law.** This Purchase Agreement shall be interpreted, governed and enforced in accordance with the laws of the State applicable to contracts made and performed in such State.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,  
INCORPORATED, as Underwriter

By: \_\_\_\_\_  
Managing Director

The foregoing is hereby agreed to and accepted as of the date first above written:

SAN DIEGUITO UNION HIGH SCHOOL  
DISTRICT

By: \_\_\_\_\_  
Associate Superintendent, Business Services

ACCEPTED at \_\_\_\_\_ P.M. Pacific Daylight Time  
this \_\_\_\_ day of June, 2016



**EXHIBIT A**

\$ \_\_\_\_\_  
**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**  
 (County of San Diego, State of California)  
**2016 General Obligation Bonds (Election of 2012)**  
**Series C-1 (Taxable)**

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield
-----------------------------	---------------------	---------------	-------

\$ \_\_\_\_\_  
**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**  
 (County of San Diego, State of California)  
**2016 General Obligation Bonds (Election of 2012)**  
**Series C-2 (Tax-Exempt)**

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield
-----------------------------	---------------------	---------------	-------

\$ \_\_\_\_\_ % Term Bond due [February] 1, 20\_\_; Yield \_\_\_\_%<sup>†</sup>

<sup>†</sup> Yield to call at par on August 1, 20\_\_.

**Redemption**

**Optional Redemption.** The Taxable Bonds are not subject to redemption.

The Tax-Exempt Bonds maturing on or before August 1, 20\_\_, are not subject to redemption prior to their respective stated maturity dates. The Tax-Exempt Bonds maturing on or after August 1, 20\_\_, are subject to redemption prior to their 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 100% of the principal amount called for redemption, together with interest accrued thereon to the date of redemption, without premium.

## ITEM 19

***Mandatory Sinking Fund Redemption.*** The \$ \_\_\_\_\_ term Tax-Exempt Bond maturing on [February] 1, 20\_\_, is also subject to mandatory sinking fund redemption on each mandatory sinking fund redemption date 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 (without premium), together with interest accrued thereon to the date fixed for redemption:

<u>Mandatory Sinking Fund Redemption Date</u>	<u>Principal Amount to Be Redeemed</u>
August 1, 20__	
August 1, 20__	
August 1, 20__	
[February] 1, 20__*	

---

\* Maturity.

**EXHIBIT B**

**FORM OF LETTER REGARDING THE OFFICIAL STATEMENT**

San Dieguito Union High School District  
710 Encinitas Boulevard  
Encinitas, California 92024

\$ \_\_\_\_\_  
SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
(County of San Diego, California)  
2016 General Obligation Bonds (Election of 2012)  
Series C-1 (Taxable)

\$ \_\_\_\_\_  
SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
(County of San Diego, California)  
2016 General Obligation Bonds (Election of 2012)  
Series C-2 (Tax-Exempt)

Ladies and Gentlemen:

We have acted as legal counsel for Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), in connection with the sale by the San Dieguito Union High School District (the “District”), and the purchase by the Underwriter, of the above-referenced 2016 General Obligation Bonds (Election of 2012), Series C-1 (Taxable) and 2016 General Obligation Bonds (Election of 2012), Series C-2 (Tax-Exempt) (collectively, the “Bonds”) pursuant to a Bond Purchase Agreement, dated June \_\_, 2016 (the “Purchase Agreement”), by and between the Underwriter and the District.

In reaching the conclusions set forth below, we have examined originals or copies certified or otherwise identified to our satisfaction of (i) the Purchase Agreement, (ii) the resolution of the District adopted on May 12, 2016 pertaining to the Bonds (the “Bond Resolution”), (iii) the Paying Agent Agreement, dated as of June 1, 2016, by and between the District and the County of San Diego (the “County”) through the office of the Treasurer-Tax Collector of the County, as paying agent for the Bonds; (iv) the Continuing Disclosure Certificate executed by the District, dated the date hereof, (v) the Official Statement relating to the Bonds dated June \_\_, 2016 (the “Official Statement”), (vi) the approving opinion of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), dated the date hereof, (vii) the documents, letters, certificates and opinions delivered pursuant to the provisions of Section 10(e) of the Purchase Agreement, and (viii) such other documents, certificates, instructions and records as we have considered necessary or appropriate as a basis for our conclusions (all of the foregoing collectively, the “Legal Documents”). Neither the District nor its representatives are authorized to rely on the conclusions set forth herein in connection with the delivery of the Legal Documents or the making of the representations or certifications set forth therein.

We have assumed, but not independently verified, that the signatures on all documents, letters, opinions and certificates which we have examined are genuine, that all documents submitted to us are authentic and were duly and properly executed by the parties thereto, and that all representations made in the documents that we have reviewed are true and accurate.

Although we have not undertaken to check the accuracy, completeness or fairness of, or verified the information contained in, the Official Statement, and are therefore unable to make any representation to you in that regard, we have participated in conferences prior to the date of the Official Statement with your representatives and representatives of the Underwriter, Bond Counsel, Fieldman, Rolapp & Associates, Inc. as financial advisor to the District, and others, during which conferences the contents of the Official Statement and related matters were discussed. Based upon the information made available to

us in the course of our participation in such conferences, our review of the documents referred to above, our reliance on the certificates and the opinions of counsel described above and our understanding of applicable law, we advise you as a matter of fact but not opinion that no information has come to the attention of the attorneys in the firm representing the Underwriter in connection with the Bonds that caused us to believe that the Official Statement as of its date contained, or as of the date hereof contains, any untrue statement of a material fact, or as of its date omitted, or as of the date hereof omits, to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that we express no view with respect to Appendices B, C, E or F to the Official Statement, the information pertaining to The Depository Trust Company, its book-entry system, any information with respect to the ratings on the Bonds and the rating agencies referenced therein, and any financial, statistical, demographic or economic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion in the Official Statement, including any of the appendices thereto). Finally, other than reviewing the various certificates and opinions required by the Purchase Agreement regarding the Official Statement, we have not taken any steps since the date of the Official Statement to verify the accuracy of the statements contained in the Official Statement as of the date hereof.

By acceptance of this letter, you acknowledge that the preceding paragraph is neither a legal opinion nor a guarantee regarding the Official Statement; rather it is a statement of negative assurance regarding factual information that did not come to the attention of attorneys in our firm working on this matter during the limited activities that we performed as counsel to the Underwriter. Further, in accepting this letter, the District recognizes and acknowledges that: (i) the conclusions set forth herein are based on certain limited activities performed by specific attorneys in our firm in our role as counsel to the Underwriter; (ii) the scope of the activities performed by such attorneys in our role as counsel to the Underwriter and for purposes of delivering such advice were inherently limited and do not purport to encompass all activities necessary for compliance by you or others in accordance with applicable state and federal securities laws; (iii) the activities performed by such attorneys in our role as counsel to the Underwriter rely in part by representations, warranties, certifications and opinions of other parties to the transaction, including representations, warranties and certifications made by the District; and (iv) while such statements of negative assurance are customarily given to underwriters of municipal bonds to assist them in discharging their responsibilities under federal securities laws, the responsibilities of the District under those laws may differ from those of underwriters in material respects, and the preceding paragraph may not serve the same purpose or provide the same utility to the District as it would to underwriters.

This letter is being rendered to you solely for your benefit in connection with the issuance of the Bonds and is not to be used, circulated, quoted or otherwise referred to for any other purpose without our prior written consent. This letter is limited to matters governed by the laws of the State of California and federal securities laws, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction. No opinion is expressed herein with respect to the validity of the Bonds or the compliance with, or applicability of, any "blue sky" laws of any state as they relate to the offer or sale of the Bonds.

We have not undertaken any duty, and expressly disclaim any responsibility, to advise you as to events occurring after the date hereof with respect to the Bonds or other matters discussed in the Official Statement. This letter is not intended to be, and may not be, relied upon by owners of Bonds, the owners of any beneficial ownership interest therein or by any other party to whom it is not addressed.

Respectfully submitted,

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FORM OF  
PAYING AGENT AGREEMENT

## PAYING AGENT AGREEMENT

**THIS PAYING AGENT AGREEMENT** (the “Agreement”), is entered into as of [July] 1, 2016, between the San Dieguito Union High 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 “San Dieguito Union High School District 2016 General Obligation Bonds (Election of 2012), Series C-1 (Taxable)” (the “Taxable Bonds”) and the “San Dieguito Union High School District 2016 General Obligation Bonds (Election of 2012), Series C-2 (Tax-Exempt)” (the “Tax-Exempt Bonds” and, together with the Taxable Bonds, the “Bonds”) in an aggregate principal amount of \$[\_\_\_\_], which 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 the 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; and

**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 I

#### 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 “San Dieguito Union High School District 2016 General Obligation Bonds (Election of 2012), Series C-1 (Taxable)” and the “San Dieguito Union High School District 2016 General Obligation Bonds (Election of 2012), Series C-2 (Tax-Exempt)”.

“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 San Dieguito Union High 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 or underwriters 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 II

### 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, the Bond Resolution, and the Purchase Agreement, 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.

The fees and expenses of the County as Paying Agent shall be paid each year from the Interest and Sinking Fund of the District, insofar as permitted by law, including specifically by Section 15232 of the State Education Code.

ARTICLE III

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, the Bonds and the Purchase Agreement.

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, the Bonds and the Purchase Agreement.



## ARTICLE IV

### REGISTRAR

#### Section 4.01. Initial Delivery of Bonds.

The Bonds will be initially registered and delivered through DTC's book-entry system to or upon the order of the purchaser designated by the District as one Bond for each maturity. If the Bonds are not to be issued through DTC's book-entry system and 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 or her 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.

If the Bonds are not DTC book-entry 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 for 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 V

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.

If the Bonds are book-entry DTC bonds, 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 building 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 of, 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 VI

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, the terms of the Bonds set forth in the Purchase Agreement and the Bond Resolution constitute the entire agreement between the parties hereto relative to the County acting as Paying Agent and Registrar.

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 upon the appointment of a successor 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

ITEM 19

Owners and the denominations of the Bonds; and (d) if bond proceeds are to be held at the County (other than as Paying Agent), 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.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**

By: \_\_\_\_\_  
Authorized District 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**  
**FEE SCHEDULE**

<u>Service Type</u>	<u>Fee</u>	<u>Frequency</u>
A bond with no series	\$1,500	At closing and annually
A bond with series	\$1,000 per issue	At closing and \$1,500 annually
Each additional series	Add \$500 per series	

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.



FORM OF  
OFFICIAL STATEMENT

(Preliminary)

includes as Appendix D the form of  
CONTINUING DISCLOSURE CERTIFICATE

**PRELIMINARY OFFICIAL STATEMENT DATED JUNE \_\_, 2016****NEW ISSUE -- FULL BOOK-ENTRY****RATINGS: Moody's: ITEM 19****Standard & Poor's: "\_\_\_"****See "RATINGS"**

*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 Tax-Exempt 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 Tax-Exempt 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 is also of the opinion that interest on the Taxable Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes. 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 Tax-Exempt Bonds and the Taxable Bonds. See "TAX MATTERS" herein.*

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

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**  
(County of San Diego, California)  
**2016 General Obligation Bonds (Election of 2012)**  
**Series C-1 (Taxable)**

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

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**  
(County of San Diego, California)  
**2016 General Obligation Bonds (Election of 2012)**  
**Series C-2 (Tax-Exempt)**

**Dated: Date of Delivery****Due: August 1 and February 1, as shown on inside front cover**

*This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire official statement to obtain information essential to the making of an informed investment decision. Capitalized terms used in this cover page and not otherwise defined shall have the meanings set forth herein.*

The above-captioned 2016 General Obligation Bonds (Election of 2012), Series C-1 (Taxable) (the "Taxable Bonds") and 2016 General Obligation Bonds (Election of 2012), Series C-2 (Tax-Exempt) (the "Tax-Exempt Bonds" and, together with the Taxable Bonds, the "Bonds") are being issued by the San Dieguito Union High School District (the "District"), located in the County of San Diego (the "County"). The Bonds represent a general obligation of the District, payable solely from *ad valorem* property taxes. The Board of Supervisors of the County is empowered and obligated to annually levy *ad valorem* taxes for the payment of the principal of and interest on the Bonds upon all property subject to taxation by the District without limitation of rate or amount (except as to certain personal property which is taxable at limited rates). The Bonds are issued pursuant to provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 *et seq.*, Chapter 1 of Part 10 of Division 1 of Title 1 of the California Education Code, commencing with Section 15100 *et seq.*, the Proposition AA Authorization and a resolution adopted by the Board of Trustees of the District on May 12, 2016, and a Paying Agent Agreement, dated as of June 1, 2016, by and between the District and the Treasurer-Tax Collector of the County, as paying agent thereunder (the "Paying Agent").

The Bonds are being issued to finance specific construction, acquisition and modernization projects approved by the voters, fund capitalized interest and pay costs of issuance incurred in connection with the issuance of the Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" and "PLAN OF FINANCE" herein.

The Bonds will be initially issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (collectively referred to herein as "DTC"). Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interests in the Bonds.

The Bonds will be issued as current interest bonds. Interest with respect to the Bonds accrues from the date of delivery of the Bonds and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2017. The Bonds are issuable as fully registered Bonds in denominations of \$5,000 principal amount or any integral multiple thereof.

Payments of principal of and interest on the Bonds will be made by the Paying Agent to DTC for subsequent disbursement to DTC Participants (defined herein) who will remit such payments to the Beneficial Owners of the Bonds. See "THE BONDS – General Provisions" and "APPENDIX F – BOOK-ENTRY ONLY SYSTEM."

**The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity, as described herein.\***

**MATURITY SCHEDULES\***  
(see inside front cover)

*The Bonds are offered when, as and if issued, and received by the Underwriter subject to the approval as to their legality by Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the District. Certain legal matters will be passed upon for the Underwriter by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California. Fieldman Rolapp & Associates, Inc. is serving as Financial Advisor to the District in connection with the issuance of the Bonds. The Bonds, in book-entry form, will be available for delivery through the facilities of The Depository Trust Company on or about June \_\_, 2016.*

**[Stifel logo]**

The date of this Official Statement is June \_\_, 2016.

\* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. 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.

**MATURITY SCHEDULES\***

\$ \_\_\_\_\_ \*  
**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**  
**(County of San Diego, California)**  
**2016 General Obligation Bonds (Election of 2012) Series C-1 (Taxable)**

**Base CUSIP†: \_\_\_\_\_**

\$ \_\_\_\_\_ **Serial Bonds**

<u>Maturity</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP†</u>
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\$ \_\_\_\_\_ \*  
**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**  
**(County of San Diego, California)**  
**2016 General Obligation Bonds (Election of 2012) Series C-2 (Tax-Exempt)**

**Base CUSIP†: \_\_\_\_\_**

\$ \_\_\_\_\_ **Serial Bonds**

<u>Maturity</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP†</u>
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\$ \_\_\_\_\_ % **Term Bonds due February 1, 20\_\_ - Yield** \_\_\_\_\_ %‡ - **CUSIP†: \_\_\_\_\_**

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\* Preliminary, subject to change.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Services. Neither the Underwriter nor the District is responsible for the selection or correctness of the CUSIP numbers set forth herein.

‡ Yield to call at par on September 1, 20\_\_.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**

**BOARD OF TRUSTEES**

Beth Hergesheimer  
*President*

Joyce Dalessandro  
*Vice President*

Amy Herman  
*Clerk*

Maureen “Mo” Muir  
*Trustee*

John Salazar  
*Trustee*

**DISTRICT ADMINISTRATION**

Rick Schmitt  
*Superintendent*

Eric Dill  
*Associate Superintendent,  
Business Services*

John Addleman  
*Executive Director,  
Planning Services*

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**COUNTY OF SAN DIEGO**

**PAYING AGENT**

Dan McAllister  
*Treasurer-Tax Collector*

**PROFESSIONAL SERVICES**

**FINANCIAL ADVISOR**

Fieldman, Rolapp & Associates, Inc.  
*Irvine, California*

**BOND COUNSEL**

Orrick, Herrington & Sutcliffe LLP  
*San Francisco, California*

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This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)2 and 3(a)12, respectively, for the issuance and sale of such municipal securities. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Certain information set forth herein has been obtained from sources outside of the District which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced in this Official Statement, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “forecast,” “expect,” “intend” and similar expressions identify “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) has provided the following sentence for inclusion in this Official Statement:

“The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or the completeness of such information.”

**In connection with this offering, the Underwriter may overallocate or effect transactions which stabilize or maintain the market prices of the Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page and said public offering prices may be changed from time to time by the Underwriter.**

The District maintains a website. However, the information presented therein is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

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

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**  
(County of San Diego, California)  
**2016 General Obligation Bonds (Election of 2012)**  
**Series C-1 (Taxable)**

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

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**  
(County of San Diego, California)  
**2016 General Obligation Bonds (Election of 2012)**  
**Series C-2 (Tax-Exempt)**

## INTRODUCTION

This Official Statement, which includes the cover page, inside cover page, and appendices hereto, provides information in connection with the sale of the above-captioned San Dieguito Union High School District (County of San Diego, California) 2016 General Obligation Bonds (Election of 2012) Series C-1 (Taxable), in the principal amount of \$ \_\_\_\_\_\* (the “Taxable Bonds”) and San Dieguito Union High School District (County of San Diego, California) 2016 General Obligation Bonds (Election of 2012) Series C-2 (Tax-Exempt), in the principal amount of \$ \_\_\_\_\_\* (the “Tax-Exempt Bonds” and, together with the Taxable Bonds, the “Bonds”).

**This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of Bonds to potential investors is made only by means of the entire Official Statement.**

### **The District**

The San Dieguito Union High School District (the “District”) consists of approximately 85 square miles of territory in the northern portion of the County of San Diego (the “County”), California (the “State”). The District educates students from five feeder elementary school districts: Encinitas, Cardiff, Solana Beach, Del Mar and Rancho Santa Fe. The District operates five comprehensive middle schools for grades seven through eight, and four comprehensive high schools for grades nine through twelve. The District also offers a continuation high school with an alternative education program for grade nine through twelve, an alternative high school for independent study program for high school teens seeking individualized attention and flexible scheduling and an adult education program. Enrollment in the District for grades seven through twelve was 12,645 students in the 2014-15 school year, and is 12,726 students for the 2015-16 school year. For more detailed information regarding the area served by the District, the student population of the District, and the financial position of the District, see “APPENDIX A – DISTRICT FINANCIAL AND OPERATING INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION” and “APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2015.”

The District is governed by a five-member Board of Trustees (the “Board”), each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. The day-to-day affairs of the District are the responsibility of a board-appointed Superintendent of Schools. See “APPENDIX A – DISTRICT FINANCIAL AND OPERATING INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – District General Information – Administration.”

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\* Preliminary, subject to change.



## **Authority for Issuance**

The Bonds are issued pursuant to provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 *et seq.*, Chapter 1 of Part 10 of Division 1 of Title 1 of the California Education Code, commencing with Section 15100 *et seq.*, the Proposition AA Authorization (defined below), a resolution adopted by the District's Board on May 12, 2016 (the "Resolution"), and a Paying Agent Agreement, dated as of June 1, 2016 (the "Paying Agent Agreement"), by and between the District and the Treasurer-Tax Collector of the County, as paying agent thereunder (the "Paying Agent"). The Board of Supervisors of the County approved the District's issuance of the Bonds on its own behalf on [June 21, 2016].

***Proposition AA Authorization.*** Voters within the District approved \$449 million of general obligation bonds at an election held on November 6, 2012 (the "Proposition AA Authorization"). The general obligation bonds were approved for the purpose of "provid[ing] safe, modern schools and prepare students for success in college and careers by repairing and upgrading outdated classrooms and schools, construction and upgrading school facilities, including classrooms, science labs, and libraries, improving safety and security, and supporting career training and math, science, and technology instruction with 21st Century instructional technology and facilities." The District has heretofore issued approximately \$277 million of bonds under the Proposition AA Authorization. Prior to the issuance of the Bonds described herein, the District has authority remaining to issue approximately \$172 million of additional general obligation bonds pursuant to the Proposition AA Authorization. See "THE BONDS – Security and Sources of Payment" herein.

Pursuant to Section 15268 of the California Education Code, the District's bonding capacity for general obligation bonds may not exceed 1.25% of taxable property value in the District as shown by the last equalized assessment of the County. The taxable property valuation in the District for Fiscal Year 2015-16 is approximately \$55.8 billion, which results in a total current bonding capacity of approximately \$697.3 million.

***Independent Citizens' Oversight Committee.*** Pursuant to Section 1(b)(3) of Article XIII A of the State Constitution, Chapters 1 and 1.5 of Part 10 of Division 1 of Title 1 of the California Education Code, as amended, and other applicable law (collectively, the "Act"), the District's Board has appointed an independent citizens' oversight committee (the "Oversight Committee"). The Oversight Committee, which must have no fewer than seven members, currently comprises nine members. The membership of the Oversight Committee includes: one member who is active in a business organization representing the business community located within the District, one member who is active in a senior citizens organization, one member who is in a bona fide taxpayers' organization, one member who is a parent of a District student and is active in a parent-teacher organization, and one member who is a parent/guardian of a District student. Members of the Oversight Committee serve two year terms, with the term of each member currently expiring in June 2017, with no compensation. Members of the Oversight Committee meet quarterly to provide oversight of the District's use of bond proceeds from the Proposition AA Authorization and report to the District Board and public on their findings, including the use of funds in support of the projects included in the Proposition AA Authorization and not for unspecified projects, general operating expenses, or teacher salaries. The District's outside auditor, Wilkinson Hadley King & Co. LLP, currently prepares the required bond audit regarding the expenditures of general obligation bond proceeds.

## **Security and Sources of Payment for the Bonds**

The Bonds are general obligation bonds of the District payable solely from *ad valorem* property taxes levied and collected by the County on taxable property located within the boundaries of the District.

The Board of Supervisors (the “Board of Supervisors”) of the County has the power and is obligated to annually levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at limited rates). See “THE BONDS – Security and Sources of Payment.”

### **Purpose of Issue**

The proceeds from the sale of the Bonds will be used by the District to (i) finance projects authorized pursuant to Proposition AA, (ii) pay capitalized interest on the Bonds, and (iii) pay certain costs of issuance of the Bonds. See “PLAN OF FINANCE” and “ESTIMATED SOURCES AND USES OF FUNDS.”

### **Description of the Bonds**

***Form and Registration.*** The Bonds will be issued in fully registered form only (without coupons), initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available to actual purchasers of the Bonds (the “Beneficial Owners”) in the denominations set forth on the inside cover page hereof, under the book-entry only system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. See “THE BONDS – General Provisions.” In the event that the book-entry only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolution and the Paying Agent Agreement described herein. See “THE BONDS.”

***Denominations.*** Individual purchases of interests in the Bonds will be available to purchasers of the Bonds in the denominations of \$5,000 principal amount or any integral multiple thereof.

***Redemption.\**** The Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity as described herein. See “THE BONDS – Redemption.”

***Payments.*** Interest on the Bonds accrues from their initial Date of Delivery, and is payable semiannually on each February 1 and August 1 (each an “Interest Payment Date”), commencing February 1, 2017. Principal on the Bonds is payable on August 1 in the amounts and years as set forth on the inside cover page hereof.

Payments of the principal of and interest on the Bonds will be made by the Paying Agent, to DTC for subsequent disbursement through DTC Participants (defined herein) to the Beneficial Owners of the Bonds. See “THE BONDS – General Provisions.”

### **Tax Matters**

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 Tax-Exempt 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 Tax-Exempt Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel

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\* Preliminary, subject to change.

observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel is also of the opinion that interest on the Taxable Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes. 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 Tax-Exempt Bonds and the Taxable Bonds. See “TAX MATTERS” herein.

### **Offering and Delivery of the Bonds**

The Bonds are offered when, as and if issued, subject to approval as to the validity by Bond Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about June \_\_, 2016.

### **Continuing Disclosure**

The District will covenant for the benefit of bondholders to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain enumerated events, in compliance with S.E.C. Rule 15c2-12(b)(5). The specific nature of the information to be made available and of the notices of events required to be provided are summarized in Appendix D. See “LEGAL MATTERS – Continuing Disclosure.”

### **Professionals Involved in the Offering**

Orrick, Herrington & Sutcliffe LLP, San Francisco, California, is acting as Bond Counsel to the District with respect to the Bonds. Fieldman, Rolapp & Associates, Inc., San Francisco, California, will act as financial advisor to the District in connection with the Bonds (the “Financial Advisor”). Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is serving as Underwriter’s Counsel in connection with the sale and delivery of the Bonds. Orrick, Herrington & Sutcliffe LLP and Stradling Yocca Carlson & Rauth will receive compensation from the District contingent upon the sale and delivery of the Bonds.

### **Forward Looking Statements**

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget,” “intend,” or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the District herein.

**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 the forward-looking statements set forth in this Official Statement.**

## **Other Information**

This Official Statement speaks only as of its date, and the information contained herein is subject to change. This Official Statement also contains brief descriptions of, among other things, the District, the Resolution, the Paying Agent Agreement and certain matters relating to the security for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to documents are qualified in their entirety by reference to such documents. Copies of such documents are available by request to the District's Executive Director, Planning Services, San Dieguito Union High School District, 684 Requeza Street, Encinitas, California 92024. The District may impose a fee for copying and shipping for any such documents.

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entirety by reference to each of such documents, statutes and constitutional provisions.

Certain information set forth herein, other than that provided by the District, has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Paying Agent Agreement.

## **PLAN OF FINANCE**

A portion of the proceeds of the Bonds will be applied to fund the costs of various components of the projects set forth under the Proposition AA Authorization to provide "safe, modern schools and prepare students for success in college and careers by repairing and upgrading outdated classrooms and schools, construction and upgrading school facilities, including classrooms, science labs, and libraries, improving safety and security, and supporting career training and math, science, and technology instruction with 21st Century instructional technology and facilities."

The proceeds of the Tax-Exempt Bonds are expected to be used to finance specific construction, acquisition and modernization projects approved pursuant to the Proposition AA Authorization, including, but not limited to, interim housing and construction of a Performing Arts Center at Torrey Pines High School, interim housing and construction of a science building, expansion of Crest Hall, and modernization of media center and classrooms at Oak Crest Middle School, construction of a classroom

building and classroom modernization at Diegueño Middle School, and construction of a two-story classroom building at Pacific Trails Middle School.

The proceeds of the Taxable Bonds are expected to be used to finance the acquisition of certain equipment authorized pursuant to the Proposition AA Authorization and to pay certain of the District's obligations with respect to the San Dieguito Public Facilities Authority Lease Revenue Bonds, Series 2010A (Qualified School Construction Bonds – Direct Subsidy).

The District, at its option, may elect to use the proceeds of the Bonds to finance additional or other projects approved pursuant to the Proposition AA Authorization.

### ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Bonds are as follows:

	<u>Tax-Exempt Bonds</u>	<u>Taxable Bonds</u>	<u>Total</u>
Sources of Funds			
Principal Amount			
Net Original Issue Premium			
Total Sources			
Estimated Uses of Funds			
Deposit to Building Fund			
Deposit to Interest and Sinking Fund <sup>(1)</sup>			
Costs of Issuance <sup>(2)</sup>			
Total Uses			

<sup>(1)</sup> Represents capitalized interest on the Bonds.

<sup>(2)</sup> Includes fees of Bond Counsel, the Paying Agent, the Financial Advisor, Underwriter's discount, printing fees, demographics, [bond insurance premium, if any,] rating agency fees, and certain other expenses related to the Bonds.

### THE BONDS

#### Security and Sources of Payment

The Bonds are general obligations of the District, and payable solely from the proceeds of *ad valorem* property taxes. The Board of Supervisors of the County is empowered and obligated to annually levy *ad valorem* taxes for the payment of the principal of and interest on the Bonds upon all property within the District subject to taxation by the District without limitation as to rate or amount (except certain personal property which is taxable at limited rates). Such taxes, when collected, will be deposited by the County into the interest and sinking fund for the Bonds, which is segregated and held by the County and which is irrevocably pledged for the payment of principal of and interest on the Bonds when due. Although the County is obligated to levy an *ad valorem* tax for the payment of the Bonds, and the County will hold the interest and sinking fund, the Bonds are not a debt of the County. See "TAX BASE FOR REPAYMENT OF THE BONDS."

The monies in the interest and sinking fund, to the extent necessary to pay the principal of and interest on the Bonds, as the same becomes due and payable, will be transferred by the Paying Agent to DTC to pay, as the case may be, the principal of and interest on the Bonds. DTC will thereupon make payment of principal and interest of such Bonds to the DTC Participants who will thereupon make payments of principal, and interest and premium, if any, to its Participants (as defined herein) for subsequent disbursement to the Beneficial Owners of the Bonds.

The annual *ad valorem* tax rates levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds in any year. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rates to fluctuate. Economic and other factors beyond the District's control, such as general market decline in land values, disruption in financial markets that may reduce the availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, wildfire, flood or toxic contamination, could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the respective annual tax rates. For further information regarding the District's assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see "TAX BASE FOR REPAYMENT OF THE BONDS" and "APPENDIX A – DISTRICT FINANCIAL AND OPERATING INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION."

### **General Provisions**

The Bonds will be dated the date of their delivery, and bear interest at the rates set forth on the preceding pages hereof, payable by check or draft on February 1 and August 1 of each year, commencing on February 1, 2017 (each, an "Interest Payment Date"), until payment of the principal amount thereof, computed using a year of 360 days consisting of twelve 30-day months. Each 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 (each, a "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 Bond, interest is in default on any outstanding Bonds, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Bonds.

The principal of and interest on the Bonds shall be payable in lawful money of the United States of America to the Owner thereof, upon the surrender thereof at the principal corporate trust office of the Paying Agent. The money for the payment of principal of and interest on the Bonds shall payable out of the interest and sinking fund of the District. The Depository Trust Company is appointed depository for the Bonds and the Bonds shall be issued in book-entry form only, and shall be initially registered in the name of "Cede & Co.," as nominee of DTC. So long as the outstanding 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 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. So long as the Bonds are held by Cede & Co., as nominee of DTC, payment will be made by wire transfer. See "APPENDIX F – BOOK-ENTRY ONLY SYSTEM" attached hereto.

The Bonds will be issued in fully registered book-entry form only, as current interest bonds, in denominations of \$5,000 principal amount each or any integral multiple thereof. The Bonds will initially be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Bonds. Registered ownership of the Bonds may not be transferred except as described in Appendix F. Purchases of Bonds under the DTC system must be made by or through a DTC participant, and ownership interests in Bonds or any transfer thereof 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 Bonds, beneficial owners will not receive physical certificates representing their ownership interests. See “APPENDIX F – BOOK-ENTRY ONLY SYSTEM” attached hereto.

## Redemption

**Optional Redemption.** The Tax-Exempt Bonds maturing on or before August 1, 20\_\_ are not subject to redemption prior to their respective stated maturity dates. The Tax-Exempt Bonds maturing on or after August 1, 20\_\_, are subject to redemption prior to their 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 100% of the principal amount called for redemption, together with interest accrued thereon to the date of redemption, without premium.

The Taxable Bonds are not subject to redemption.

**Mandatory Sinking Fund Redemption.** The term Tax-Exempt Bonds maturing on August 1, 2040, are also subject to mandatory sinking fund redemption on each mandatory sinking fund redemption date 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 (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund <u>Redemption Date</u>	Principal Amount <u>to be Redeemed</u>
--	---

(1)

---

<sup>(1)</sup> Maturity.

Unless otherwise specified in writing by the District, the principal amount to be redeemed in each year shown in the table above will be reduced proportionately, in integral multiples of \$5,000, by the amount of such term Tax-Exempt Bond optionally redeemed prior to the mandatory sinking fund redemption date.

**Selection of Bonds for Redemption.** If less than all of the Bonds are subject to such redemption and are called for redemption, such Bonds shall be redeemed in inverse order of maturities or as otherwise directed by the District, and if less than all of the Bonds of any given maturity are called for redemption, the portions of such bonds of a given maturity to be redeemed shall be determined by lot.

**Notice of Redemption.** Notice of redemption of the Bonds will be mailed postage prepaid not less than 20 nor more than 60 days prior to any redemption date (i) by first class mail to the respective Owners thereof at the addresses appearing on the bond registration books of the Paying Agent, and (ii) as may be further required in accordance with the Continuing Disclosure Certificate.

Each notice of redemption shall state (i) the date of such notice; (ii) the name of the Bonds and the date of issue of the Bonds; (iii) the redemption date; (iv) the redemption price; (v) the series of Bonds and the dates of maturity or maturities of Bonds to be redeemed; (vi) if less than all of the Bonds of a series of any maturity are to be redeemed, the distinctive numbers of the Bonds of each maturity of such series to be redeemed; (vii) in the case of Bonds of a series redeemed in part only, the respective portions of the principal amount of the Bonds of each maturity of such series to be redeemed; (viii) the CUSIP

number, if any, of each maturity of Bonds of a series to be redeemed; (ix) a statement that such 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 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.*** When notice of redemption has been given substantially as described for in the Resolution, and when the redemption price of the Bonds called for redemption is set aside for such purpose, the 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 Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such 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 Bonds redeemed shall be cancelled by the Paying Agent and shall not be reissued.

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, nor any defect in such notice shall affect the sufficiency of the proceedings for the redemption of the Bonds or the cessation of interest on the date fixed for redemption.

***Rescission of Notice of Redemption.*** 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 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 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 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.

***Conditional Notice.*** Any notice of optional redemption delivered under the Resolution may be conditioned on any fact or circumstance stated therein, and if such condition shall not have been satisfied on or prior to the redemption date stated in such notice, said notice shall be of no force and effect on and as of the stated redemption date, the redemption shall be cancelled, and the District shall not be required to redeem the Bonds that were the subject of the notice. The Paying Agent shall give notice of such cancellation and the reason therefor in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Bond of notice of such cancellation shall not be a condition precedent to cancellation, and failure to receive such notice or any defect in such notice shall not affect the validity of the cancellation.

### **Defeasance of 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 Bonds all or any part of the principal, interest and premium, if any, on the Bonds at the times and in the manner provided in the Resolution and in the Bonds, or as described in the following paragraph, or as otherwise provided by law consistent herewith, then such Owners shall cease to be entitled to the obligation of the District, and such obligation and all agreements and covenants of the District and of the County to such Owners under the Resolution and under the 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 the Bonds, but only out of monies on deposit in the interest and sinking fund or otherwise held in trust for such payment.

The District may pay and discharge any or all of the Bonds by depositing in trust with the Paying Agent or an escrow agent, selected by the District, at or before maturity, money 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 Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

### **Investment of Bond Proceeds**

A portion of the proceeds of sale of the Bonds, exclusive of any premium received, will be deposited in the County treasury to the credit of the Building Fund of the District. Any premium will be deposited upon receipt in the Interest and Sinking Fund of the District within the County treasury. All funds held by the Treasurer-Tax Collector with respect to the Bonds will be invested at the Treasurer-Tax Collector's discretion pursuant to law and the investment policy of the County. See "APPENDIX E – COUNTY OF SAN DIEGO INVESTMENT POOL TREASURY INVESTMENT RESULTS."

To the extent permitted by law, all or any portion of the building fund of the District may be invested on behalf of the District, in investment agreements, including guaranteed investment contracts, float contracts or other investment products (collectively, "Investment Agreements"), which comply with the requirements of each rating agency then rating the Bonds necessary in order to maintain the then-current rating on the Bonds. Any such Investment Agreement will be subject to the County's investment policies.

### **Unclaimed Moneys**

Any money held in any fund created pursuant to 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 Bonds and remaining unclaimed for two years after the principal of all of the 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.

**DEBT SERVICE SCHEDULE**

The following table summarizes the annual debt service requirements of the District with respect to the Bonds (assuming no optional redemptions are made):

Period Ending <u>August 1*</u>	<u>Tax-Exempt Bonds</u>		<u>Taxable Bonds</u>		Total Annual <u>Debt Service</u>
	<u>Annual Principal Payment</u>	<u>Annual Interest Payment<sup>(1)</sup></u>	<u>Annual Principal Payment</u>	<u>Annual Interest Payment<sup>(1)</sup></u>	
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041 <sup>(2)</sup>					
Totals					

\* Preliminary, subject to change.

<sup>(1)</sup> Interest payments on the Bonds will be made semiannually on February 1 and August 1 of each year, commencing February 1, 2017.

<sup>(2)</sup> [Principal matures February 1, 2041].

See “APPENDIX A – DISTRICT FINANCIAL AND OPERATING INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – District Debt Structure” for a schedule of the combined debt service requirements for all of the District’s outstanding general obligation bonds.

## **TAX BASE FOR REPAYMENT OF THE BONDS**

*The information in this section describes ad valorem property taxation, assessed valuation, and other measures of the tax base of the District. The Bonds are payable solely from ad valorem taxes levied and collected by the County on taxable property in the District. The District's general fund is not a source for the repayment of the Bonds.*

### ***Ad Valorem Property Taxation***

Taxes are levied by the County for each fiscal year on taxable real and personal property which is situated in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is subject to sale by the County Treasurer-Tax Collector.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The taxing authority has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Clerk and County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the assessee.

### **Assessed Valuations**

The assessed valuation of property in the District is established by the County Assessor, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the "full cash value" of the property, as defined in Article XIII A of the California Constitution ("Article XIII A"). For a discussion of how properties currently are assessed, refer to Appendix A under the heading "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS." Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls.

Property within the District has a total assessed valuation for fiscal year 2015-16 of \$55,782,648,493. Shown in the following table are the assessed valuations for the District since fiscal year 2006-07. The District's assessed valuation increased by 36.60% between fiscal year 2006-07 and fiscal year 2015-16, representing an approximate annual compound growth rate of 3.53%.

**ASSESSED VALUATION**  
**Fiscal Years 2006-07 to 2015-16**  
**San Dieguito Union High School District**

Fiscal Year	Secured	Utility <sup>(1)</sup>	Unsecured	Total Assessed Valuation	Annual % Change
2006-07	\$40,368,051,922	\$14,403,645	\$454,281,978	\$40,836,737,545	--
2007-08	44,063,521,878	8,732,983	508,226,447	44,580,481,308	9.2%
2008-09	47,017,777,341	--	523,898,857	47,541,676,198	6.6
2009-10	47,622,252,375	--	511,644,705	48,133,897,080	1.2
2010-11	47,112,545,585	--	465,371,780	47,577,917,365	-1.2
2011-12	47,530,327,546	--	456,603,803	47,986,931,349	0.9
2012-13	47,578,669,467	--	457,723,222	48,036,392,689	0.1
2013-14	49,360,825,957	--	481,384,671	49,842,210,628	3.8
2014-15	52,199,264,399	--	499,872,872	52,699,137,271	5.7
2015-16	55,245,584,795	--	537,063,698	55,782,648,493	5.9

<sup>(1)</sup> Excludes assessed valuation from unitary utility roll.

Source: California Municipal Statistics, Inc.

Economic and other factors beyond the District's control, such as general market decline in property values, disruption in financial markets that may reduce availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, wildfire, flood or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. Any such reduction would result in a corresponding increase in the annual tax rate levied by the County to pay the debt service with respect to the Bonds. For further information regarding the District's assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see Appendix A under the heading "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution."

**Bonding Capacity.** As a union high school district, the District may not issue bonds in excess of 1.25% of the assessed valuation of taxable property within its boundaries, as shown on the final assessment roll as of August 20 of each year. The District's gross bonding capacity is estimated at \$697.3 million, and its net bonding capacity is approximately \$436.0 million, prior to the issuance of the Bonds. Pursuant to Section 15268 of the California Education Code, bonds authorized under the Proposition AA Authorization may not be issued unless the District projects that repayment of all outstanding bonds approved at the election will require a tax rate no greater than \$30.00 per \$100,000 of assessed value. Based on the assessed value of taxable property in the District at the time of issuance of the Bonds, the District projects that the maximum tax rate required to repay all outstanding bonds approved under the Proposition AA Authorization will not exceed \$\_\_\_\_\_ per \$100,000 of assessed value.

### Appeals and Reductions of Assessed Valuations

Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. County assessors may independently reduce assessed values as well based upon the above factors or reductions in the fair market value of the taxable property. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any

reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. Such reductions are subject to yearly reappraisals and may be adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A. See Appendix A under the heading “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES – Article XIII A of the California Constitution.”

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

The District has not undertaken an analysis of current outstanding appeals or historic appeals by property owners or any extent of historic adjustments made by the County Assessor. No assurance can be given that property tax appeals in the future will not significantly reduce the assessed valuation of property within the District.

### Assessed Valuation and Parcels by Land Use

The following table is an analysis of the District’s secured assessed valuation by land use.

<b>ASSESSED VALUATION AND PARCELS BY LAND USE</b>				
<b>Fiscal Year 2015-16</b>				
<b>San Dieguito Union High School District</b>				
	2015-16 <u>Assessed Valuation</u> <sup>(1)</sup>	<u>% of Total</u>	<u>No. of Parcels</u>	<u>% of Total</u>
<b>Non-Residential:</b>				
Agricultura/ Rural	\$156,773,878	0.28%	217	0.29%
Commercial	5,223,670,252	9.46	1,258	1.69
Vacant Commercial	179,537,435	0.32	126	0.17
Industrial	168,538,110	0.31	60	0.08
Vacant Industrial	62,073,447	0.11	34	0.05
Recreational	338,661,474	0.61	418	0.56
Government/Social/Institutional	<u>46,231,687</u>	<u>0.08</u>	<u>135</u>	<u>0.18</u>
Subtotal Non-Residential	\$6,175,486,283	11.18%	2,248	3.02%
<b>Residential:</b>				
Single Family Residence	\$38,690,347,411	70.03%	41,724	56.14%
Condominium/Townhouse	6,805,011,742	12.32	15,741	21.18
Timeshare	85,397,283	0.15	9,631	12.96
Mobile Home	34,455,832	0.06	168	0.23
Mobile Home Park	25,830,578	0.05	12	0.02
2-4 Residential Units	1,249,268,339	2.26	1,847	2.49
5+ Residential Units/Apartments	1,351,428,928	2.45	211	0.28
Miscellaneous Residential	32,285,865	0.06	642	0.86
Vacant Residential	<u>796,072,534</u>	<u>1.44</u>	<u>2,092</u>	<u>2.82</u>
Subtotal Residential	\$49,070,098,512	88.82%	72,068	96.98%
<b>Total</b>	<u>\$55,245,584,795</u>	<u>100.00%</u>	<u>74,316</u>	<u>100.00%</u>

<sup>(1)</sup> Local secured assessed valuation; excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

**Assessed Valuation Per Parcel of Single Family Homes**

The following table is an analysis of the District's assessed valuation per parcel of single family homes for fiscal year 2015-16.

**ASSESSED VALUATION PER PARCEL OF SINGLE FAMILY HOMES****Fiscal Year 2015-16****San Dieguito Union High School District**

	No. of <u>Parcels</u>	2015-16 <u>Assessed Valuation</u>	Average <u>Assessed Valuation</u>	Median <u>Assessed Valuation</u>		
Single Family Residential	41,724	\$38,690,347,411	\$927,292	\$730,000		
<u>2015-16 Assessed Valuation</u>	<u>No. of Parcels<sup>(1)</sup></u>	<u>% of Total</u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
\$0 - \$24,999	1,454	3.485%	3.485%	\$104,245,716	0.269%	0.269%
\$25,000 - \$49,999	1,993	4.777	8.261	292,137,325	0.755	1.025
\$50,000 - \$74,999	2,801	6.713	14.975	710,205,661	1.836	2.860
\$75,000 - \$99,999	3,318	7.952	22.927	1,158,814,107	2.995	5.855
\$100,000 - \$124,999	3,251	7.792	30.719	1,464,333,114	3.785	9.640
\$125,000 - \$149,999	3,289	7.883	38.601	1,809,907,088	4.678	14.318
\$150,000 - \$174,999	3,632	8.705	47.306	2,358,920,545	6.097	20.415
\$175,000 - \$199,999	3,701	8.870	56.176	2,769,253,433	7.157	27.572
\$200,000 - \$224,999	3,406	8.163	64.339	2,891,072,925	7.472	35.045
\$225,000 - \$249,999	2,778	6.658	70.998	2,623,111,321	6.780	41.824
\$250,000 - \$274,999	1,842	4.415	75.412	1,924,495,527	4.974	46.798
\$275,000 - \$299,999	1,443	3.458	78.871	1,649,709,303	4.264	51.062
\$300,000 - \$324,999	1,314	3.149	82.020	1,632,034,351	4.218	55.281
\$325,000 - \$349,999	1,101	2.639	84.659	1,478,579,301	3.822	59.102
\$350,000 - \$374,999	819	1.963	86.622	1,179,494,570	3.049	62.151
\$375,000 - \$399,999	635	1.522	88.144	980,922,234	2.535	64.686
\$400,000 - \$424,999	550	1.318	89.462	903,089,286	2.334	67.020
\$425,000 - \$449,999	449	1.076	90.538	782,307,002	2.022	69.042
\$450,000 - \$474,999	365	0.875	91.413	671,800,607	1.736	70.778
\$475,000 - \$499,999	319	0.765	92.177	619,012,276	1.600	72.378
\$500,000 and greater	<u>3,264</u>	<u>7.823</u>	100.000	<u>10,686,901,719</u>	<u>27.622</u>	100.000
Total	41,724	100.000%		\$38,690,347,411	100.000%	

<sup>(1)</sup> Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.  
Source: California Municipal Statistics, Inc.

### Assessed Valuation by Jurisdiction

The following table is an analysis of the District's assessed valuation by jurisdiction for fiscal year 2015-16.

**ASSESSED VALUATION BY JURISDICTION<sup>(1)</sup>**  
**Fiscal Year 2015-16**  
**San Dieguito Union High School District**

<u>Jurisdiction:</u>	<u>Assessed Valuation in School District</u>	<u>% of School District</u>	<u>Assessed Valuation of Jurisdiction</u>	<u>% of Jurisdiction in School District</u>
City of Carlsbad	\$5,207,950,912	9.34%	\$27,444,011,716	18.98%
City of Del Mar	3,176,435,084	5.69	\$3,176,435,084	100.00%
City of Encinitas	13,704,596,790	24.57	\$13,704,596,790	100.00%
City of San Diego	18,114,366,124	32.47	\$208,955,746,525	8.67%
City of San Marcos	1,100,000	0.00	\$10,676,956,547	0.01%
City of Solana Beach	4,202,395,135	7.53	\$4,202,395,135	100.00%
Unincorporated San Diego County	<u>11,375,804,448</u>	<u>20.39</u>	\$63,866,673,739	17.81%
Total District	\$55,782,648,493	100.00%		
San Diego County	\$55,782,648,493	100.00%	\$442,550,458,349	12.60%

<sup>(1)</sup> Before deduction of redevelopment incremental valuation.

Source: *California Municipal Statistics, Inc.*

### Taxation of State-Assessed Utility Property

A portion of property tax revenue of the District is derived from utility property subject to assessment by the State Board of Equalization ("SBE"). State-assessed property, or "unitary property," is property of a utility system with components located in many taxing jurisdictions that are assessed as part of a "going concern" rather than as individual pieces of real or personal property. The assessed value of unitary and certain other State-assessed property is allocated to the counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

Recent changes in the California electric utility industry structure and in the way in which components of the industry are regulated and owned, including the sale of electric generation assets to largely unregulated, nonutility companies, may affect how utility assets are assessed in the future, and which local agencies are to receive the property taxes. The District is unable to predict the impact of these changes on their utility property tax revenues, or whether legislation or litigation may affect ownership of utility assets or the State's methods of assessing utility property and the allocation of assessed value to local taxing agencies, including the District.



## Secured Tax Charges

The following table shows the secured tax charges for taxes collected in the District by the County from fiscal year 2007-08 through fiscal year 2014-15 with respect to the tax levy within the District for general obligation bonds. Information regarding delinquency rates is not provided herein because the County utilizes the Teeter Plan (defined below) for assessment levy and distribution. See “– Alternative Method of Tax Apportionment” below.

**SECURED TAX CHARGES**  
**Fiscal Years 2007-08 through 2014-15**  
**San Dieguito Union High School District**

<u>Fiscal</u> <u>Year</u>	<u>Secured</u> <u>Tax Charge</u> <sup>(1)</sup>
2007-08	\$71,278,013.63
2008-09	75,871,930.52
2009-10	76,419,860.66
2010-11	75,149,869.28
2011-12	75,585,161.31
2012-13	76,400,023.61
2013-14	79,335,607.79
2014-15	83,850,485.85

<sup>(1)</sup> 1% General Fund apportionment.

Source: California Municipal Statistics, Inc.

## Alternative Method of Tax Apportionment

The Board of Supervisors of the County has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”), as provided for in Section 4701 et seq. of the California Revenue and Taxation Code. Under the Teeter Plan, the County apportions secured property taxes on an accrual basis when due (irrespective of actual collections) to its local political subdivisions, including the District, for which the County acts as the tax-levying or tax-collecting agency.

The Teeter Plan is applicable to all tax levies for which the County acts as the tax-levying or tax-collecting agency, or for which the County treasury is the legal depository of the tax collections. As adopted by the County, the Teeter Plan excludes Mello-Roos Community Facilities Districts and special assessment districts which provide for accelerated judicial foreclosure of property for which assessments are delinquent.

The *ad valorem* property tax to be levied to pay the interest on and principal of the Bonds will be subject to the Teeter Plan, beginning in the first year of such levy. The District will receive 100% of the *ad valorem* property tax levied to pay the Bonds irrespective of actual delinquencies in the collection of the tax by the County. In connection with its adoption of the Teeter Plan, the County advanced to the participating taxing agencies an amount equal to 95% of the total prior year’s delinquent secured property taxes and assessments (not including penalties and interest) and 100% of the current year’s delinquent secured property taxes and assessments outstanding.

The Teeter Plan is to remain in effect unless the Board of Supervisors of the County orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in the County. In the event the Board



of Supervisors is to order discontinuance of the Teeter Plan subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which the County acts as the tax-levying or tax-collecting agency.

### Tax Rates

A representative tax rate area located within the District, Tax Rate Area 8-119 (“TRA 8-119”), accounted for approximately 17.0% of the District’s total assessed valuation in fiscal year 2015-16. The table below summarizes the total *ad valorem* tax rates levied by all taxing entities in TRA 8-119 during the five-year period from 2011-12 to 2015-16.

**SUMMARY OF AD VALOREM TAX RATES**  
**\$1 Per \$100 Of Assessed Valuation**  
**San Dieguito Union High School District**

	<b>Tax Rate Area 8-119</b>				
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
General	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
City of San Diego	.00500	.00500	.00500	.00500	.00500
Metropolitan Water District	.00370	.00350	.00350	.00350	.00350
San Dieguito Union High School District	<u>--</u>	<u>--</u>	<u>.02311</u>	<u>.02147</u>	<u>.02272</u>
Total	1.00870%	1.00850%	1.03161%	1.02997%	1.03122%

*Source: California Municipal Statistics, Inc.*

The annual *ad valorem* tax rates levied by the County will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of obligations payable from *ad valorem* taxes in a given year. Fluctuations in the assessed value of taxable property in the District may cause the annual tax rates to fluctuate. See “ – Assessed Valuations” above.

## Largest Property Owners

The following table shows the 20 largest property taxpayers in the District as determined by secured assessed valuation in fiscal year 2015-16.

### LARGEST 2015-16 LOCAL SECURED PROPERTY TAXPAYERS San Dieguito Union High School District

	<u>Property Owner</u>	<u>Primary Land Use</u>	2015-16 <u>Assessed Valuation</u>	<u>Total</u> <sup>(1)</sup>
1.	Kilroy Realty LP	Office Building	\$519,275,400	0.94%
2.	Irvine Co.	Apartments	278,798,209	0.50
3.	Continuing Life Communities LLC	Rest Home	265,881,435	0.48
4.	T-C Forum at Carlsbad LLC	Shopping Center	187,906,991	0.34
5.	Arden Realty LP	Office Building	158,526,396	0.29
6.	La Costa Town Center LLC	Shopping Center	140,496,561	0.25
7.	Union Investment Real Estate Aktiengesel	Commercial	122,000,000	0.22
8.	BRE-FMCA LLC	Apartments	99,958,040	0.18
9.	Del Mar Highlands Town Center Associates	Commercial	99,534,206	0.18
10.	Torrey Garden Hills I LLC	Apartments	99,470,365	0.18
11.	Cognac Del Mar Owner I & II LLC	Office Building	95,000,000	0.17
12.	Grand Del Mar Resort LP	Hotel	92,955,182	0.17
13.	SBTC Holdings LLC	Shopping Center	92,836,537	0.17
14.	TRC Encinitas Village LLC	Shopping Center	81,648,417	0.15
15.	Torrey Hill Apartments SD LLC	Apartments	80,792,211	0.15
16.	Collwood Pines Apartments LP	Apartments	75,997,680	0.14
17.	L'Hoberge LP	Hotel	73,784,186	0.13
18.	PR II Gateway Torrey Hills CA LLC	Office Building	68,500,000	0.12
19.	TREA Pacific Plaza LLC	Office Building	66,000,000	0.12
20.	Pacific Solana Beach Holdings LP	Shopping Center	<u>65,362,371</u>	<u>0.12</u>
			\$2,764,724,187	5.00%

<sup>(1)</sup> 2015-16 local secured assessed valuation: \$55,245,584,795.  
Source: California Municipal Statistics, Inc.

The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness in the taxpayer's financial situation and ability or willingness to pay property taxes. In 2015-16, no single taxpayer owned more than 0.94% of the total secured assessed taxable property in the District. Each taxpayer listed is a unique name appearing on the tax rolls; the District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table.

## Statement of Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report regarding the District (a "Debt Report") prepared by California Municipal Statistics, Inc. and effective May 1, 2016, for debt issued as of March 18, 2016. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they

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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. The contents of the Debt Report is as follows: (1) the first column indicates the public agencies which have outstanding debt as of the date of the Debt Report and whose territory overlaps the District; (2) the second column shows the respective percentage of the assessed valuation of the overlapping public agencies identified in column 1 which is represented by property located in the District; and (3) the third column is an apportionment of the dollar amount of each public agency's outstanding debt (which amount is not shown in the table) to property in the District, as determined by multiplying the total outstanding debt of each agency by the percentage of the District's assessed valuation represented in column 2.

The table below includes obligations associated with community facilities districts established within the District in an aggregate outstanding principal amount of \$75,135,000 (the "Special Tax Bonds"). In each case, the Special Tax Bonds are secured by special taxes levied against the land within the respective community facilities districts to pay for certain improvements. See "DISTRICT FINANCIAL INFORMATION – District Debt Structure – Non-Obligatory Debt; Community Facilities Districts" in Appendix A attached hereto.

**STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT**  
**San Dieguito Union High School District**

2015-16 Assessed Valuation: \$55,782,648,493

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 5/1/16</u>
Metropolitan Water District	2.276%	\$2,113,607
Palomar Community College District	0.094	484,357
San Diego Community College District	0.020	253,205
<b>San Dieguito Union High School District</b>	<b>100.000</b>	<b>261,260,000<sup>(1)</sup></b>
Cardiff School District	100.000	4,415,198
Encinitas Union School District	100.000	44,024,619
Rancho Santa Fe School District	100.000	35,800,865
Palomar Pomerado Hospital District	0.102	476,860
San Dieguito Union High School District Community Facilities Districts	100.000	75,135,000
Del Mar Union School District Community Facilities District No. 95-1	100.000	16,525,000
Del Mar Union School District Community Facilities District No. 99-1	100.000	9,225,000
North City West School District Community Facilities District No. 1	100.000	59,612,921
Solana Beach School District Community Facilities District Nos. 99-1, 2000-1 and 2004-1	100.000	35,515,000
Rancho Santa Fe Community Services District Community Facilities District No. 1	45.627	18,871,327
City of Encinitas Community Facilities District No. 1	100.000	28,370,000
Olivenhain Municipal Water District Assessment District No. 96-1	73.226	9,142,266
Other City and Special District 1915 Act Bonds (Estimate)	100.000	<u>3,840,000</u>
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$605,065,225</b>
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
San Diego County General Fund Obligations	12.605%	\$38,801,972
San Diego County Pension Obligation Bonds	12.605	81,914,853
San Diego County Superintendent of Schools Obligations	12.605	1,675,835
Mira Costa Community College District Certificates of Participation	61.750	824,363
Palomar Community College District General Fund Obligations	0.094	3,596
<b>San Dieguito Union High School District General Fund Obligations</b>	<b>100.000</b>	<b>12,730,000</b>
City of Encinitas Certificates of Participation	100.000	52,180,000
City of San Diego General Fund Obligations	8.669	53,682,783
City of San Marcos Certificates of Participation	0.001	444
City of Solana Beach Certificates of Participation	100.000	<u>940,600</u>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		<b>\$242,754,446</b>
 <u>OVERLAPPING TAX INCREMENT DEBT:</u>		
Solana Beach Redevelopment Agency (Successor Agency)	100.000 %	<u>\$2,995,000</u>
<b>TOTAL OVERLAPPING TAX INCREMENT DEBT</b>		<b>\$2,995,000</b>
 <b>COMBINED TOTAL DEBT</b>		 <b>\$850,814,671<sup>(2)</sup></b>

(1) Excludes the Bonds.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2015-16 Assessed Valuation:

<b>Direct Debt (\$261,260,000)</b> .....	<b>0.47%</b>
Total Overlapping Tax and Assessment Debt .....	1.08%
<b>Combined Direct Debt (\$273,990,000)</b> .....	<b>0.49%</b>
Combined Total Debt .....	1.53%

Ratios to Redevelopment Incremental Valuation (\$99,932,615):

Total Overlapping Tax Incremental Debt .....	3.00%
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Source: California Municipal Statistics, Inc.

## TAX MATTERS

### Tax-Exempt Bonds

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 Tax-Exempt 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 Tax-Exempt 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 D hereto.

To the extent the issue price of any maturity of the Tax-Exempt Bonds is less than the amount to be paid at maturity of such Tax-Exempt Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt Bonds is the first price at which a substantial amount of such maturity of the Tax-Exempt 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 Tax-Exempt Bonds accrues daily over the term to maturity of such Tax-Exempt 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 Tax-Exempt Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Tax-Exempt Bonds. Beneficial Owners of the Tax-Exempt Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Tax-Exempt Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Tax-Exempt Bonds in the original offering to the public at the first price at which a substantial amount of such Tax-Exempt Bonds is sold to the public.

Tax-Exempt 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 bonds, 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 Tax-Exempt Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Tax-Exempt 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 Tax-Exempt Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Tax-Exempt 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 Tax-Exempt Bonds may adversely affect the value of, or the tax status of interest on, the Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Obama Administration's budget proposals in recent years have proposed legislation that would limit the exclusion from gross income of interest on the Tax-Exempt 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 Tax-Exempt Bonds. Prospective purchasers of the Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt Bonds ends with the issuance of the Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

### **Taxable Bonds**

In the opinion of 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 Taxable Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Taxable Bonds. The proposed form of opinion of Bond Counsel is contained in Appendix D hereto.

The following discussion summarizes certain U.S. federal income tax considerations generally applicable to U.S. Holders (as defined below) of the Taxable Bonds that acquire their Taxable Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the IRS with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Taxable Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose “functional currency” is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Taxable Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Taxable Bonds pursuant to this offering for the issue price that is applicable to such Taxable Bonds (i.e., the price at which a substantial amount of the Taxable Bonds are sold to the public) and who will hold their Taxable Bonds as “capital assets” within the meaning of Section 1221 of the Code. The following discussion does not address tax considerations applicable to any investors in the Taxable Bonds other than investors that are U.S. Holders.

As used herein, “U.S. Holder” means a beneficial owner of a Taxable Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). If a partnership holds Taxable Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Taxable Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Taxable Bonds (including their status as U.S. Holders).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Taxable Bonds in light of their particular circumstances.



### ***U.S. Holders***

*Interest.* Interest on the Taxable Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

To the extent that the issue price of any maturity of the Taxable Bonds is less than the amount to be paid at maturity of such Taxable Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Taxable Bonds), the difference may constitute original issue discount ("OID"). U.S. Holders of Taxable Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Taxable Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Taxable Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Taxable Bond.

*Sale or Other Taxable Disposition of the Taxable Bonds.* Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the State) or other disposition of a Taxable Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Taxable Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Taxable Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Taxable Bond (generally, the purchase price paid by the U.S. Holder for the Taxable Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Taxable Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Taxable Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Taxable Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

*Information Reporting and Backup Withholding.* Payments on the Taxable Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Taxable Bonds may be subject to backup withholding at the current rate of 28% with respect to "reportable payments," which include interest paid on the Taxable Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Taxable Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup



withholding. A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

### ***Foreign Account Tax Compliance Act ("FATCA")***

Sections 1471 through 1474 of the Code, impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the Taxable Bonds and sales proceeds of Taxable Bonds held by or through a foreign entity. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and will apply to (i) gross proceeds from the sale, exchange or retirement of debt obligations paid after December 31, 2016 and (iii) certain "pass-thru" payments no earlier than January 1, 2017. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Taxable Bonds in light of the holder's particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Taxable Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

## **LEGAL MATTERS**

### **Continuing Disclosure**

The District has covenanted for the benefit of holders and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") by not later than nine months following the end of the District's fiscal year (the District's fiscal year ends on June 30), commencing with the report for the 2015-16 fiscal year (which is due not later than April 1, 2016), and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of events will be filed in accordance with the requirements of S.E.C. Rule 15c2-12(b)(5) (the "Rule"). The specific nature of the information to be made available and to be contained in the notices of enumerated events is described in the form of Continuing Disclosure Certificate attached hereto as Appendix D. These covenants have been made in order to assist the Underwriter in complying with the Rule.

[The District did not timely file certain budget and financial information and certain enumerated data with respect to Fiscal Years 2009-10 through 2012-13 in accordance with its continuing disclosure undertakings. In addition, the District did not, on or before the dates specified in the related continuing disclosure undertakings, submit notices of late filings in accordance with the continuing disclosure undertakings. The District subsequently filed the budget information and filed notices with respect to the late filings. The District has retained Willdan Financial Services, Inc. to serve as dissemination agent with respect to various continuing disclosure undertakings.]

### **Legality for Investment in California**

Under provisions of the California Financial Code, the Bonds are legal investments for commercial banks in California to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and under provisions of the California Government Code, are eligible for security for deposits of public monies in the State.

### **Absence of Material Litigation**

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to the Underwriter at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the levy or collection of *ad valorem* taxes to pay the principal of and interest on the Bonds, or the ability of the District to collect other revenues or contesting the District's ability to issue and retire the Bonds.

The District is subject to lawsuits and claims in the ordinary course of its operations. 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 finances of the District.

### **Legal Opinion**

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, San Francisco, California, as Bond Counsel. A copy of the proposed form of such legal opinion is attached to this Official Statement as Appendix C.

### **Financial Statements**

The financial statements with supplemental information for the year ended June 30, 2015, the independent auditor's report of the District, and the related statements of activities and of cash flows for the year then ended, and the report dated December 14, 2015, of Wilkinson Hadley King & Co. LLP (the "Auditor"), are included in this Official Statement as Appendix B. In connection with the inclusion of the financial statements and the reports of the Auditor thereon in Appendix B to this Official Statement, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its reports.

### **Information Reporting and Backup Withholding**

Information reporting requirements apply to interest (including original issue discount) paid after March 31, 2007, on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an Owner purchasing Bonds through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the Owner's federal income tax once the required information is furnished to the Internal Revenue Service.

## **RATINGS**

Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), have assigned their municipal bond ratings of rating of "\_\_\_" and "\_\_\_," respectively, to the Bonds.

Each rating reflects only the views of the respective rating organization and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone: (212) 533-0300; and Standard & Poor's, 55 Water Street, New York, New York 10041. Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies. There is no assurance such ratings will continue for any given period of time or that a rating will not be revised downward or withdrawn entirely by the applicable rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price for the Bonds.

The District has covenanted in a Continuing Disclosure Certificate to file notices of any ratings changes on the Bonds. See the caption "LEGAL MATTERS – Continuing Disclosure" above and "APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE." Notwithstanding such covenant, information relating to ratings changes on the Bonds may be publicly available from S&P prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change pursuant to the Rule. Purchasers of the Bonds are directed to S&P, its website and official media outlets for the most current ratings changes with respect to the Bonds after the initial issuance thereof.

## **FINANCIAL ADVISOR**

The District has retained Fieldman Rolapp & Associates, Inc., as Financial Advisor (the "Financial Advisor") in connection with the issuance of the Bonds and certain other financial matters. The Financial Advisor is a financial advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other negotiable instruments. The Financial Advisor has not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the District, with respect to the accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the Financial Advisor respecting the accuracy and completeness of this Official Statement or any other matter related to this Official Statement.

## **UNDERWRITING**

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a price of \$\_\_\_\_\_, which

is equal to the principal amount of the Bonds of \$\_\_\_\_\_, plus original issue premium of \$\_\_\_\_\_, less the Underwriter’s discount of \$\_\_\_\_\_. The Bond Purchase Agreement for the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in said agreement, the approval of certain legal matters by counsel and certain other conditions.

The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover. The offering prices may be changed from time to time by the Underwriter.

**ADDITIONAL INFORMATION**

Quotations from and summaries and explanations of the Bonds, the Resolutions providing for issuance of the Bonds, and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

Some of the data contained herein has been taken or constructed from the District records. Appropriate District officials, acting in their official capacities, have reviewed this Official Statement and have determined that, as of the date hereof, the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. This Official Statement has been approved by the District’s Board of Trustees.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended only as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners, beneficial or otherwise, of any of the Bonds.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**

By \_\_\_\_\_  
Eric Dill  
Associate Superintendent, Business Services

**APPENDIX A**

**DISTRICT FINANCIAL AND OPERATING INFORMATION AND  
REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION**

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**APPENDIX A****DISTRICT FINANCIAL AND OPERATING INFORMATION AND  
REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION**

*This Appendix A provides information concerning the operations and finances of the San Dieguito Union High School District and certain economic and demographic information regarding the area covered by the District. The Bonds are general obligation bonds of the District, secured and payable from ad valorem property taxes assessed on taxable properties within the District and are not an obligation of the County or of the general fund of the District. See “THE BONDS – Security and Sources of Payment” in the forepart of this Official Statement.*

**DISTRICT GENERAL INFORMATION****General**

The District consists of approximately 85 square miles of territory in the northern portion of San Diego County (the “County”), California (the “State”). The District educates students from five feeder elementary school districts: Encinitas, Cardiff, Solana Beach, Del Mar and Rancho Santa Fe. The District operates five comprehensive middle schools for grades seven through eight, and four comprehensive high schools for grades nine through twelve. The District also offers a continuation high school with an alternative education program for grade nine through twelve, an alternative high school for independent study program for high school teens seeking individualized attention and flexible scheduling and an adult education program. Enrollment in the District for grades seven through twelve was 12,645 students in the 2014-15 school year, and is 12,726 students for the 2015-16 school year.

Unless otherwise indicated, the following financial, statistical and demographic data has been provided by the District. Additional information concerning the District and copies of the most recent and subsequent audited financial reports of the District may be obtained by contacting: San Dieguito Union High School District, 710 Encinitas Boulevard, Encinitas, California 92024, Attention: Superintendent. The District may impose a charge for copying, mailing and handling.

**Administration**

The governing board of the District (the “Board”) consists of five elected members. Members are elected to serve staggered four-year terms. Elections for positions to the Board are held every two years, alternating between two and three available positions. A president is elected by members of the Board each year. Current members of the Board, together with their offices and the dates their current terms expire, are listed below.

**BOARD OF TRUSTEES  
San Dieguito Union High School District**

<u>Name</u>	<u>Office</u>	<u>Current Term Expires</u>
Beth Hergesheimer	President	December 2, 2016
Joyce Dalessandro	Vice President	December 2, 2016
Amy Herman	Clerk	December 7, 2018
Maureen “Mo” Muir	Trustee	December 7, 2018
John Salazar	Trustee	December 7, 2018

The District's day-to-day operations are managed by a board-appointed Superintendent of Schools (the "Superintendent"). The management and policies of the District are administered by the Superintendent and a staff which provides business, pupil, personnel, administrative personnel, and instruction support services. [The current Superintendent, Rick Schmitt, has announced his resignation effective June 30, 2016. The Board is considering the process by which it will select a replacement.]

### Funding

Funding for the District is based on the Local Control Funding Formula (as further described herein, the "LCFF"; see "DISTRICT FINANCIAL INFORMATION – State Funding of Education – Local Control Funding Formula" herein). The District has, in the past, been classified as a "basic aid" district, because local property taxes collected and inuring to the District exceeded the amounts that would have been funded under the LCFF and otherwise provided by the State. The District became a basic aid district in Fiscal Year 2008-09, following state funding cuts to the then-applicable revenue limit formulation for school funding and remained a basic aid district until Fiscal Year 2014-15. In the current fiscal year, the District is not a basic aid district.

Depending on the rate of growth in local property tax revenue, the District could transition back to a basic aid district. State aid is based primarily on average daily attendance and other appropriations. Under the current State funding formulas, if local taxes do not provide money equal to the funded LCFF, the State will make up the difference through State funding. See "DISTRICT FINANCIAL INFORMATION – State Funding of Education – Basic Aid Districts."

### Enrollment Trends

The following table shows the enrollment history for the District.

**ANNUAL ENROLLMENT  
Fiscal Years 2006-07 Through 2015-16  
San Dieguito Union High School District**

Year	Enrollment	Annual Change	Annual % Change
2006-07	12,375	--	--
2007-08	12,482	107	0.9%
2008-09	12,606	124	1.0
2009-10	12,661	55	0.4
2010-11	12,499	-162	-1.3
2011-12	12,485	-14	-0.1
2012-13	12,365	-120	-1.0
2013-14	12,497	132	1.1
2014-15	12,645	148	1.2
2015-16	12,726	81	0.6

*Source: The District.*



## Labor Relations

As of January 1, 2015, the District employed 636 certificated employees and 435 classified employees. These employees, except management, confidential and other non-represented employees are represented by two bargaining units as noted below:

### LABOR BARGAINING UNITS San Dieguito Union High School District

<u>Labor Organization</u>	<u>Number of Employees In Organization</u>	<u>Contract Expiration Date</u>
San Dieguito Faculty Association	598	June 30, 2018
California School Employees Association	408	June 30, 2018

*Source: The District.*

## State Retirement Systems

*The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Underwriter.*

**STRS.** All full-time certificated employees of the District, as well as certain classified employees, are members of the State Teachers' Retirement System ("STRS"). STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the "STRS Defined Benefit Program"). The STRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended from time to time.

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, neither the employee, employer or State contribution rate to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. In recent years, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program has increased significantly in recent fiscal years. In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming existing contribution rates continued, and other significant actuarial assumptions were realized. In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, the State recently passed legislation described below to increase contribution rates.

Prior to July 1, 2014, K-14 school districts were required by such statutes to contribute 8.25% of eligible salary expenditures, while participants contributed 8% of their respective salaries. On June 24, 2014, the Governor signed AB 1469 ("AB 1469") into law as a part of the 2014-15 State Budget. AB 1469 seeks to fully fund the unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 (the "2014 Liability"), within 32 years, by increasing member, K-14 school district and State contributions to STRS. Commencing on July 1, 2014, the employee contribution rates will increase over a three year phase in period in accordance with the following schedule:

**MEMBER CONTRIBUTION RATES  
STRS (Defined Benefit Program)**

<u>Effective Date</u>	<u>STRS Members Hired Prior to January 1, 2013</u>	<u>STRS Members Hired After January 1, 2013</u>
July 1, 2014	8.150%	8.150%
July 1, 2015	9.200	8.560
July 1, 2016	10.250	9.205

*Source: AB 1469.*

Pursuant to AB 1469, K-14 school districts' contribution rate will increase over a seven year phase in period in accordance with the following schedule:

**K-14 SCHOOL DISTRICT CONTRIBUTION RATES  
STRS (Defined Benefit Program)**

<u>Effective Date</u>	<u>K-14 school districts</u>
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	18.13
July 1, 2020	19.10

*Source: AB 1469.*

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter, the STRS Teachers' Retirement Board (the "STRS Board") is required to increase or decrease the K-14 school districts' contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members' contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. In addition to the increased contribution rates discussed above, AB 1469 also requires the STRS Board to report to the State legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the 2014 Liability.

The State also contributes to STRS, currently in an amount equal to 3.454% of teacher payroll for fiscal year 2014-15. The State's contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Pursuant to AB 1469, the State contribution rate will increase over the next three years to a total of 6.328% in fiscal year 2016-17. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990. In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide

supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

**PERS.** Classified employees working four or more hours per day are members of the Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund ("PERF"). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2013 included 1,580 public agencies and schools (representing more than 2,500 entities). PERS acts as the common investment and administrative agent for the member agencies. The State and school districts (for "classified employees," which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for school districts throughout the State (the "Schools Pool").

Contributions by employers to the PERS Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. The District is currently required to contribute to PERS at an actuarially determined rate, which is 11.847% of eligible salary expenditures for fiscal year 2015-16. Participants enrolled in PERS prior to January 1, 2013 contribute 7% of their respective salaries, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which is 6% of their respective salaries for fiscal year 2015-16. See " – California Public Employees' Pension Reform Act of 2013" herein.

**State Pension Trusts.** Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: [www.calstrs.com](http://www.calstrs.com); (ii) PERS: [www.calpers.ca.gov](http://www.calpers.ca.gov). However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS. Actuarial assessments are "forward-looking" information that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

The table on the next page sets forth information regarding the actuarially-determined accrued liabilities of both STRS and PERS.

**FUNDED STATUS**  
**STRS (Defined Benefit Program) and PERS**  
**(Dollar Amounts in Millions) <sup>(1)</sup>**  
**Fiscal Years 2010-11 through 2013-14**

<u>STRS</u>					
<u>Fiscal Year</u>	<u>Accrued Liability</u>	<u>Value of Trust Assets (MVA) <sup>(2)</sup></u>	<u>Unfunded Liability (MVA) <sup>(2)(3)</sup></u>	<u>Value of Trust Assets (AVA) <sup>(3)(4)</sup></u>	<u>Unfunded Liability (AVA) <sup>(4)</sup></u>
2010-11	\$208,405	\$147,140	\$68,365	\$143,930	\$64,475
2011-12	215,189	143,118	80,354	144,232	70,957
2012-13	222,281	157,176	74,374	148,614	73,667
2013-14	213,213	179,749	61,807	158,495	72,718

<u>PERS</u>					
<u>Fiscal Year</u>	<u>Accrued Liability</u>	<u>Value of Trust Assets (MVA) <sup>(2)</sup></u>	<u>Unfunded Liability (MVA) <sup>(2)</sup></u>	<u>Value of Trust Assets (AVA) <sup>(4)</sup></u>	<u>Unfunded Liability (AVA) <sup>(4)</sup></u>
2010-11	\$58,358	\$45,901	\$12,457	\$51,547	\$6,811
2011-12	59,439	44,854	14,585	53,791	5,648
2012-13	61,487	49,481	12,005	56,250	5,237
2013-14	65,600	56,838	8,761	-- <sup>(5)</sup>	-- <sup>(5)</sup>

<sup>(1)</sup> Amounts may not add due to rounding.

<sup>(2)</sup> Reflects market value of assets.

<sup>(3)</sup> Excludes SBPA reserve.

<sup>(4)</sup> Reflects actuarial value of assets.

<sup>(5)</sup> Effective for the June 30, 2014 actuarial valuation, PERS no longer uses an actuarial value of assets.

Source: PERS State & Schools Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

Over the past two years, the PERS Board of Administration (the “PERS Board”) has taken several steps, as described below, intended to reduce the amount of the unfunded accrued actuarial liability of its plans, including the Schools Pool.

On March 14, 2012, the PERS Board voted to lower the PERS’ rate of expected price inflation and its investment rate of return (net of administrative expenses) (the “PERS Discount Rate”) from 7.75% to 7.5%. As one consequence of such decrease, the annual contribution amounts paid by PERS member public agencies, including the District, have been increased by 1 to 2% for miscellaneous plans and by 2 to 3% for safety plans beginning in fiscal year 2013-14. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%.

On April 17, 2013, the PERS Board approved new actuarial policies aimed at returning PERS to fully-funded status within 30 years. The policies include a rate smoothing method with a 30-year amortization period for gains and losses, a five-year increase of public agency contribution rates, including the contribution rate at the onset of such amortization period, and a five year reduction of public agency contribution rates at the end of such amortization period. The new actuarial policies were first included in the June 30, 2014 actuarial valuation and were implemented with respect to the State, K-14 school districts and all other public agencies in fiscal year 2015-16.

Also, on February 20, 2014, the PERS Board approved new demographic assumptions reflecting (i) expected longer life spans of public agency employees and related increases in costs for the PERS system and (ii) trends of higher rates of retirement for certain public agency employee classes, including police officers and firefighters. New actuarial assumptions will first be reflected in the Schools Pool in

the June 30, 2015 actuarial valuation. The increase in liability due to the new assumptions will be amortized over 20 years with increases phased in over five years, beginning with the contribution requirement for fiscal year 2016-17. The new demographic assumptions affect each of: the State, K-14 school districts and all other public agencies.

The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make additional contributions to STRS in the future above those amounts required under AB 1469. The District can also provide no assurances that its required contributions to PERS will not increase in the future.

**California Public Employees' Pension Reform Act of 2013.** On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 (the "Reform Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For STRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled to for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (previously 12 months for STRS members who retire with 25 years of service), and (iii) caps "pensionable compensation" for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers) and benefit base for members participating in Social Security or 120% for members not participating in social security (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers), while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

**GASB Statement Nos. 67 and 68.** On June 25, 2012, the Governmental Accounting Standards Board ("GASB") approved two new standards (the "Statements") with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, will replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes will impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government's balance sheet (currently, such unfunded liabilities are typically included as notes to the government's financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding

policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

For more information, see Note O to the Audited Financial Statements of the District for the Year Ended June 30, 2015, attached hereto as Appendix B.

***District Pension Expenses and Liabilities.*** The contributions recognized in respect of each of STRS and PERS and the expenses recognized by the District for such plans in the fiscal year ended June 30, 2015, are set forth in the following table.

	<u>STRS</u>	<u>PERS</u>
Contributions – Employer	\$2,852,640	\$1,778,139
Contributions – Employee	2,862,720	1,099,963
Contributions – State On Behalf Payments	<u>1,742,580</u>	<u>--</u>
Total Contributions	\$7,457,940	\$2,878,102
Change in Net Pension Liability	(\$16,380,000)	(\$6,052,254)
Net difference between projected and actual earnings on plan investments	18,131,711	5,765,417
Total Employer and State Contributions	<u>7,457,940</u>	<u>2,878,102</u>
Total Pension Expense	\$9,209,651	\$2,591,265

The District's net pension liability for each of STRS and PERS is measured as the proportionate share of the net pension liability. As of June 30, 2015, the District reported net pension liabilities for its proportionate shares of the net pension liability of each plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
STRS	\$73,630,620
PERS	<u>16,778,899</u>
Total Net Pension Liability	\$90,409,519

For more information, see Note O to the Audited Financial Statements of the District for the Year Ended June 30, 2015, attached hereto as Appendix B.

### **Post-Employment Benefits**

In addition to the pension benefits described above, the District administers a single-employer healthcare plan (the "OPEB Plan") that provides medical benefits to eligible retirees and their eligible dependents to age 65. To be eligible, a retiree must retire from the District with at least 10 years of eligible service. The District's contribution for medical coverage is 100% of the cost for retiree-only medical coverage, up to a maximum based on the highest employee-only medical premium in effect in the year of retirement. The retiree is responsible for any cost above the maximum or for cost associated with the election of dependent medical coverage and/or dental coverage. As of June 30, 2015, the OPEB Plan membership consisted of approximately 818 eligible active employees and 99 eligible retirees.

The contribution requirements of the Post-Employment Benefit Plan members and the District are based on projected pay-as-you-go financing requirements, and are established and may be amended by the District, the San Dieguito Faculty Association and the local California School Employees Association.



For Fiscal Year 2014-15, the District contributed \$739,309 to the OPEB Plan, all of which was used for current premiums.

The District's annual other post-employment benefit ("OPEB") cost is calculated based on the annual required contribution of the employer (the "ARC"), which is an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year (of the benefits earned in such year) and the cost to amortize any unfunded actuarial accrued liabilities in respect of such benefits over a period not to exceed thirty years. As of June 30, 2015, the District's ARC was \$2,466,978. As of June 30, 2015, the District also had a net obligation in respect of the OPEB Plan of \$9,148,229. For additional information, see Note P to the Audited Financial Statements of the District for the Year Ended June 30, 2015, attached hereto as Appendix B.

### **Insurance and Joint Powers Arrangements**

**Self Insurance.** The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is self-insured through the San Diego County Schools and Imperial County Schools Risk Management Joint Powers Authority ("SDCSRМ") which provides workers' compensation insurance, general liability, property, automobile and other miscellaneous coverage. Under this program SDCSRМ provides coverage through a Workers' Compensation Fund. The District receives user charges based upon each member's respective covered payroll. Coverage is provided for workers compensation with \$100,000 per occurrence being self-funded. Costs above the first \$100,000 are covered by an excess insurance policy of up to statutory limits. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District receives property/casualty loss and general liability insurance coverage through SDCSRМ. A \$5,000,000 insurance policy is in effect with a deductible per occurrence of up to \$25,000 and a \$100,000 self-insured retention. The SDCSRМ pool covers losses in excess of the self-insured retention up to \$500,000. The next \$4.5 million is covered by an excess insurance policy through a commercial carrier. The Schools Excess Liability Fund then provides an additional \$50,000,000 of coverage. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**Joint Powers Authorities.** The San Dieguito Public Facilities Authority (the "Authority") was formed pursuant to a joint powers agreement dated October 22, 1998, between the District and Community Facilities District No. 94-1 of the District, and under the provisions of Articles 1 through 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"). The Authority has served as the issuer of certain debt obligations related to the District. See "DISTRICT FINANCIAL INFORMATION – District Debt Structure" herein.

In addition to the Authority, as noted above the District participates in SDCSRМ. The relationship between the District and SDCSRМ is such that SDCSRМ is not a component unit of the District for financial reporting purposes. Financial statements for SDCSRМ are available from such entity.

SDCSRМ was created for the purpose of arranging for and providing various types of insurance for its member districts as requested. SDCSRМ is governed by a board consisting of a representative from each member district. The board of SDCSRМ controls the operations of SDCSRМ, including selection of arrangement and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district pays a premium commensurate

with the level of coverage requested and shares surpluses and deficits proportionate to their participation in SDCSRM. See Note N to the audited financial statements of the District for the Fiscal Year ended June 30, 2015 attached as Appendix B hereto.

## DISTRICT FINANCIAL INFORMATION

*The information in this section concerning the District's general fund finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable from the proceeds of ad valorem taxes required to be levied by the County in an amount sufficient for the payment thereof. See "THE BONDS – Security and Sources of Payment."*

### State Funding of Education

School district revenues consist primarily of guaranteed State moneys, local property taxes and funds received from the State in the form of categorical aid under ongoing programs of local assistance. All State aid is subject to the appropriation of funds in the State's annual budget.

**Revenue Limit Funding.** Previously, school districts operated under general purpose revenue limits established by the State Department of Education. In general, revenue limits were calculated for each school district by multiplying the ADA for such district by a base revenue limit per unit of ADA. Revenue limit calculations were subject to adjustment in accordance with a number of factors designed to provide cost of living adjustments ("COLAs") and to equalize revenues among school districts of the same type. Funding of a school district's revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Beginning in fiscal year 2013-14, school districts have been funded based on uniform funding grants assigned to certain grade spans. See " – Local Control Funding Formula" herein.

**Local Control Funding Formula.** State Assembly Bill 97 (Stats. 2013, Chapter 47) ("AB 97"), enacted as part of the fiscal year 2013-14 State budget, establishes a new system for funding school districts, charter schools and county offices of education. Certain provisions of AB 97 were amended and clarified by Senate Bill 91 (Stats. 2013, Chapter 49) ("SB 91").

The primary component of AB 97, as amended by SB 91, was the implementation of the Local Control Funding Formula ("LCFF"), which replaced the revenue limit funding system for determining State apportionments, as well as the majority of categorical program funding. State allocations are now provided on the basis of target base funding grants per unit of ADA (a "Base Grant") assigned to each of four grade spans. Each Base Grant is subject to certain adjustments and add-ons, as discussed below. Full implementation of the LCFF is expected to occur over a period of several years. Beginning in fiscal year 2013-14, an annual transition adjustment has been calculated for each school district, equal to such district's proportionate share of appropriations included in the State budget to close the gap between the prior-year funding level and the target allocation following full implementation of the LCFF. In each year, school districts have had the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district's funding gap.

The Base Grants per unit of ADA for each grade span are as follows: (i) \$6,845 for grades K-3; (ii) \$6,947 for grades 4-6; (iii) \$7,154 for grades 7-8; and (iv) \$8,289 for grades 9-12. Beginning in fiscal year 2013-14, and in each subsequent year, the Base Grants have been adjusted for COLAs by applying the implicit price deflator for government goods and services. Following full implementation of the LCFF, the provision of COLAs will be subject to appropriation for such adjustment in the annual State budget. The differences among Base Grants are linked to differentials in statewide average revenue limit



rates by district type, and are intended to recognize the generally higher costs of education at higher grade levels. See also “ – State Budget” herein for the adjusted Base Grants provided by current State budgetary legislation.

The Base Grants for grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in early grades and the provision of career technical education in high schools. Following full implementation of the LCFF, and unless otherwise collectively bargained for, school districts serving students in grades K-3 must maintain an average class enrollment of 24 or fewer students in grades K-3 at each school site in order to continue receiving the adjustment to the K-3 Base Grant. Such school districts must also make progress towards this class size reduction goal in proportion to the growth in their funding over the implementation period. Additional add-ons are also provided to school districts that received categorical block grant funding pursuant to the Targeted Instructional Improvement and Home-to-School Transportation programs during fiscal year 2012-13.

School districts that serve students of limited English proficiency (“EL” students), students from low income families that are eligible for free or reduced priced meals (“LI” students) and foster youth are eligible to receive additional funding grants. Enrollment counts are unduplicated, such that students may not be counted as both EL and LI. Foster youth automatically meet the eligibility requirements for free or reduced priced meals. A supplemental grant add-on (each, a “Supplemental Grant”) is authorized for school districts that serve EL/LI students, equal to 20% of the applicable Base Grant multiplied by such districts’ percentage of unduplicated EL/LI student enrollment. School districts whose EL/LI populations exceed 55% of their total enrollment are eligible for a concentration grant add-on (each, a “Concentration Grant”) equal to 50% of the applicable Base Grant multiplied the percentage of such district’s unduplicated EL/LI student enrollment in excess of the 55% threshold.

The table on the following page shows a breakdown of the District’s ADA by grade span, total enrollment, and the percentage of EL/LI student enrollment, for fiscal years 2012-13 through 2015-16.

**ADA, ENROLLMENT AND EL/LI ENROLLMENT PERCENTAGE**  
**Fiscal Years 2012-13 through 2015-16**  
**San Dieguito Union High School District**

<b>Fiscal Year</b>	<b>Average Daily Attendance<sup>(1)</sup></b>			<b>Enrollment<sup>(2)</sup></b>	
	<b>7-8</b>	<b>9-12</b>	<b>Total ADA</b>	<b>Total Enrollment</b>	<b>% of EL/LI Enrollment</b>
2012-13	3,783	8,049	11,832	12,365	9.1%
2013-14	3,909	8,125	12,034	12,497	9.2%
2014-15	3,935	8,183	12,119	12,645	9.0%
2015-16 <sup>(3)</sup>	3,855	8,345	12,200	12,726	9.8%

<sup>(1)</sup> Except for fiscal year 2015-16, reflects ADA as of the second principal reporting period (P-2 ADA), ending on or before the last attendance month prior to April 15 of each school year. An attendance month is equal to each four-week period of instruction beginning with the first day of school for a particular school district.

<sup>(2)</sup> Reflects certified enrollment as of the fall census day (the first Wednesday in October), which is reported to the California Longitudinal Pupil Achievement Data System (“CALPADS”) in each school year and used to calculate each school district’s unduplicated EL/LI student enrollment. Adjustments may be made to the certified EL/LI counts by the California Department of Education. CALPADS figures exclude preschool students. For purposes of calculating Supplemental and Concentration Grants, a school district’s fiscal year 2013-14 percentage of unduplicated EL/LI students is expressed solely as a percentage of its total fiscal year 2013-14 total enrollment. For fiscal year 2014-15, the percentage of unduplicated EL/LI enrollment is based on the two-year average of EL/LI 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 district’s EL/LI enrollment for the then-current fiscal year and the two immediately preceding fiscal years.

<sup>(3)</sup> Projected, as of the District’s second interim financial report for fiscal year 2015-16, dated March 3, 2016.  
*Source: The District.*

For certain school districts that would have received greater funding levels under the prior revenue limit system, the LCFF provides for a permanent economic recovery target (“ERT”) add-on, equal to the difference between the revenue limit allocations such districts would have received under the prior system in fiscal year 2020-21, and the target LCFF allocations owed to such districts in the same year. To derive the projected funding levels, the LCFF assumes the discontinuance of deficit revenue limit funding, implementation of a COLA in fiscal years 2014-15 through 2020-21, and restoration of categorical funding to pre-recession levels. The ERT add-on will be paid incrementally over the implementing period of the LCFF.

The sum of a school district’s adjusted Base, Supplemental and Concentration Grants will be multiplied by such district’s P-2 ADA for the current or prior year, whichever is greater (with certain adjustments applicable to small school districts). This funding amount, together with any applicable ERT or categorical block grant add-ons, will yield a district’s total LCFF allocation. Generally, the amount of annual State apportionments received by a school district will amount to the difference between such total LCFF allocation and such district’s share of applicable local property taxes. Most school districts receive a significant portion of their funding from such State apportionments. As a result, decreases in State revenues may significantly affect appropriations made by the Legislature to such school districts.

**Basic Aid Districts.** Certain schools districts, known as “Basic Aid” districts, have allocable local property tax collections that equal or exceed such districts’ total LCFF allocation, and result in the receipt of no State apportionment aid. Basic Aid school districts receive only special categorical funding, which is deemed to satisfy the “basic aid” requirement of \$120 per student per year guaranteed by Article IX, Section 6 of the State Constitution. The implication for Basic Aid districts is that the legislatively determined allocations to school districts, and other politically determined factors, are less significant in determining their primary funding sources. Rather, property tax growth and the local economy are the primary determinants.

The District has, in the past, been classified as a Basic Aid district, because local property taxes collected and inuring to the District exceeded the amounts that would have been funded under the LCFF (or revenue limit funding in prior years) and otherwise provided by the State. The District became a basic aid district in Fiscal Year 2008-09, following state funding cuts to the then-applicable revenue limit formulation for school funding and remained a basic aid district until Fiscal Year 2014-15. In the current fiscal year, the District is not a basic aid district. However, the District continues to have an extraordinarily strong tax base, as local property tax collections constitute 95.9% of LCFF sources (and 76.5% of total General Fund revenue).

Depending on the rate of growth in local property tax revenue, the District could transition back to a Basic Aid district. State aid is based primarily on average daily attendance and other appropriations. Under the current State funding formulas, if local taxes do not provide money equal to the funded LCFF, the State will make up the difference through State funding.

**Accountability.** The State Board of Education has adopted regulations regarding the expenditure of supplemental and concentration funding. These regulations include a requirement that school districts increase or improve services for EL/LI students in proportion to the increase in funds apportioned to such districts on the basis of the number and concentration of such EL/LI students, as well as the conditions under which school districts can use supplemental or concentration funding on a school-wide or district-wide basis.

School districts are also required to adopt local control and accountability plans (“LCAPs”) disclosing annual goals for all students, as well as certain numerically significant student subgroups, to be achieved in eight areas of State priority identified by the LCFF. LCAPs may also specify additional local

priorities. LCAPs must specify the actions to be taken to achieve each goal, including actions to correct identified deficiencies with regard to areas of State priority. LCAPs are required to be adopted every three years, beginning in fiscal year 2014-15, and updated annually thereafter. The State Board of Education has adopted a template LCAP for school districts.

***Support and Intervention.*** AB 97, as amended by SB 91, establishes a new system of support and intervention to assist school districts meet the performance expectations outlined in their respective LCAPs. School districts must adopt their LCAPs (or annual updates thereto) in tandem with their annual operating budgets, and not later than five days thereafter submit such LCAPs or updates to their respective county superintendents of schools. On or before August 15 of each year, a county superintendent may seek clarification regarding the contents of a district's LCAP (or annual update thereto), and the district is required to respond to such a request within 15 days. Within 15 days of receiving such a response, the county superintendent can submit non-binding recommendations for amending the LCAP or annual update, and such recommendations must be considered by the respective school district at a public hearing within 15 days. A district's LCAP or annual update must be approved by the county superintendent by October 8 of each year if the superintendent determines that (i) the LCAP or annual update adheres to the State template, and (ii) the district's budgeted expenditures are sufficient to implement the actions and strategies outlined in the LCAP.

A school district is required to receive additional support if its respective LCAP or annual update thereto is not approved, if the district requests technical assistance from its respective county superintendent, or if the district does not improve student achievement across more than one State priority for one or more student subgroups. Such support can include a review of a district's strengths and weaknesses in the eight State priority areas, or the assignment of an academic expert to assist the district identify and implement programs designed to improve outcomes. Assistance may be provided by the California Collaborative for Educational Excellence, a state agency created by the LCFF and charged with assisting school districts achieve the goals set forth in their LCAPs. The State Board of Education has developed rubrics to assess school district performance and the need for support and intervention.

The State Superintendent of Public Instruction (the "State Superintendent") is further authorized, with the approval of the State Board of Education, to intervene in the management of persistently underperforming school districts. The State Superintendent may intervene directly or assign an academic trustee to act on his or her behalf. In so doing, the State Superintendent is authorized (i) to modify a district's LCAP, (ii) impose budget revisions designed to improve student outcomes, and (iii) stay or rescind actions of the local governing board that would prevent such district from improving student outcomes; provided, however, that the State Superintendent is not authorized to rescind an action required by a local collective bargaining agreement.

***Other State Sources.*** In addition to State allocations determined pursuant to the LCFF, the District receives other State revenues consisting primarily of restricted revenues designed to implement State mandated programs. Beginning in fiscal year 2013-14, categorical spending restrictions associated with a majority of State mandated programs were eliminated, and funding for these programs was folded into the LCFF. Categorical funding for certain programs was excluded from the LCFF, and school districts will continue to receive restricted State revenues to fund these programs.

### **Other Revenue Sources**

***Federal and Local Sources.*** The federal government provides funding for several of the District's programs, including special education programs, programs under the No Child Left Behind Act, and specialized programs such as Drug Free Schools, Innovative Strategies, and Vocational & Applied Technology. In addition, the District receives additional local revenues beyond local property tax

collections, such as leases and rentals, interest earnings, interagency services, develop fees (as discussed below) and other local sources.

### **Dissolution of Redevelopment Agencies**

On December 30, 2011, the State Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos* (“*Matosantos*”), finding ABx1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all redevelopment agencies in the State ceased to exist as a matter of law on February 1, 2012.

ABx1 26 was modified by Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) (“AB 1484”), which, together with ABx1 26, is referred to herein as the “Dissolution Act.” The Dissolution Act provides that all rights, powers, duties and obligations of a redevelopment agency under the California Community Redevelopment Law that have not been repealed, restricted or revised pursuant to ABx1 26 will be vested in a successor agency, generally the county or city that authorized the creation of the redevelopment agency (each, a “Successor Agency”). All property tax revenues that would have been allocated to a redevelopment agency, less the corresponding county auditor-controller’s cost to administer the allocation of property tax revenues, are now allocated to a corresponding Redevelopment Property Tax Trust Fund (“Trust Fund”), to be used for the payment of pass-through payments to local taxing entities, and thereafter to bonds of the former redevelopment agency and any “enforceable obligations” of the Successor Agency, as well as to pay certain administrative costs. The Dissolution Act defines “enforceable obligations” to include bonds, loans, legally required payments, judgments or settlements, legal binding and enforceable obligations, and certain other obligations.

Among the various types of enforceable obligations, the first priority for payment is tax allocation bonds issued by the former redevelopment agency; second is revenue bonds, which may have been issued by the host city, but only where the tax increment revenues were pledged for repayment and only where other pledged revenues are insufficient to make scheduled debt service payments; third is administrative costs of the Successor Agency, equal to at least \$250,000 in any year, unless the oversight board reduces such amount for any fiscal year or a lesser amount is agreed to by the Successor Agency; then, fourth is tax revenues in the Trust Fund in excess of such amounts, if any, will be allocated as residual distributions to local taxing entities in the same proportions as other tax revenues. Moreover, all unencumbered cash and other assets of former redevelopment agencies will also be allocated to local taxing entities in the same proportions as tax revenues. Notwithstanding the foregoing portion of this paragraph, the order of payment is subject to modification in the event a Successor Agency timely reports to the Controller and the Department of Finance that application of the foregoing will leave the Successor Agency with amounts insufficient to make scheduled payments on enforceable obligations. If the county auditor-controller verifies that the Successor Agency will have insufficient amounts to make scheduled payments on enforceable obligations, it shall report its findings to the Controller. If the Controller agrees there are insufficient funds to pay scheduled payments on enforceable obligations, the amount of such deficiency shall be deducted from the amount remaining to be distributed to taxing agencies, as described as the fourth distribution above, then from amounts available to the Successor Agency to defray administrative costs. In addition, if a taxing agency entered into an agreement pursuant to Health and Safety Code Section 33401 for payments from a redevelopment agency under which the payments were to be subordinated to certain obligations of the redevelopment agency, such subordination provisions shall continue to be given effect.

As noted above, the Dissolution Act expressly provides for continuation of pass-through payments to local taxing entities. Per statute, 100% of contractual and statutory two percent pass-throughs, and 56.7% of statutory pass-throughs authorized under the Community Redevelopment Law Reform Act of 1993 (AB 1290, Chapter 942, Statutes of 1993) (“AB 1290”), are restricted to educational

facilities without offset against revenue limit apportionments by the State. Only 43.3% of AB 1290 pass-throughs are offset against State aid so long as the District uses the moneys received for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance as provided under Education Code Section 42238(h).

ABX1 26 states that in the future, pass-throughs shall be made in the amount “which would have been received had the redevelopment agency existed at that time,” and that the County Auditor-Controller shall “determine the amount of property taxes that would have been allocated to each redevelopment agency had the redevelopment agency not been dissolved pursuant to the operation of [ABX1 26] using current assessed values and pursuant to statutory [pass-through] formulas and contractual agreements with other taxing agencies.”

Successor Agencies continue to operate until all enforceable obligations have been satisfied and all remaining assets of the Successor Agency have been disposed of. AB 1484 provides that once the debt of the Successor Agency is paid off and remaining assets have been disposed of, the Successor Agency shall terminate its existence and all pass-through payment obligations shall cease.

The District can make no representations as to the extent to which its apportionments from the State may be offset by the future receipt of residual distributions or from unencumbered cash and assets of former redevelopment agencies any other surplus property tax revenues pursuant to the Dissolution Act.

### **Accounting Practices**

The accounting practices of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to Section 41010 of the California Education Code, is to be followed by all California school districts.

The District’s expenditures are accrued at the end of the fiscal year to reflect the receipt of goods and services in that year. Revenues generally are recorded on a cash basis, except for items that are susceptible to accrual (measurable and/or available to finance operations). Current taxes are considered susceptible to accrual. Delinquent taxes not received after the fiscal year end are not recorded as revenue until received. Revenues from specific state and federally funded projects are recognized when qualified expenditures have been incurred. State block grant apportionments are accrued to the extent that they are measurable and predictable. The State Department of Education sends the District updated information from time to time explaining the acceptable accounting treatment of revenue and expenditure categories.

The District’s accounting is organized on the basis of fund groups, with each group consisting of a separate set of self-balancing accounts containing assets, liabilities, fund balances, revenues and expenditures. The major fund classification is the general fund which accounts for all financial resources not requiring a special type of fund. The fiscal year for the District begins on July 1 and ends on June 30.

### **Financial Statements**

The District’s general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. Audited financial statements of the District for the fiscal year ended June 30, 2015, and prior fiscal years are on file with the District and available for public inspection at the Office of the Superintendent of the San Dieguito Union High School District, 701 Encinitas Boulevard, Encinitas, California 92024. The



audited financial statements of the District for the year ended June 30, 2015, are included in Appendix B hereto.

### Comparative Financial Statements

The following table reflects the District's general fund revenues, expenditures and fund balances from fiscal year 2010-11 to fiscal year 2014-15.

**AUDITED FINANCIAL STATEMENTS**  
**Statement of Revenues, Expenditures and Changes in Fund**  
**Balances – General Fund – Fiscal Years 2010-11 through 2014-15 <sup>(1)</sup>**  
**San Dieguito Union High School District**

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
<b>REVENUES</b>					
Revenue limit sources/LCFF <sup>(2)</sup>					
State Apportionment or State Aid	(\$22,844)	(\$40,226)	\$2,314,039	\$373,165	\$353,318
Education Protection Account Funds	--	--	--	2,409,140	2,424,260
Local Sources	77,547,264	78,679,381	80,438,033	83,353,086	88,015,324
Federal Revenue	6,387,085	5,138,676	4,081,236	4,218,722	4,393,472
Other State Revenue	5,146,872	7,015,366	5,735,578	10,935,047	8,694,268
Other Local Revenue	<u>9,290,931</u>	<u>9,787,396</u>	<u>9,865,186</u>	<u>10,346,093</u>	<u>10,531,381</u>
<b>Total Revenues</b>	98,349,308	100,580,593	102,434,072	111,635,253	114,412,023
<b>EXPENDITURES</b>					
Instruction	58,599,593	61,142,141	61,389,763	66,750,271	68,507,813
Instruction-Related Services	11,879,099	10,283,178	9,741,492	9,922,164	11,508,477
Pupil Services	9,281,635	10,788,504	11,517,024	11,073,502	11,976,478
Ancillary Services	2,064,691	2,284,307	2,405,112	2,386,394	2,510,445
General Administration	5,436,047	5,355,614	5,272,644	5,065,890	6,389,445
Plant Services	9,844,861	9,544,048	9,774,115	9,950,136	9,902,219
Other Outgo	1,175,341	499,552	896,231	724,984	889,692
Debt Service:					
Debt Issue Costs	--	322,798	--	--	--
Principal	765,588	765,588	765,588	765,588	765,589
Interest	<u>819,623</u>	<u>840,639</u>	<u>840,567</u>	<u>822,185</u>	<u>822,121</u>
<b>Total Expenditures</b>	99,866,478	101,826,369	102,602,536	107,461,114	113,272,279
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(1,517,170)	(1,245,776)	(168,464)	4,174,139	1,139,744
<b>Other Financing Sources (Uses):</b>					
Transfers In	525,773	--	765,588	1,304,997	765,589
Transfers Out	(208,584)	(326,531)	(117,992)	(64,664)	(98,919)
Proceeds from Sale of Bonds	--	--	--	--	--
Other Sources	--	--	--	--	--
<b>Net Other Financing Sources (Uses)</b>	317,189	(326,531)	647,596	1,240,333	666,670
<b>NET CHANGE IN FUND BALANCE</b>	(1,199,981)	(1,572,307)	479,132	5,414,472	1,806,414
<b>Fund Balance, July 1</b>	<u>18,937,909</u>	<u>17,737,928</u>	<u>16,165,620</u>	<u>16,644,752</u>	<u>22,059,225</u>
<b>Fund Balances, June 30</b>	<u>\$17,737,928</u>	<u>\$16,165,621</u>	<u>\$16,644,752</u>	<u>\$22,059,225</u>	<u>\$23,865,639</u>

<sup>(1)</sup> For projected general fund revenues, expenditures and changes in fund balance for fiscal year 2015-16, see " – General Fund Budgets" below.

<sup>(2)</sup> For fiscal year 2012-13 and prior years, this category was "Revenue limit sources." In fiscal year 2013-14, this category became "LCFF Sources." See "DISTRICT FINANCIAL INFORMATION – State Funding of Education – Local Control Funding Formula" herein.

Source: The District.

## Budget Process

***State Budgeting Requirements.*** The District is required by provisions of the State Education Code to maintain a balanced budget each year, in which the sum of expenditures and the ending fund balance cannot exceed the sum of revenues and the carry-over fund balance from the previous year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. The budget process for school districts was substantially amended by Assembly Bill 1200 (“AB 1200”), which became State law on October 14, 1991. Portions of AB 1200 are summarized below. Additional amendments to the budget process were made by Assembly Bill 2585, effective as of September 9, 2014, including the elimination of the dual budget cycle option for school districts. All school districts must now be on a single budget cycle.

School districts must adopt a budget on or before July 1 of each year. The budget must be submitted to the county superintendent within five days of adoption or by July 1, whichever occurs first. The county superintendent will examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance, and will determine if the budget allows the district to meet its current obligations, if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments, whether the budget includes the expenditures necessary to implement a local control and accountability plan, and whether the budget’s ending fund balance exceeds the minimum recommended reserve for economic uncertainties.

On or before August 15, the county superintendent will approve, conditionally approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The district board must be notified by August 15 of the county superintendent’s recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the superintendent’s recommendations. The committee must report its findings no later than August 20. Any recommendations made by the county superintendent must be made available by the district for public inspection. No later than September 22, the county superintendent must notify the State Superintendent of Public Instruction of all school districts whose budget may be disapproved.

For districts whose budgets have been disapproved, the district must revise and readopt its budget by September 8, reflecting changes in projected income and expense since July 1, including responding to the county superintendent’s recommendations. The county superintendent must determine if the budget conforms with the standards and criteria applicable to final district budgets and not later than October 8, will approve or disapprove the revised budgets. If the budget is disapproved, the county superintendent will call for the formation of a budget review committee pursuant to Education Code Section 42127.1. No later than October 8, the county superintendent must notify the State Superintendent of Public Instruction of all school districts whose budget has been disapproved. Until a district’s budget is approved, the district will operate on the lesser of its proposed budget for the current fiscal year or the last budget adopted and reviewed for the prior fiscal year.

## ITEM 19

***Interim Financial Reports.*** Under the provisions of AB 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent two fiscal years. The county office of education reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that will be unable to meet its financial obligations for the remainder of the current fiscal year or 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.

Within the past five years, the District has submitted, and the County superintendent of schools has accepted, positive certifications on all of the District's interim financial reports. The District has never had an adopted budget disapproved by the County superintendent of schools, and has never submitted or received a negative certification of an interim financial report pursuant to AB 1200.



## General Fund Budgets

The District's general fund budgets for the fiscal years ending June 30, 2014, through June 30, 2016, actual results for the fiscal years ending June 30, 2014, and June 30, 2015, and projected actual results for the fiscal year ended June 30, 2016, are set forth in the following table.

### GENERAL FUND BUDGET AND ACTUAL RESULTS FISCAL YEARS ENDING JUNE 30, 2014 THROUGH JUNE 30, 2016 San Dieguito Union High School District

	2013-14 Budget <sup>(1)</sup>	2013-14 Actual <sup>(1)</sup>	2014-15 Budget <sup>(1)</sup>	2014-15 Actual <sup>(1)</sup>	2015-16 Budget <sup>(2)</sup>	Projected Actual <sup>(3)</sup>
<b>REVENUES</b>						
LCFF Sources:						
State Apportionment or State Aid	(\$39,236)	\$373,165	\$280,857	\$353,318	\$3,169,516	\$1,491,507
Education Protection Account Funds	--	2,409,140	2,420,592	2,424,260	2,410,200	2,445,000
Local Sources	80,852,521	83,353,086	84,850,048	88,015,324	90,275,708	92,744,519
Federal Revenue	4,093,584	4,218,722	4,132,730	4,393,472	4,186,807	4,558,401
Other State Revenue	4,644,931	7,994,270	4,386,743	8,694,268	11,639,094	11,928,324
Other Local Revenue	<u>8,055,834</u>	<u>10,337,640</u>	<u>7,773,716</u>	<u>10,521,465</u>	<u>6,984,790</u>	<u>7,189,534</u>
<b>Total Revenues</b>	97,607,634	108,686,023	103,844,686	114,402,107	118,666,115	120,357,285
<b>EXPENDITURES</b>						
Current:						
Certificated Salaries	49,071,438	50,280,236	50,191,171	51,376,048	52,905,537	60,266,935
Classified Salaries	15,621,001	16,038,204	16,231,403	16,323,392	17,181,422	17,513,642
Employee Benefits	20,384,519	20,670,363	22,674,305	25,363,943	24,725,267	21,135,682
Books and Supplies	2,940,347	3,726,480	2,993,680	3,952,111	3,057,707	5,624,789
Services and Other Operating Expenditures	12,665,974	11,403,272	11,958,679	13,298,462	13,142,438	14,450,028
Other Outgo	802,310	724,984	721,988	690,648	2,366,524	2,313,201
Direct Support/Indirect Costs	(170,154)	(159,648)	(188,000)	(141,328)	(156,000)	(160,308)
Capital Outlay	44,000	248,673	11,100	821,293	20,600	47,200
Debt Service:						
Principal	765,588	765,588	765,588	765,589	--	--
Interest	<u>840,936</u>	<u>822,185</u>	<u>840,936</u>	<u>822,121</u>	--	--
<b>Total Expenditures</b>	102,965,959	104,520,337	106,200,850	113,272,279	113,243,495	121,191,169
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(5,358,325)	4,165,686	(2,356,164)	1,129,828	5,422,620	(833,884)
<b>Other Financing Sources (Uses):</b>						
Transfers In	765,588	1,304,997	765,588	765,589	765,588	765,588
Transfers Out	<u>(20,000)</u>	<u>(64,664)</u>	<u>(20,000)</u>	<u>(98,919)</u>	<u>(530,000)</u>	<u>(30,000)</u>
<b>Net Other Financing Sources (Uses)</b>	745,588	1,240,333	745,588	666,670	235,588	735,588
<b>NET CHANGE IN FUND BALANCE</b>	(4,612,737)	5,406,019	(1,610,576)	1,796,498	5,658,208	(98,296)
<b>Fund Balance, July 1</b>	<u>14,197,770</u>	<u>14,197,770</u>	<u>19,603,789</u>	<u>19,603,789</u>	<u>21,400,286</u>	<u>21,400,286</u>
<b>Fund Balances, June 30</b>	<u>\$9,585,033</u>	<u>\$19,603,789</u>	<u>\$17,993,213</u>	<u>\$21,400,287</u>	<u>\$27,058,494</u>	<u>\$21,301,990</u>

<sup>(1)</sup> Original budgeted amounts and actual amounts from District audited financial reports.

<sup>(2)</sup> Fiscal year 2015-16 adopted budget.

<sup>(3)</sup> From fiscal year 2015-16 Second Interim Report, dated March 3, 2016.

<sup>(4)</sup> Prior to fiscal year 2013-14, this category was "Revenue limit sources." In fiscal year 2013-14, this category became "LCFF sources." See "DISTRICT FINANCIAL INFORMATION – State Funding of Education – Local Control Funding Formula" herein.

Source: *The District*.

## District Debt Structure

**Short-Term Debt.** Because District revenues from local property taxes and State categorical funds are received at irregular intervals throughout the year, while expenditures tend to be incurred on a regular monthly basis, the District finds it necessary to borrow for short-term cash needs by issuance of tax and revenue anticipation notes. In 2015, the District elected to participate in the authorization and issuance of the County of San Diego and San Diego County School Districts Tax and Revenue Anticipation Note Program, Note Participations, Series 2015, resulting in the issuance on behalf of the District of an aggregate principal amount of \$11,575,000 of revenue anticipation notes (the “2015-16 TRANS”). The 2015-16 TRANS mature on June 30, 2016 with an interest rate of 2.00%; Amounts for the full repayment of the 2015-16 TRANS have been set aside as of [April 2016]. The 2015-16 TRANS were sold by the District to supplement the District’s cash flow. The District may consider the issuance of additional tax and revenue anticipation notes for Fiscal Year 2016-17.

**Schedule of Long-Term Obligations.** A schedule of changes in District’s long-term obligations for the year ended June 30, 2015, is shown below:

	Balance <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2015</u>
General Obligation Bonds	\$160,000,000	\$117,040,000	\$10,245,000	\$266,795,000
Unamortized discount	(715,385)	--	(28,615)	(686,770)
Unamortized premium	8,016,074	6,379,386	384,437	14,011,023
Special Tax Bonds <sup>(1)</sup>	79,295,000	--	2,025,000	77,270,000
Unamortized discount	(1,275,176)	--	(45,542)	(1,229,634)
Lease Revenue Bonds	12,730,000	--	--	12,730,000
Unamortized discount	(327,946)	--	(27,329)	(300,617)
Net Pension Liability	112,841,774	--	22,432,255	90,409,519
Net OPEB Obligation <sup>(2)</sup>	8,084,913	1,802,625	739,309	9,148,229
Compensated Absences	1,156,562	106,028	--	1,262,590
State Loan Payable	<u>2,100,000</u>	--	<u>288,040</u>	<u>1,811,960</u>
Total Governmental Activities	<u>\$381,905,816</u>	<u>\$125,328,039</u>	<u>\$36,012,555</u>	<u>\$471,221,300</u>

<sup>(1)</sup> Special Tax Bonds of community facilities districts of the District. Debt service on such Special Tax Bonds is paid from the proceeds of special taxes levied against taxable real property within the respective community facilities districts. See “TAX BASE FOR REPAYMENT OF THE BONDS – Statement of Direct and Overlapping Debt” in the forepart of this official statement and “ – Non-Obligatory Debt; Community Facilities Districts” below.

<sup>(2)</sup> See “DISTRICT GENERAL INFORMATION – Post-Employment Benefits” herein.

Source: *The District*.

**General Obligation Bonds.** The Proposition AA Authorization was approved on November 5, 2012. On April 11, 2013, the District issued an aggregate principal amount of \$160,000,000 of general obligation bonds pursuant to the Proposition AA Authorization, consisting of \$2,320,000 aggregate principal amount of 2013 General Obligation Bonds (Election of 2012) Series A-1 (Taxable) and \$157,680,000 principal amount of 2013 General Obligation Bonds (Election of 2012) Series A-2 (Tax-Exempt) (the “Series A-2 Bonds”).

On April 29, 2015, the District issued an aggregate principal amount of \$117,040,000 of general obligation bonds pursuant to the Proposition AA Authorization, consisting of \$7,010,000 aggregate principal amount of 2015 General Obligation Bonds (Election of 2012) Series B-1 (Taxable) (the “Series B-1 Bonds”) and \$110,030,000 principal amount of 2015 General Obligation Bonds (Election of 2012) Series B-2 (Tax-Exempt) (the “Series B-2 Bonds”).

The table below presents the annual debt service requirements for all of the District's outstanding general obligation bonded debt, including the Bonds.

<u>Year Ending (August 1)</u>	<u>Election of 2012 Series A-2</u>	<u>Election of 2012 Series B-2</u>	<u>Election of 2012 Series B-2<sup>(1)</sup></u>	<u>Election of 2012 Series C-1</u>	<u>Election of 2012 Series C-2</u>	<u>Total Annual Debt Service</u>
2016	\$6,015,050	\$7,062,809	\$5,484,769			
2017	6,015,050	--	7,868,400			
2018	6,950,050	--	6,363,400			
2019	7,297,650	--	4,179,400			
2020	7,669,850	--	4,179,400			
2021	8,045,050	--	4,179,400			
2022	8,452,450	--	4,179,400			
2023	8,878,200	--	4,179,400			
2024	9,320,950	--	4,179,400			
2025	9,788,450	--	4,179,400			
2026	9,952,950	--	4,179,400			
2027	10,242,950	--	6,904,400			
2028	10,436,200	--	7,400,400			
2029	10,710,200	--	7,837,200			
2030	11,238,800	--	8,051,200			
2031	11,796,000	--	8,265,400			
2032	12,394,400	--	8,469,200			
2033	13,011,000	--	8,687,400			
2034	13,663,600	--	8,903,800			
2035	14,344,200	--	9,122,800			
2036	15,065,000	--	9,340,375			
2037	15,817,600	--	9,564,600			
2038	16,608,800	--	9,791,600			
2039	--	--	27,452,800			
2040	--	--	15,300,000			
2041	--	--	--			
Totals <sup>(2)</sup>	\$243,714,450	\$7,062,809	\$198,242,944			

<sup>(1)</sup> Final maturity is February 1, 2040.

<sup>(2)</sup> Figures rounded.

**Lease Revenue Bonds.** In May 2010, the District entered into a facility lease agreement with the San Dieguito Public Facilities Authority (the "Authority") to execute and deliver Lease Revenue Bonds, Series 2010A (Qualified School Construction Bonds - Direct Subsidy) in the amount of \$13,015,000 (the "2010A Lease Revenue Bonds") with an interest rate of 6.459% for various capital projects and public school improvements, including the installation of solar power facilities at La Costa Canyon High School and the Canyon Crest Solar Facility. The 2010A Lease Revenue Bonds are designated as qualified school construction bonds under Section 54F of the Code. Of the 6.459% per annum paid in interest on the 2010A Lease Revenue Bonds, 5.660% per annum was scheduled to be reimbursed by direct subsidy payments from the federal government pursuant to Section 6431 of the Code. However, pursuant to the federal Balanced Budget and Emergency Deficit Control Act of 1985, as amended, the subsidy paid was reduced. The reduction in the subsidy payment decreased the semi-annual payment to the District by \$24,497.61 (from \$360,259.00 to \$335,761.39) through September 30, 2016. The sequestration reduction rate will be applied unless Congress acts to intervene. Without Congressional intervention, the sequestration rate is subject to change in the following federal fiscal year. The District cannot predict whether or how subsequent sequestration actions may affect subsidy payments currently scheduled for receipt in future federal fiscal years.

**Future Financings.** The District may issue additional general obligation bonds and general obligation refunding bonds depending upon project needs and market conditions. The District may not issue general obligation bonds if the tax rate levied to meet the debt service requirements for general obligation bonds approved at a single election, such as the Proposition AA Authorization, is projected to exceed \$30 per

year per \$100,000 of taxable property in accordance with Article XIII A of the State Constitution. See “CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A” and “ – Proposition 39” herein.

Pursuant to the State Education Code, the District’s bonding capacity for general obligation bonds is 1.25% of the taxable property valuation of property within the District as of the last assessment roll. Prior to the issuance of the Bonds, the District had issued approximately \$277 million aggregate principal amount of general obligation bonds under the Proposition AA Authorization, of which approximately \$261 million is currently outstanding. See “TAX BASE FOR REPAYMENT OF THE BONDS – Assessed Valuations – Bonding Capacity” herein.

***Non-Obligatory Debt; Community Facilities Districts.*** The District has established several Mello-Roos community facilities districts pursuant to the Mello-Roos Community Facilities District Act of 1982, as amended. The outstanding special tax bonds (the “Special Tax Bonds”) issued by each of these community facilities districts were acquired by the Authority and provide revenues to pay debt service on the Authority’s outstanding revenue bonds. The annual payments for the Special Tax Bonds are secured solely by the special taxes levied on taxable property in the respective community facilities district and are not obligations of the District. See “TAX BASE FOR REPAYMENT OF THE BONDS – Statement of Direct and Overlapping Debt.”

## **CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING SCHOOL DISTRICT REVENUES AND APPROPRIATIONS**

*Principal of and interest on the Bonds are payable from the proceeds of an ad valorem tax required to be levied by the County in an amount sufficient for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein. Articles XIII A, XIII B, XIII C and XIII D of the Constitution, Propositions 22, 26, 39, 46, 98, 111 and 1A, 1D and certain other provisions of law discussed below, are discussed in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy ad valorem taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the voters of the District in compliance with Article XIII A, Article XIII C, and all applicable laws.*

### **Article XIII A of the California Constitution**

Article XIII A (“Article XIII A”) of the State Constitution limits the amount of *ad valorem* taxes on real property to 1% of “full cash value” as determined by the county assessor. Article XIII A defines “full cash value” to mean “the county assessor’s valuation of real property as shown on the 1975-76 bill under “full cash value,” or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment,” subject to exemptions in certain circumstances of property transfer or reconstruction. Determined in this manner, the full cash value is also referred to as the “base year value.” The full cash value is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIII A has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the adjusted base year value described above. Proposition 8—approved by the voters in November of 1978—provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to

damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the County to pay debt service on the Bonds. See “THE BONDS – Security and Sources of Payment” and “TAX BASE FOR REPAYMENT OF BONDS” in the forepart of this official statement.

Article XIII A requires a vote of two-thirds or more of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem*, sales or transaction tax on real property. Article XIII A exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978, or (b), as the result of an amendment approved by State voters on June 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (c) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. The tax for payment of the Refunded Bonds falls within the exception described in (c) of the immediately preceding sentence. In addition, Article XIII A requires the approval of two-thirds of all members of the State legislature to change any state taxes for the purpose of increasing tax revenues.

### **Legislation Implementing Article XIII A**

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the relevant county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

Both the United States Supreme Court and the California State Supreme Court have upheld the general validity of Article XIII A.

### **Unitary Property**

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions (“unitary property”). Under the State Constitution, such property is assessed by the State Board of Equalization (“SBE”) as part of a “going concern” rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

The California electric utility industry has been undergoing significant changes in its structure and in the way in which components of the industry are regulated and owned. Sale of electric generation assets to largely unregulated, nonutility companies may affect how those assets are assessed, and which local agencies are to receive the property taxes. The District is unable to predict the impact of these changes on its utility property tax revenues, or whether legislation may be proposed or adopted in response to industry restructuring, or whether any future litigation may affect ownership of utility assets or the State's methods of assessing utility property and the allocation of assessed value to local taxing agencies, including the District.

### **Article XIII B of the California Constitution**

Article XIII B ("Article XIII B") of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. As amended, Article XIII B defines:

- (a) "change in the cost of living" with respect to school districts to mean the percentage change in California per capita income from the preceding year, and
- (b) "change in population" with respect to a school district to mean the percentage change in the average daily attendance of the school district from the preceding fiscal year.

For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year pursuant to the provisions of Article XIII B, as amended.

The appropriations of an entity of local government subject to Article XIII B limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service such as the Bonds, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the State legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIII B includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Article XIII B also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See "– Propositions 98 and 111" herein.



### **Article XIIC and Article XIID 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 XIIC and XIID (respectively, “Article XIIC” and “Article XIID”), 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 XIIC 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 XIIC 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 XIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIC or XIID 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.

### **Proposition 26**

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIC of the State Constitution to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) A fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the

governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

### **Propositions 98 and 111**

On November 8, 1988, California voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changes State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as "K-14 school districts") at a level equal to the greater of (a) the same percentage of State general fund revenues as the percentage appropriated to such districts in 1986-87, or (b) the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the Legislature to suspend this formula for a one-year period.

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 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit 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 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIB surplus. The maximum amount of excess tax revenues which could be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Since the Accountability Act is unclear in some details, there can be no assurances that the Legislature or a court might not interpret the Accountability Act to require a different percentage of State general fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's Budget.

On June 5, 1990, the voters of California approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limitation Act of 1990" ("Proposition 111") which further modified Article XIIB and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

- a. Annual Adjustments to Spending Limit. The annual adjustments to the Article XIIB spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.
- b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal



year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

- c. Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIII B spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which was expected to raise over \$15 billion in additional taxes from 1990 through 2000 to fund transportation programs.
- d. Recalculation of Appropriations Limit. The Article XIII B appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.
- e. School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (the "first test") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment (the "second test"). Under Proposition 111, schools will receive the greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in California per capita personal income. Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a "credit" to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

### **Proposition 39**

On November 7, 2000, California voters approved an amendment (commonly known as Proposition 39) to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another Statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the Legislature and approval by the Governor, but only to further the

purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, community college districts, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property. Property taxes may only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement would apply only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate per \$100,000 of taxable property value projected to be levied as the result of any single election be no more than \$60 (for a unified school district), \$30 (for a high school or elementary school district), or \$25 (for a community college district) when assessed valuation is projected to increase in accordance with Article XIII A of the Constitution. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

### **Proposition 1A and Proposition 22**

On November 2, 2004, California voters approved Proposition 1A, which amends the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State can not (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Beginning in 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by the voters of the State on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on state transportation bonds, to borrow or change the distribution of state fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for state mandated costs. Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for schools and community colleges, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst's Office (the "LAO") on July 15,

2010, the expected reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 will be approximately \$1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1 percent of the State's total general fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, will be an increase in the State's general fund costs by approximately \$1 billion annually for several decades.

### **Jarvis vs. Connell**

On May 29, 2002, the California Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State of California). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to state statutes (such as continuing appropriations) or the California Constitution or a federal mandate is necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the California Supreme Court upheld the holding of the Court of Appeal, stating that the Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

### **Proposition 30**

On November 6, 2012, voters of the State approved the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"), which temporarily increases the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposes an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposes an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017, for storage, use, or other consumption in the State. This excise tax will be levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increases the marginal personal income tax rate by: (i) 1% for taxable income over \$250,000 but less than \$300,001 for single filers (over \$500,000 but less than \$600,001 for joint filers and over \$340,000 but less than \$408,001 for head-of-household filers), (ii) 2% for taxable income over \$300,000 but less than \$500,001 for single filers (over \$600,000 but less than \$1,000,001 for joint filers and over \$408,000 but less than \$680,001 for head-of-household filers), and (iii) 3% for taxable income over \$500,000 for single filers (over \$1,000,000 for joint filers and over \$680,000 for head-of-household filers).

The revenues generated from the temporary tax increases will be included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Propositions 98 and 111" herein. From an accounting perspective, the revenues generated from the temporary tax increases are being deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the "EPA"). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to schools districts and 11%

provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than \$200 per unit of ADA and no community college district will receive less than \$100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that, the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

## **Proposition 2**

On November 4, 2014, voters approved the Rainy Day Budget Stabilization Fund Act (also known as “Proposition 2”). Proposition 2 is a legislatively-referred constitutional amendment which makes certain changes to State budgeting practices, including substantially revising the conditions under which transfers are made to and from the State’s Budget Stabilization Account (the “BSA”) established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

Under Proposition 2, and beginning in fiscal year 2015-16 and each fiscal year thereafter, the State will generally be required to annually transfer to the BSA an amount equal to 1.5% of estimated State general fund revenues (the “Annual BSA Transfer”). Supplemental transfers to the BSA (a “Supplemental BSA Transfer”) are also required in any fiscal year in which the estimated State general fund revenues that are allocable to capital gains taxes exceed 8% of total estimated general fund tax revenues. Such excess capital gains taxes—net of any portion thereof owed to K-14 school districts pursuant to Proposition 98—will be transferred to the BSA. Proposition 2 also increases the maximum size of the BSA to an amount equal to 10% of estimated State general fund revenues for any given fiscal year. In any fiscal year in which a required transfer to the BSA would result in an amount in excess of the 10% threshold, Proposition 2 requires such excess to be expended on State infrastructure, including deferred maintenance.

For the first 15-year period ending with the 2029-30 fiscal year, Proposition 2 provides that half of any required transfer to the BSA, either annual or supplemental, must be appropriated to reduce certain State liabilities, including making certain payments owed to K-14 school districts, repaying State interfund borrowing, reimbursing local governments for State mandated services, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. Following the initial 15-year period, the Governor and the Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities. Any amount not applied towards such reduction must be transferred to the BSA or applied to infrastructure, as described above.

Proposition 2 changes the conditions under which the Governor and the Legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers the BSA, nor does the Legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a “budget emergency,” defined as an emergency within the meaning of Article XIII B of the Constitution or a determination that estimated resources are inadequate to fund State general fund expenditures, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years. Any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of funds on deposit in the BSA unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also requires the creation of the Public School System Stabilization Account (the “PSSSA”) into which transfers will be made in any fiscal year in which a Supplemental BSA Transfer is required (as described above). Such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would be otherwise paid to K-14 school districts as part of the minimum funding guarantee. A transfer to the PSSSA will only be made if certain additional conditions are met, as follows: (i) the minimum funding guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a PSSSA transfer might be made is “Test 1,” (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a PSSSA transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the fiscal year in which a PSSSA transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Proposition 2 caps the size of the PSSSA at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Reductions to any required transfer to the PSSSA, or draws on the PSSSA, are subject to the same budget emergency requirements described above. However, Proposition 2 also mandates draws on the PSSSA in any fiscal year in which the estimated minimum funding guarantee is less than the prior year’s funding level, as adjusted for ADA growth and cost of living.

### **Future Initiatives**

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the California Constitution and Propositions 22, 26, 30, 39, and 98 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 School District revenues or the School District’s ability to expend revenues. The nature and impact of these measures cannot be anticipated by the School District.

**REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION**

*The District's boundaries include all portions of the Cities of Del Mar, Encinitas, and Solana Beach, portions of the Cities of Carlsbad and San Diego, and a portion of the unincorporated areas of the County. The following economic and demographic information pertains to the Cities of Del Mar, Encinitas, and Solana Beach (collectively, the "Cities), the County and the State. Due to the nature of the District's jurisdiction, the economic and demographic information set forth below reflect only a portion of the population and economy within the District's boundaries. Information on the remainder of the District (i.e., the unincorporated areas) is not available from the sources listed below. The Bonds are general obligations of the District; they are not obligations of the Cities, the County or the State.*

**Population**

The following table summarizes population estimates of the Cities, County and State for years 2006 through 2015.

**POPULATION ESTIMATES**  
**Cities of Del Mar, Encinitas and Solana Beach,**  
**San Diego County and the State of California**  
**2006 through 2015**

<u>Year<sup>(1)</sup></u>	<u>City of Del Mar</u>	<u>City of Encinitas</u>	<u>City of Solana Beach</u>	<u>San Diego County</u>	<u>State of California</u>
2006	4,234	59,532	12,797	2,976,492	36,116,202
2007	4,206	59,378	12,790	2,998,477	36,399,676
2008	4,186	59,411	12,780	3,032,689	36,704,375
2009	4,172	59,453	12,805	3,064,436	36,966,713
2010 <sup>(2)</sup>	4,161	59,518	12,867	3,095,313	37,223,900
2011	4,181	59,819	12,925	3,115,810	37,427,946
2012	4,171	60,016	12,927	3,128,387	37,680,593
2013	4,213	60,699	13,031	3,164,818	38,030,609
2014	4,221	61,042	13,059	3,192,457	38,357,121
2015	4,238	61,518	13,104	3,227,496	38,714,725

<sup>(1)</sup> As of January 1.

<sup>(2)</sup> As of April 1.

Source: California State Department of Finance, Demographic Research Unit. March 2015 Benchmark.

**Personal Income**

The following table shows of per capita personal income for the County, the State and the United States from 2005 through 2014.

**PER CAPITAL PERSONAL INCOME<sup>(1)</sup>**  
**2005 through 2014**  
**San Diego County, State of California, and United States**

<u>Year</u>	<u>San Diego County</u>	<u>% Change</u>	<u>State of California</u>	<u>% Change</u>	<u>United States</u>	<u>% Change</u>
2005	\$41,365	--	\$39,046	--	\$35,904	--
2006	43,457	5.1%	41,693	6.8%	38,144	6.2%
2007	44,680	2.8	43,182	3.6	39,821	4.4
2008	45,886	2.7	43,786	1.4	41,082	3.2
2009	43,819	-4.5	41,588	(5.0)	39,376	(4.2)
2010	44,563	1.7	42,411	2.0	40,277	2.3
2011	47,095	5.7	44,852	5.8	42,453	5.4
2012	48,990	4.0	47,614	6.2	44,266	4.3
2013	49,907	1.9	48,125	1.1	44,438	0.4
2014	51,459	3.1	49,985	3.9	46,049	3.6

<sup>(1)</sup> Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. All dollar estimates are in current dollars (not adjusted for inflation).

Source: U.S. Department of Commerce, Bureau of Economic Analysis.



**Industry**

The District is included in the San Diego-Carlsbad Metropolitan Statistical Area (the “MSA”). The distribution of employment in the MSA is presented in the following table for calendar years 2011 through 2015. These figures are multi county-wide statistics and may not necessarily accurately reflect employment trends within the communities served by the District.

**INDUSTRY EMPLOYMENT & LABOR FORCE**  
**San Diego-Carlsbad Metropolitan Statistical Area**  
**2011 through 2015<sup>(1)</sup>**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Farm	9,800	9,800	9,800	9,400	9,100
Mining, Logging and Construction	55,600	57,400	61,300	64,300	69,900
Manufacturing:	96,000	97,800	99,000	101,600	105,300
Wholesale Trade	41,500	43,500	43,900	43,700	44,000
Retail Trade	133,400	137,200	141,300	144,300	146,800
Transportation, Warehousing & Utilities	26,100	27,300	27,200	27,000	28,200
Information	24,200	24,500	24,300	24,400	23,900
Financial Activities	67,400	69,700	70,800	69,400	71,400
Professional & Business Services	207,700	213,900	221,600	224,900	230,900
Education & Health Services	167,900	174,500	181,000	186,000	193,200
Leisure & Hospitality	155,600	161,700	168,600	177,000	184,000
Other Services	47,700	49,200	49,300	52,000	53,000
Government	229,000	227,800	229,500	231,900	235,900
Total (all industries)	1,261,800	1,294,300	1,327,500	1,355,900	1,395,500

<sup>(1)</sup> Annual averages, unless otherwise specified.

Note: Items may not add to total due to independent rounding.

Source: California Employment Development Department, Labor Market Information Division. March 2015 Benchmark.



**Employment**

The following table summarizes Annual Average Labor Force data for the Cities, County and State during years 2011 through 2015.

**CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT**  
**City of Del Mar, City of Encinitas, City of Solana Beach,**  
**San Diego County and State of California**  
**2011 through 2015**

<u>Year</u>	<u>Area</u>	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
2011	City of Del Mar	2,400	2,400	--	1.1%
	City of Encinitas	32,100	9,400	2,700	8.4
	City of Solana Beach	6,800	6,100	700	9.6
	San Diego County	1,524,600	1,367,200	157,300	10.3
	State of California	18,419,500	16,260,100	2,159,400	11.7
2012	City of Del Mar	2,500	2,500	--	0.9%
	City of Encinitas	32,600	30,100	2,400	7.4
	City of Solana Beach	6,800	6,200	600	8.5
	San Diego County	1,542,800	1,402,000	140,800	9.1
	State of California	18,554,800	16,630,100	1,924,700	10.4
2013	City of Del Mar	2,500	2,500	--	0.8%
	City of Encinitas	32,700	30,700	2,100	6.4
	City of Solana Beach	6,800	6,300	500	7.3
	San Diego County	1,547,000	1,425,900	121,100	7.8
	State of California	18,671,600	17,002,900	1,668,700	8.9
2014	City of Del Mar	2,500	2,500	--	0.7%
	City of Encinitas	32,700	31,000	1,400	5.2
	City of Solana Beach	6,800	6,400	400	6.0
	San Diego County	1,549,800	1,450,300	99,500	6.4
	State of California	18,811,400	17,397,100	1,414,300	7.5
2015	City of Del Mar	2,600	2,600	--	0.5%
	City of Encinitas	33,100	31,700	1,700	4.2
	City of Solana Beach	6,900	6,500	300	4.8
	San Diego County	1,563,800	1,482,500	81,300	5.2
	State of California	18,981,800	17,798,600	1,183,200	6.2

Note: Data is based on annual averages, unless otherwise specified, and is not seasonally adjusted.

Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2015 Benchmark.

**Largest Employers**

The following tables list the largest employers located in the County as of June 30, 2015.

**LARGEST EMPLOYERS  
San Diego County  
2015**

<u>Rank</u>	<u>Employer</u>	<u>Number of Local Employees</u>
1.	University of California San Diego	29,287
2.	County of San Diego	17,044
3.	Sharp Healthcare	16,896
4.	Scripps Health	14,644
5.	Qualcomm, Inc.	13,500
5.	Kaiser Permanente	7,535
7.	UC San Diego Health	7,229
8.	YMCA of San Diego County	5,487
9.	Rady Children's Hospital – San Diego	5,122
10.	General Atomics Aeronautical Systems Inc.	5,088

Source: San Diego County 'Comprehensive Annual Financial Report' for the year ending June 30, 2015.

**Taxable Sales**

The following tables summarize annual taxable sales data in the County and Cities for years 2007 through 2013.

**TAXABLE SALES  
San Diego County  
2008-2013  
(Dollars in Thousands)**

<u>Year</u>	<u>Retail Permits</u>	<u>Retail Stores Taxable Transactions</u>	<u>Total Permits</u>	<u>Total Outlets Taxable Transactions</u>
2008	41,695	\$31,715,672	87,050	\$45,329,136
2009	52,808	27,958,518	80,595	39,728,657
2010	55,462	29,475,489	83,194	41,623,636
2011	56,723	31,985,292	83,971	45,090,382
2012	57,143	34,153,236	84,267	47,947,035
2013	58,466	35,948,594	85,143	50,297,331

Note: In 2009, retail permits expanded to include permits for food services.

Source: "Taxable Sales in California (Sales & Use Tax)," California Board of Equalization.

**ANNUAL TAXABLE SALES**  
**City of Del Mar**  
**2008 through 2013**  
**(Dollars in Thousands)**

<u>Year</u>	<u>Retail Permits</u>	<u>Retail Stores Taxable Transactions</u>	<u>Total Permits</u>	<u>Total Outlets Taxable Transactions</u>
2008	633	98,944	1,126	125,369
2009	827	94,521	1,080	117,299
2010	908	99,635	1,173	128,720
2011	931	109,310	1,179	139,129
2012	1,014	113,816	1,271	148,366
2013	1,226	127,731	1,517	153,000

Note: In 2009, retail permits expanded to include permits for food services.

Source: "Taxable Sales in California (Sales & Use Tax)," California Board of Equalization.

**ANNUAL TAXABLE SALES**  
**City of Encinitas**  
**2008 through 2013**  
**(Dollars in Thousands)**

<u>Year</u>	<u>Retail Permits</u>	<u>Retail Stores Taxable Transactions</u>	<u>Total Permits</u>	<u>Total Outlets Taxable Transactions</u>
2008	1,180	842,141	2,828	955,823
2009	1,827	762,263	2,667	855,562
2010	1,898	793,460	2,756	886,134
2011	1,942	855,019	2,801	956,243
2012	1,875	911,471	2,759	1,020,798
2013	1,928	954,112	2,783	1,066,253

Note: In 2009, retail permits expanded to include permits for food services.

Source: "Taxable Sales in California (Sales & Use Tax)," California Board of Equalization.

**ANNUAL TAXABLE SALES**  
**City of Solana Beach**  
**2008 through 2013**  
**(Dollars in Thousands)**

<u>Year</u>	<u>Retail Permits</u>	<u>Retail Stores Taxable Transactions</u>	<u>Total Permits</u>	<u>Total Outlets Taxable Transactions</u>
2008	396	202,124	802	251,717
2009	492	172,324	786	226,458
2010	536	192,660	836	241,650
2011	538	203,420	825	255,481
2012	546	214,518	827	252,494
2013	560	212,097	843	242,756

Note: In 2009, retail permits expanded to include permits for food services.

Source: "Taxable Sales in California (Sales & Use Tax)," California Board of Equalization.

**Building Activity**

The following tables summarize new building permits and valuations in the County and Cities for years 2010 through 2014.

**BUILDING PERMITS AND VALUATIONS**  
**County of San Diego**  
**2010-2014**  
**(Dollars in Thousands)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Valuation (\$000s)</u>					
Residential	\$975,270	\$1,304,638	\$1,435,880	\$2,060,249	\$1,818,853
Non-residential	<u>658,867</u>	<u>1,072,380</u>	<u>952,317</u>	<u>1,425,426</u>	<u>1,920,627</u>
Total	\$1,634,137	\$2,377,018	\$2,388,197	\$3,485,675	\$3,739,480
<u>New Housing Units</u>					
Single Units	2,255	2,252	1,865	2,539	2,276
Multiple Units	<u>1,092</u>	<u>2,968</u>	<u>3,687</u>	<u>5,803</u>	<u>4,327</u>
Total	3,347	5,220	5,552	8,342	6,603

Note: Totals may not add due to independent rounding.

Source: Construction Industry Research Board.

**BUILDING PERMITS AND VALUATIONS**  
**City of Del Mar**  
**2010-2014**  
**(Dollars in Thousands)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Valuation (\$000s)</u>					
Residential	\$4,383	\$11,549	\$8,627	\$7,338	\$14,666
Non-residential	<u>2,952</u>	<u>1,196</u>	<u>562</u>	<u>618</u>	<u>1,071</u>
Total	\$7,335	\$12,745	\$9,189	\$7,956	\$15,737
<u>New Housing Units</u>					
Single Units	2	9	6	4	13
Multiple Units	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total	2	9	6	4	13

Note: Totals may not add to sums because of rounding.

Source: Construction Industry Research Board.

**BUILDING PERMITS AND VALUATIONS**  
**City of Encinitas**  
**2010-2014**  
**(Dollars in Thousands)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Valuation (\$000s)</u>					
Residential	\$18,204	\$35,741	\$41,738	\$34,761	\$64,087
Non-residential	<u>30,735</u>	<u>22,243</u>	<u>9,298</u>	<u>12,697</u>	<u>10,815</u>
Total	\$48,939	\$57,984	\$51,036	\$47,458	\$74,902
<u>New Housing Units</u>					
Single Units	35	89	78	88	158
Multiple Units	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2</u>
Total	35	89	101	88	160

Note: Totals may not add to sums because of rounding.

Source: Construction Industry Research Board.

## ITEM 19

**BUILDING PERMITS AND VALUATIONS**  
**City of Solana Beach**  
**2010-2014**  
**(Dollars in Thousands)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Valuation (\$000s)</u>					
Residential	\$10,191	\$11,381	\$8,330	\$6,861	\$20,355
Non-residential	<u>2,727</u>	<u>4,609</u>	<u>2,934</u>	<u>2,559</u>	<u>5,079</u>
Total	\$12,918	\$16,190	\$11,264	\$9,420	\$25,434
<u>New Housing Units</u>					
Single Units	6	8	6	2	9
Multiple Units	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	6	8	6	2	9

Note: Totals may not add to sums because of rounding.

Source: *Construction Industry Research Board.*

**APPENDIX B**

**AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR  
THE FISCAL YEAR ENDED JUNE 30, 2015**

**APPENDIX C**

**FORM OF OPINION OF BOND COUNSEL**

*Upon delivery of the Bonds, Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the San Dieguito Union High School District, proposes to render their final approving opinion with respect to the Bonds in substantially the following form:*

**APPENDIX D****FORM OF CONTINUING DISCLOSURE CERTIFICATE**

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the San Dieguito Union High School District (the “District”) in connection with the issuance of the San Dieguito Union High School District 2016 General Obligation Bonds (Election of 2012), Series C-1 (Taxable) and the San Dieguito Union High School District 2016 General Obligation Bonds (Election of 2012), Series C-2 (Tax-Exempt) (collectively, the “Bonds”). The Bonds are being issued as authorized by a resolution adopted by the Board of Trustees of the District on May 12, 2016, and in accordance with the terms of a Paying Agent Agreement, dated as of June 1, 2016 (the “Paying Agent Agreement”), by and between the District and the County of San Diego (the “County”), as paying agent (the “Paying Agent”). 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 Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

**SECTION 2. Definitions.** In addition to the definitions set forth in the Paying Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person who 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 Willdan Financial Services, 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) of this Disclosure Certificate.

“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>.

“Participating Underwriters” shall mean J.P. Morgan Securities LLC and Stifel Nicolaus & Company, Inc., or 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 (presently June 30), commencing with the Annual Report for the fiscal year of the District ending June 30, 2016 (which is due no later than March 31, 2017), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Each Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. Neither the Trustee nor the Dissemination Agent shall have any duties or responsibilities with respect to the contents of the Annual Report. 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.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the District shall provide the Annual Report to the Dissemination Agent and the Paying Agent (if the Paying Agent is not the Dissemination Agent). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the District and the Paying Agent to determine if the District is in compliance with the first sentence of this subsection (b).

(c) If the Paying Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Paying Agent shall send a notice, in electronic format, to the MSRB, such notice to be in substantially the form attached as Exhibit A.

(d) If the Annual Report is delivered to the Dissemination Agent for filing, the Dissemination Agent shall file a report with the District and (if the Dissemination Agent is not the Paying Agent) the Paying Agent certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and stating the date it was provided.

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

- \* 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), 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.

To the extent not included in the audited financial statement of the District, the Annual Report shall also include the following:

- \* Adopted budget of the District for the current fiscal year, or a summary thereof, and any interim budget reports approved as of the date of filing of the Annual Report.
- \* District average daily attendance.

- \* District outstanding debt.
- \* Information regarding total assessed valuation of taxable properties within the District, if and to the extent provided to the District by the County.
- \* Information regarding total secured tax charges and delinquencies on taxable properties within the District, if and to the extent provided to the District by the County.

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 are available to the public on the MSRB website. If the document included by reference is a final official statement, it must be available from the MSRB. 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 in a timely manner not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. 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);
6. Tender offers;
7. Defeasances;
8. Rating changes; or
9. Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: for the purposes of the event identified in subparagraph (9), 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, in a timely manner not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other events affecting the tax status of the Bonds;
2. Modifications to rights of Bond holders;
3. Optional, unscheduled or contingent Bond calls;
4. Release, substitution, or sale of property securing repayment of the Bonds;
5. Non-payment related defaults;
6. 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
7. Appointment of a successor or additional trustee or the change of name of a trustee.

(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 3, as provided in Section 3(b).

(d) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 5(b), 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), or determines that knowledge of a Listed Event described in Section 5(b) 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 subsection (b)(3) 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).

**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 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 Willdan Financial Services, 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 Sections 3(a), 4, or 5(a), 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 amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

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), 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. 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. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: June \_\_, 2016

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

By \_\_\_\_\_  
Associate Superintendent,  
Business Services

ACKNOWLEDGED AND ACCEPTED:

WILLDAN FINANCIAL SERVICES, INC.

By \_\_\_\_\_  
Authorized Signatory

**EXHIBIT A**

**FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD  
OF FAILURE TO FILE ANNUAL REPORT**

Name of District: SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

Name of Bond Issue: SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
2016 GENERAL OBLIGATION BONDS (ELECTION OF 2012),  
SERIES C-1 (TAXABLE) AND SERIES C-2 (TAX-EXEMPT)

Date of Issuance: June \_\_, 2016

**NOTICE IS HEREBY GIVEN** that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate of the District, dated the Date of Issuance. [The District anticipates that the Annual Report will be filed by \_\_\_\_\_.]

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

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

By \_\_\_\_\_  
Authorized Signatory

**APPENDIX E****COUNTY OF SAN DIEGO INVESTMENT POOL  
TREASURY INVESTMENT RESULTS**

*The following information concerning the San Diego County Treasury Pool (the “Treasury Pool”) has been provided by the Treasurer-Tax Collector (the “Treasurer”) of San Diego County (the “County”), and has not been confirmed or verified by the District, the Financial Advisor or the Underwriter. Neither the District nor the Underwriter has made an independent investigation of the investments in the Treasury Pool or made any assessment of the current County investment policy. The value of the various investments in the Treasury Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer, with the consent of the County Board of Supervisors, may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein. Finally, neither the District nor the Underwriter make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date. Additional information regarding the Treasury Pool and the County’s Investment Policy may be obtained from the Treasurer at <http://www.sdtreastax.com>; however, the information presented on such website is not incorporated herein by any reference.*

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**APPENDIX F****BOOK-ENTRY ONLY SYSTEM**

*The information in this appendix concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but neither the District nor the Underwriter takes any responsibility for the accuracy or completeness thereof. Information presented at any website cited within this section is not incorporated herein by reference. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "MMI Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.*

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 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).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be



accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds 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.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or 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 and distributions 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.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

ITEM 19

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, Bond certificates will be printed and delivered to DTC.

**So long as Cede & Co. is the registered Owner of the Bonds, as nominee of DTC, references herein to the Owners or Holders of the Bonds (other than under the caption "TAX MATTERS") will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.**

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** April 28, 2016

**BOARD MEETING DATE:** May 12, 2016

**PREPARED BY:** Torrie Norton  
Associate Superintendent Human Resources

**SUBMITTED BY:** Rick Schmitt  
Superintendent

**SUBJECT:** **ADOPTION OF RESOLUTION / Elimination  
of One Classified Position for Fiscal Year  
2016-2017**

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### EXECUTIVE SUMMARY

The Adult Education Program is being eliminated at the San Dieguito Union High School District as it will shift to the Mira Costa Community College District. The District is recommending elimination of one position due to the resulting lack of work/lack of funds.

The purpose of this recommended Board action is to initiate the process of eliminating the identified position and ensuring implementation of all layoff rights for the affected incumbent.

### RECOMMENDATION:

It is recommended that the Board of Trustees adopt the resolution initiating layoff of one classified employee/position for fiscal year 2016-17, as shown in the attached supplement.

Attachment

ITEM 20

**BOARD OF TRUSTEES  
OF THE  
SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**

**Resolution Re: Layoff by Elimination of Position**

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

WHEREAS, a reduction in the number of classified employees is required due to a lack of funds/work within the District anticipated for the 2016-2017 school year; and,

WHEREAS, applicable provisions of the Education Code, and the rules and regulations of the Personnel Commission of the San Dieguito Union High School District, require notice to the employees that they may be laid off or reduced in assignment, as well as notification of their rights of displacement, if any, and reemployment rights; and,

WHEREAS, the Board of Trustees desires that the Superintendent implement the layoffs and/or reductions in assignment consistent with these requirements;

NOW, THEREFORE, BE IT RESOLVED that this Board hereby initiates the layoff of the following position and the corresponding employee to be effective July 12, 2016, as indicated:

**1 Secretary, as follows:**

**1 position eliminated      1.0000 FTE    11 months    1 employee**

BE IT FURTHER RESOLVED that the Superintendent determines the order of layoff pursuant to Education Code Section 45308 and gives all appropriate notices to affected employees pursuant to the applicable provisions of the Education Code, the Master Agreement between the Board of Trustees and the California School Employees Association and its Chapter 241, and the rules and regulations of the Personnel Commission of the San Dieguito Union High School District.

PASSED AND ADOPTED by the Board of Trustees of the San Dieguito Union High School District of San Diego County, California on the 12th day of May, 2016 by the following vote:

AYES: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NOES: \_\_\_\_\_  
\_\_\_\_\_