



# Santee School District

**SCHOOLS:**

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

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

**BOARD OF EDUCATION  
 REGULAR MEETING  
 AGENDA  
 September 3, 2019**

**District Mission**

*Providing an extraordinary education in an inspiring environment with caring people*

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<b>A. OPENING PROCEDURES – 7:00 p.m.</b>	<b>5</b>
1. Call to Order and Welcome	
2. District Mission	
3. Pledge of Allegiance	
4. Approval of Agenda	
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<b>C. PUBLIC COMMUNICATION</b>	<b>13</b>
<i>During this time, citizens are invited to address the Board of Education about any item not on the agenda. Request-to-speak cards should be submitted in advance. The Board may not take action on any item presented. The Board has a policy limiting any speaker to five minutes. Meetings are recorded.</i>	
<b>D. CONSENT ITEMS</b>	<b>14</b>
<i>Items listed under Consent are considered to be routine and are acted on by the Board with a single motion. There is no discussion of these items prior to the Board vote unless a member of the Board, staff, or public requests specific items be considered separately. Request to speak cards should be submitted in advance.</i>	

## Superintendent

- 1.1. **Approval of Minutes** 15  
It is recommended that the Board of Education approve meeting minutes with any necessary modifications.

## Business Services

- 2.1. **Approval/Ratification of Travel Requests** 23  
It is recommended that the Board of Education ratify the authorization granted to personnel requesting out-of-district travel as listed in the item.
- 2.2. **Approval/Ratification of Revolving Cash Report** 25  
It is recommended that the Board of Education approve/ratify revolving cash checks as listed.
- 2.3. **Approval/Ratification of General Services Agreements** 27  
It is recommended that the Board of Education approve/ratify agreements with General Service Providers as presented.
- 2.4. **Approval/Ratification of Agreements for Mileage Reimbursement In Lieu of District Transportation** 28  
It is recommended that the Board of Education approve/ratify the Parent/Guardian agreements for mileage reimbursement in lieu of District transportation.
- 2.5. **Authorization to Sell/Dispose of Surplus Items** 29  
It is recommended that the Board of Education declare the described items as surplus with an estimated value of \$300.00 and authorize the sale or disposal of them in accordance with the recommended terms.
- 2.6. **Approval/Ratification of Expenditure Transactions Charged to District Issued Purchasing Cards (P-Cards)** 33  
It is recommended that the Board of Education approve/ratify expenditure transactions charged to District P-Cards for the month of July 2019.
- 2.7. **Adoption of Resolution No. 1920-02 to Certify 2018-19 Gann Limit Appropriations Recalculation and an Estimated Limit for 2019-20** 37  
It is recommended that the Board of Education adopt Resolution No. 1920-02 for the recalculation of appropriation limit and funds subject to the Gann Limit for the fiscal year 2018-19 and an estimate for 2019-20.
- 2.8. **Adoption of Resolution No. 1920-03 to Apply for a Grant Funded by the Volkswagen Environmental Mitigation Trust** 39  
It is recommended the Board of Education adopt Resolution No. 1920-03 authorizing staff to apply for a grant funded by the Volkswagen Environmental Mitigation Trust.

## Educational Services

- 3.1. **Approval of Nonpublic Agency Master Contract with Maxim Healthcare for Nursing Services** 41  
It is recommended the Board of Education approve the Nonpublic Agency Master Contract with Maxim Healthcare for Nursing Services.
- 3.2. **Approval of Agreement for Clinical Practicum and/or Externship/Internship Education with Northern Arizona University for Placement of Practicum Students and Interns** 42  
It is recommended that the Board of Education approve the Agreement for Clinical Practicum and/or Externship/Internship Education with Northern Arizona University.

**Human Resource/Pupil Services**

- 4.1. Personnel, Regular** 51  
It is recommended that the Board of Education approve the listed personnel appointments, change of status, leave requests, resignations, and dismissals.

- 4.2. Approval to Increase Work Hours and Year for Identified Classified Non-Management Positions** 54  
It is recommended that the Board of Education approve to increase the work hours and year for the identified classified non-management positions.

- E. DISCUSSION AND/OR ACTION ITEMS** 55  
*Members of the audience wishing to address the Board about any of the following items should submit a request to speak card in advance.*

**Business Services**

- 1.1. Adoption of Resolution No. 1920-04 of the Board of Education of the Santee School District Declaring Results and Certifying Proceedings of School Bond Election Held November 6, 2018** 56  
It is recommended that the Board of Education adopt Resolution No. 1920-04, thereby entering the election results in the minutes.

- 1.2. Adoption of Resolution No. 1920-05 of the Board of Education of the Santee School District Requesting Cancellation of Unissued Measure R Bonds by the Board of Supervisors and Authorizing the Issuance and Sale of Not to Exceed \$15,370,000 Aggregate Principal Amount of Bonds of Santee 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 Continuing Disclosure Certificate, a Paying Agent Agreement and an Investment Management Agreement, Approving the Form of and Authorizing the Distribution of an Official Statement for the Bonds, and Authorizing the Execution of Necessary Documents and Certificates and Related Actions** 60  
It is recommended that the Board of Education adopt Resolution No. 1920-05 and authorize staff to take the necessary steps to complete the financing.

- 1.3. Approval of 2018-19 Unaudited Actuals** 214  
It is recommended that the Board of Education approve the 2018-19 Unaudited Actuals with all required State forms.

- F. BOARD POLICIES AND BYLAWS** 215

- 1.1. Second Reading: Board Policy 3110, Transfer of Funds** 216  
It is recommended that the Board of Education review, approve, and adopt Board Policy 3110, Transfer of Funds, in a second reading as presented.

- 1.2. First Reading: Revised Board Policy 3580, District Records** 219  
Revised Board Policy 3580, District Records, is being presented as a first reading. Action, if any, is at the discretion of the Board.

<b>G.</b>	<b>EMPLOYEE ASSOCIATION COMMUNICATION</b>	223
<b>H.</b>	<b>BOARD COMMUNICATION AND ORGANIZATIONAL BUSINESS</b>	223
<b>I.</b>	<b>CLOSED SESSION</b>	223
1.	<b><u>Conference with Legal Counsel – Existing Litigation</u></b> (Gov't. Code § 54956.9) <i>OAH #'s: 2019040473 and 2019041073 (consolidated)</i>	
2.	<b><u>Conference with Real Property Negotiators</u></b> (Gov't. Code § 54956.8) <i>Property: Chet F. Harritt School and Santee City Properties (8120 Arlette Street, Santee, CA 92071)</i> <i>Agency Negotiator: Karl Christensen, Assistant Superintendent</i>	
3.	<b><u>Conference with Labor Negotiator</u></b> (Gov't. Code § 54956.8) <i>Purpose: Negotiations</i> <i>Agency Negotiators: Tim Larson, Assistant Superintendent</i> <i>Employee Organizations: Santee Teachers Association (STA); and Classified School Employees Association (CSEA)</i>	
4.	<b><u>Public Employee Performance Evaluation</u></b> (Gov't. Code § 54957) <i>Superintendent</i>	
<b>J.</b>	<b>RECONVENE TO PUBLIC SESSION</b>	223
<b>K.</b>	<b>ADJOURNMENT</b>	223

**Please note:** Per SB 343, the supporting documents for this meeting agenda are available in the lobby at the Santee School District Office, located at 9625 Cuyamaca St., Santee, CA 92071 and will be available for viewing at the meeting. The next regular meeting of the Board of Education is scheduled for September 17, 2019, at 7:00 p.m., in the Douglas E. Giles Educational Resource Center. Santee School District complies with the Americans with Disabilities Act. If you require reasonable accommodations including alternate formats for this meeting, contact the Superintendent's Office at (619) 258-2304 at least two (2) days before the meeting date.

Members present:

\_\_\_ Fox  
\_\_\_ Burns  
\_\_\_ Ryan  
\_\_\_ Levens-Craig  
\_\_\_ El-Hajj

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

1. Call to Order and Welcome
2. District Mission  
*Providing an extraordinary education in an inspiring environment  
with caring people*
3. Pledge of Allegiance
4. Approval of Agenda for the September 3, 2019, regular meeting

Agenda Item A.

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

The following items are presented for Board information:

1. Superintendent's Report
  - 1.1. Developer Fees and Collection Report
  - 1.2. Use of Facilities Report
  - 1.3. Enrollment Report
  - 1.4. Schedule of Upcoming Events
2. Spotlight: 10th Annual School Beautification Day
3. Superintendent's State of the District Address for 2019



Requests For Use Of Facilities - September 3, 2019						
Group	Location	Date	Days	Time	Attend	Fees
<b>Cajon Park</b>						
AA (Meetings)	Annex	7/1/19 - 6/30/20	Wednesday	6:30 pm - 8:00 pm	25 - 30	\$30.00/mo
Santee AYSO 341	Grass Fields	8/12/19 - 11/23/19	Mon - Fri	4:00 pm - dark	50 - 75	
Santee AYSO 341	Grass Fields	8/12/19 - 11/23/19	Saturday	7:30 am - 3:30 pm	50 - 75	
<b>Carlton Hills</b>						
Santee AYSO 341	Grass Fields	8/12/19 - 11/23/19	Mon - Fri	4:00 pm - dark	50 - 75	
Santee AYSO 341 **	Grass Fields	8/12/19 - 11/23/19	Saturday	7:30 am - 1:30 pm	50 - 75	
<b>Carlton Oaks</b>						
Santee AYSO 341	Grass Fields	8/12/19 - 11/23/19	Mon - Fri	4:00 pm - dark	50 - 75	
PTA (PTA EBM Meetings)	Multi-Purpose	8/28/19 - 6/03/20	Wednesday	6:00 pm - 7:30 pm	20	
PTA (Fall Carnival)	Grass Fields near Jr High Bldg	10/12/19	Saturday	11:00 am - 7:00 pm	300	TBD
<b>Chet F. Harritt</b>						
USNSCC - Challenger Div. (Sea Cadets Drills)	Multi-Purpose	9/15/19 - 6/07/20	Sunday	7:30 am - 2:00 pm	30	
USNSCC - Challenger Div. (Sea Cadets Drills)	Multi-Purpose	06/06/20	Saturday	7:30 am - 2:00 pm	30	
Girl Scout Troop 5201 (Meetings)	Classroom	08/21/19	Wednesday	5:30 pm - 6:30 pm	12	
Girl Scout (Meetings)	Classroom	9/12/19 - 6/11/20	Thursday	6:00 pm - 7:35 pm	15	
California Fitness Fun - Heartlight Dance (dance classes)	Kinder Yard	10/2/19 - 6/3/20	Wednesday	1:40 pm - 2:40 pm	20	
<b>Hill Creek</b>						
Santee AYSO 341	Grass Fields	8/12/19 - 11/23/19	Mon - Fri	4:00 pm - dark	50 - 75	
Santee AYSO 341	Grass Fields	8/12/19 - 11/23/19	Saturday	7:30 am - 3:30 pm	50 - 75	
<b>Pepper Drive</b>						
AYSO 234 (soccer) * Some Days Are Restricted	Upper Field	8/01/19 - 1/31/20	Mon - Fri	5:00 pm - 7:30 pm	50	\$1,639/yr Contract
AYSO 234 (soccer)	Upper Field	8/01/19 - 1/31/20	Saturday	7:30 am - 7:00 pm	50	
AYSO 234 (soccer)	Upper Field	8/01/19 - 1/31/20	Sunday	10:00 am - 7:00 pm	50	
AYSO 234 (soccer)	Upper Field	2/01/20 - 7/31/20	Mon - Fri	5:00 pm - 7:30 pm	50	
AYSO 234 (soccer)	Upper Field	2/01/20 - 7/31/20	Saturday	7:30 am - 7:00 pm	50	
AYSO 234 (soccer)	Upper Field	2/01/20 - 7/31/20	Sunday	10:00 am - 7:00 pm	50	
<b>PRIDE Academy Prospect Avenue</b>						
Santee AYSO 341 ***	Grass Fields	8/12/19 - 11/23/19	Mon - Fri	4:00 pm - dark	50 - 75	
<b>Rio Seco</b>						
Santana National Little League (baseball)	Baseball Fields	8/01/19 - 11/24/19	Mon - Fri	3:00 pm - 8:00 pm	50 - 200	
Santana National Little League (baseball)	Baseball Fields	8/01/10 - 11/24/19	Sat & Sun	7:00 am - 4:00 pm	50 - 200	
SSD Professional Leadership Team (Meeting)	Multi-Purpose	11/07/19	Thursday	2:30 pm - 5:00 pm	50	
SSD Superintendent's Office (LCAP Annual Review)	Multi-Purpose	03/24/20	Tuesday	3:30 pm - 8:00 pm	80	
<b>Sycamore Canyon</b>						
Santee AYSO 341	Grass Fields	8/12/19 - 11/23/19	Mon - Fri	4:00 pm - dark	50 - 75	
549 Sports (After-School Basketball)	Black Top	9/11/19 - 10/30/19	Wednesday	2:25 pm - 3:50 pm	20	

\* Some Days Are Restricted Per Agreement - Pepper Drive School

\*\* Saturday, October 26th Not Available For Use - Carlton Hills School

\*\*\* October 25, November 16, March 20, & March 21 Not Available For Use - PRIDE Academy Prospect Avenue School

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



Santee School District  
 ENROLLMENT REPORT  
 8/23/2019  
 Month 1 Week 1  
 School Week 1

SCHOOL	REGULAR ED														SPECIAL ED								Total All											
	EAK 5yo	TK	K	Gr 1	Gr 2	Gr 3	Gr 4	Gr 5	Gr 6	Gr 7	Gr 8	08/23/19	08/24/18	# Diff	% Diff	TK	K	Gr 1	Gr 2	Gr 3	Gr 4	Gr 5	Gr 6	Gr 7	Gr 8	08/23/19	08/24/18	# Diff	% Diff	08/23/19	6/12/2019*	# Diff		
Cajon Park		16	87	103	90	102	104	97	119	112	116	948	931	15	1.6%	0	3	1	6	12	5	7	4	10	9	57	66	-9	-13.6%	1003	1001	2		
Carlton Hills		23	71	67	66	68	67	74	59	75	62	632	609	23	3.8%		3	7	5	4	5	3	4	6	4	41	45	-4	-8.9%	673	679	-6		
Carlton Oaks			77	91	85	79	99	74	81	103	98	787	794	-7	-0.9%		5	3	10	6	7	7	8	6	9	61	71	-10	-14.1%	848	860	-12		
Chet F. Harritt		21	77	79	81	71	85	64	61	46	51	636	627	9	1.4%		0	0	0	0	0	4	4	0	0	8	0	8	0.0%	644	635	9		
Hill Creek		24	90	80	94	85	81	75	58	75	55	715	738	-23	-3.1%		0	7	2	7	2	1	0	0	0	19	22	-3	-13.6%	734	772	-38		
Pepper Drive			72	107	101	109	105	92	132	102	97	917	971	-54	-5.6%		0	0	0	0	0	0		6	4	10	12	-2	-16.7%	927	954	-27		
Pride Academy		16	77	53	80	66	65	57	49	74	41	558	576	-18	-3.1%		0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%	558	574	-16	
Rio Seco			93	95	103	119	95	111	109	113	119	957	944	13	1.4%		3	4	5	6	5	4	7	11	11	55	54	2	3.7%	1013	1007	6		
Sycamore Canyon		17	61	51	68	54	33	39	41	0	0	364	353	11	3.1%		0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%	364	374	-10	
<b>SUBTOTAL</b>	<b>0</b>	<b>117</b>	<b>705</b>	<b>726</b>	<b>748</b>	<b>753</b>	<b>734</b>	<b>683</b>	<b>707</b>	<b>700</b>	<b>639</b>	<b>6512</b>	<b>6543</b>	<b>-31</b>	<b>-0.5%</b>	<b>0</b>	<b>14</b>	<b>22</b>	<b>28</b>	<b>35</b>	<b>24</b>	<b>26</b>	<b>27</b>	<b>39</b>	<b>37</b>	<b>252</b>	<b>270</b>	<b>-18</b>	<b>-6.7%</b>	<b>6764</b>	<b>6856</b>	<b>-92</b>		
Alternative School			1	2	2	3	2	3	2	1	3	19	26	-7	-26.9%																			
Santee Success											2	2	5	-3	-60.0%											0	0	0	0.0%	2	9	-7		
NPS												0	0						1	2	1	2	2	4	12	6	6	100.0%	12	12	0			
<b>SUBTOTAL</b>			<b>1</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>5</b>	<b>21</b>	<b>31</b>	<b>-10</b>	<b>-32.3%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>12</b>	<b>6</b>	<b>6</b>	<b>100.0%</b>	<b>33</b>	<b>48</b>	<b>-15</b>		
<b>TOTAL</b>	<b>0</b>	<b>117</b>	<b>706</b>	<b>728</b>	<b>750</b>	<b>756</b>	<b>736</b>	<b>686</b>	<b>709</b>	<b>701</b>	<b>644</b>	<b>6533</b>	<b>6574</b>	<b>-41</b>	<b>-0.6%</b>	<b>0</b>	<b>14</b>	<b>22</b>	<b>28</b>	<b>36</b>	<b>26</b>	<b>27</b>	<b>29</b>	<b>41</b>	<b>41</b>	<b>264</b>	<b>276</b>	<b>-12</b>	<b>-4.3%</b>	<b>6797</b>	<b>6904</b>	<b>-107</b>		

\* Last week of school year 18-19

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

	PK	TK	EAK 4yo	Total All
Cajon Park	0		0	1003
Carlton Hills	0		0	673
Chet F Harritt	0		0	644
Hill Creek	0		0	734
Prospect Ave	0		0	558
Sycamore Canyon	51	18	0	433
<b>Total PK/EAK</b>	<b>51</b>	<b>18</b>	<b>0</b>	

<b>Total Enrollment including PK</b>
<b>6866</b>

## Schedule of Upcoming Events

Date	Event
September 2	Labor Day Holiday – No School/District Offices Closed
September 3	Board Meeting; 7:00 p.m.
Saturday, September 7	A Salute to Teachers – 8:00 p.m, Balboa Theatre Santee School District Teacher Honoree: Bonnie Jackson, PRIDE Academy
September 17	Board Meeting; 7:00 p.m.
October 1	Board Meeting; 7:00 p.m.
October 7	Communication Committee; 3:30 p.m., ERC
October 10	District Advisory Council (DAC), 6:00 p.m., ERC
October 11	District English Learner Advisory Committee (DELAC); 9:00 a.m., ERC
October 14	Wellness Advisory Committee; 3:30 p.m., ERC
October 15	Board Meeting; 7:00 p.m.
October 21	Special Education Advisory Committee; 6:00 p.m., ERC
October 22	Character Education and School Climate Advisory Committee; 5:00 p.m., ERC
November 5	Board Meeting; 7:00 p.m.
November 4 – 8	Parent/Teacher Conference Week <i>Schools on Modified Days</i>
November 11 (Monday)	Veterans' Day Holiday Schools and District Offices Closed
November 14	District Advisory Council (DAC), 6:00 p.m., ERC
November 15	District English Learner Advisory Council (DELAC); 9:00 a.m., ERC
November 18	Communication Committee; 3:30 p.m., ERC
November 19	Board Meeting; 7:00 p.m.
November 25 – 29	Schools Closed for Thanksgiving Holiday
December 3	Board Meeting; 7:00 p.m.
December 5	Budget Advisory Committee; 6:00 p.m., Charles E. Skidmore Administration Center
December 17	Board Meeting; 7:00 p.m.
December 23 – January 3	Winter Break

Reports and Presentations B.2.  
Prepared by Karl Christensen  
September 3, 2019

Spotlight: 10<sup>th</sup> Annual School Beautification Day

**BACKGROUND:**

For the past ten years now, Pathways Community Church has coordinated an annual volunteer effort to provide valuable service to Santee schools. This annual day has come to be known as School Beautification Day.

The event for this year occurred on Saturday, August 10, 2019. Pathways Community Church again coordinated completion of numerous projects at all nine of the District's schools. The volunteers were highly organized in completing numerous projects to make schools ready for opening.

Tonight, the Board of Education and Administration would like to formally recognize the efforts of Pathways Church, Sonrise Church, and the many volunteers; and express appreciation for their contributions to maintaining the visual appeal and quality of Santee schools.

**FISCAL IMPACT:**

Estimated value of labor, materials, tools, and supplies provided at no cost = \$40,000

Agenda Item B.2.

Reports and Presentations B.3.  
Prepared by Dr. Kristin Baranski  
September 3, 2019

Superintendent's State of the District Address 2019

**BACKGROUND:**

This evening Dr. Kristin Baranski, Superintendent of Santee School District, will present the 2019-2020 State of the District Address.

Agenda Item B.3.

**Item C. PUBLIC COMMUNICATION**

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

## **Item D. CONSENT ITEMS**

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

Agenda Item D.

Consent Item D.1.1.  
Prepared by Dr. Kristin Baranski  
September 3, 2019

Approval of Minutes

**BACKGROUND:**

Presented for Board approval –

- August 20, 2019, regular meeting minutes
- August 20, 2019, special meeting minutes
- August 13, 2019, special meeting minutes

**RECOMMENDATION:**

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

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

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

August 20, 2019  
**MINUTES**

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

**A. OPENING PROCEDURES**

**1. Call to Order and Welcome**

President Fox called the meeting to order at 7:00 p.m.

Members present:

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

Administration present:

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

President Fox announced the Board of Education met in closed session prior to the meeting and reported no action had been taken.

**2. District Mission**

President Fox invited the audience to recite the District Mission.

**3. Pledge of Allegiance**

President Fox invited Boy Scout Troop #384, to lead the members, staff, and audience in the Pledge of Allegiance.

**4. Approval of Agenda**

President Fox presented the agenda for approval. He explained Item E.1.1. Approval of Revised Management and Confidential Employee Salary Schedule was being pulled from the agenda. Member Burns moved approval of the agenda with the noted change.

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

**B. REPORTS AND PRESENTATIONS**

**1. Superintendent's Report**

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

**C. PUBLIC COMMUNICATION**

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



**D. CONSENT ITEMS**

President Fox invited comments from the public on any item listed under Consent. There were no public comments.

- 1.1. Approval of Minutes
- 2.1. Approval/Ratification of Travel Requests
- 2.2. Approval/Ratification of Expenditure Warrants
- 2.3. Approval/Ratification of Purchase Orders
- 2.4. Approval/Ratification of Revolving Cash Report
- 2.5. Acceptance of Donations, Grants, and Bequests
- 2.6. Approval/Ratification of General Services Agreements
- 2.7. Approval/Ratification of Agreements for Mileage Reimbursement In Lieu of District Transportation
- 2.8. Authorization to Sell/Dispose of Surplus Items
- 2.9. Approval/Ratification of Agreement with G. Wayne Oetken & Associates for Consulting Services Related to New Residential Developments
- 2.10. Authorization to Submit Application for 2019-20 Mandated Cost Block Grant
- 3.1. Approval of Nonpublic School Individual Services Agreement with San Diego Center for Children Nonpublic School Services
- 3.2. Agency Master Contract with Word Play Speech Therapy, Inc. for Speech Therapy Services
- 4.1. Personnel, Regular
- 4.2. Approval of Consultant Agreement
- 4.3. Adoption of Resolution No. 1920-01 to Reduce Classified Non-Management Positions

Member Ryan moved approval.

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

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

**Superintendent**

- 1.1. Approval of Revised Management and Confidential Employee Salary Schedule  
*Item pulled from agenda.*
- 1.2. Approval of Santee School District Student Profile  
 Superintendent Baranski shared a draft of the Santee School District Student Profile for the Board's review and approval. Member Burns moved approval.

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

**F. BOARD POLICIES AND BYLAWS**

President Fox noted Items F.1.1., 1.2., 1.3., and 1.4., were presented as second readings and request for approval. With one motion, Member Burns moved approval of Items F.1.1., 1.2., 1.3., and 1.4.

- 1.1. Second Reading: Revised Board Policy 3000, Concepts and Roles  
 Revised Board Policy 3000, Concepts and Roles, was presented as a second reading and request for approval.

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

**1.2. Second Reading: Revised Board Policy 3100, Budget; and Deletion of Board Policy 3101, Fund Balance**

Revised Board Policy 3100, Budget; and Deletion of Board Policy 3101, Fund Balance, were presented for a second reading and request for approval.

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

**1.3. Second Reading: Revised Board Policy 3515 Campus Security and Deletion of Board Policy 3515.3 Electronic Surveillance**

Revised Board Policy 3515, Campus Security and Deletion of Board Policy 3515.3 Electronic Surveillance, were presented for a second reading and request for approval.

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

**1.4. Second Reading: Revised Board Policy 4119.21, 4219.21, 4319.21 Professional Standards**

Revised Board Policy 4119.21, 4219.21, 4319.21, Professional Standards, was presented for a second reading and request for approval.

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

**1.5. First Reading: Revised Board Policy 3110, Transfer of Funds**

Board Policy 3110, Transfer of Funds, was presented for a First Reading.

**G. EMPLOYEE ASSOCIATION COMMUNICATION**

Melanie Hirahara, Santee Teachers Association President, shared it was a big day tomorrow and noted there were 28 new teachers hired and 16 teachers rehired on the Board agenda; in addition to three others recently hired. She shared a big push this year would be to assist new teachers. Mrs. Hirahara mentioned they were looking forward to a great year and assisting the new teachers.

**H. BOARD COMMUNICATION AND ORGANIZATIONAL BUSINESS**

Superintendent Baranski shared the Beautification Day was a great success and expressed her gratitude towards all the volunteers. She mentioned the organizations would be invited to the next Board meeting so express the District's gratitude for their hard work. Member Levens-Craig commended the volunteers for their hard work at Chet F. Harritt School. Member Burns mentioned it would be great to be able to provide the organizations something that was student-made to show their appreciation.

Superintendent Baranski shared a finalized draft of the centerfold spread for the fall vision of Santee Magazine.

Superintendent Baranski shared the A Salute to Teachers was September 9 and Bonnie Jackson, from PRIDE Academy, was being honored. She mentioned staff would be following with the Board to inquire on availability.

Member Levens-Craig shared the Santee Mobile Home Association Committee (SMOAC) had donated over 750 backpacks to the students.

Member Burns wished everyone a great year and shared a poem about teachers preparing for the first day of school. He commended the teachers and staff for getting ready for the students arrival on the first day.

President Fox shared his grandson was nervous about starting the sixth-grade without his sister on campus. He explained his sister is now a freshman in high school. But they will be walking to school together.

**I. CLOSED SESSION**

President Fox announced that the Board would meet in closed session for:

1. **Conference with Legal Counsel – Existing Litigation**  
*- Case #: 37-2017-00051097-CU-PO-CTL*
  
2. **Conference with Real Property Negotiators** (Gov't. Code § 54956.8)  
*Property: Chet F. Harritt School and Santee City Properties  
(8120 Arlette Street, Santee, CA 92071)*  
*Agency Negotiator: Karl Christensen, Assistant Superintendent*
  
3. **Conference with Labor Negotiator** (Gov't. Code § 54956.8)  
*Purpose: Negotiations*  
*Agency Negotiators: Tim Larson, Assistant Superintendent*  
*Employee Organizations: Santee Teachers Association (STA); and  
Classified School Employees Association (CSEA)*
  
4. **Public Employee Performance Evaluation** (Gov't. Code § 54957)  
*Superintendent*

The Board entered closed session at 7:20 p.m.

**I. RECONVENE TO PUBLIC SESSION**

The Board reconvened to public session at 9:35 p.m., and reported no action was taken.

**J. ADJOURNMENT**

With no further business, the regular meeting of August 20, 2019 was adjourned at 9:35 p.m.

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Barbara Ryan, Clerk

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Dr. Kristin Baranski, Secretary

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

August 20, 2019  
**MINUTES**

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

**A. OPENING PROCEDURES**

**1. Call to Order and Welcome**

President Fox called the meeting to order at 6:00 p.m.

Members present:

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

Administration present:

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

**B. PUBLIC COMMUNICATION**

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

**C. CLOSED SESSION**

President Fox announced that the Board would meet in closed session for:

1. **Conference with Legal Counsel – Existing Litigation**  
- Case #: 37-2017-00051097-CU-PO-CTL
  
2. **Conference with Real Property Negotiators** (Gov't. Code § 54956.8)  
*Property:* Chet F. Harritt School and Santee City  
*Properties*  
*(8120 Arlette Street, Santee, CA 92071)*  
*Agency Negotiator:* Karl Christensen, Assistant Superintendent
  
3. **Conference with Labor Negotiator** (Gov't. Code § 54957.6)  
*Purpose:* Negotiations  
*Agency Negotiators:* Tim Larson, Assistant Superintendent  
*Employee Organizations:* Santee Teachers Association (STA);  
*and*  
*Classified School Employees Association*  
*(CSEA)*
  
4. **Public Employee Performance Evaluation** (Gov't. Code § 54957)  
*Superintendent*

The Board entered closed session at 6:00 p.m.

**D. RECONVENE TO PUBLIC SESSION**

The Board reconvened to public session at 6:55 p.m., and reported no action was taken.

**E. ADJOURNMENT**

With no further business, the special meeting of August 6, 2019 was adjourned at 6:50 p.m.

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Barbara Ryan, Clerk

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Dr. Kristin Baranski, Secretary

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

August 13, 2019  
**MINUTES**

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

**A. OPENING PROCEDURES**

The meeting was called to order at 6:00 p.m. by President Fox.

**B. PUBLIC COMMUNICATION**

There was no public communication.

**C. CLOSED SESSION**

1. Consideration of Student Matter (Ed. Code § 48918) Student #: 8-1819

The Board entered closed session at 6:25 p.m. to discuss student discipline hearings for student #: 8-1819. This matter was heard by the Santee School Board Members Ken Fox, Dustin Burns, Barbara Ryan, and Dianne El-Hajj in closed session. Oral and documentary evidence was received. Following the presentation of evidence, President Fox announced the Board members would deliberate and all other persons were asked to leave the room.

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

The Board reconvened to public session at 7:35 p.m.

**ACTION TAKEN BY BOARD**

It was motioned by Member Burns to expel student # 8-1819 from the Santee School District for violation of California Education Code Sections 48900 (.7) Made terroristic threats against school officials/school property; 48900 (i) Committed an obscene act or engaged in habitual profanity and 48900 (k) Disrupted school activities, and Santee School District Board Policy 5144.1: Students: Suspension and Expulsion/Due Process and Administrative Regulations 5144.1.

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

- Transfer to the Santee Success Program through December 20, 2019.
- Achieve and maintain a 2.0 (or better) GPA for scholarship, effort and citizenship performance.
- Receive no new suspensions.
- Attend school regularly with no unexcused absences or tardies.
- Perform 20 hours of community service by October 1, 2019 and provide written verification.
- Complete a counseling program by December 20, 2019, for decision-making/peer pressure, and intimidation and harassment.
- Complete all elements of this Rehabilitation Plan by December 20, 2019 and present documentation to verify completion.

A parent must meet with the Director of Pupil Services by August 20, 2019, to review and sign the Rehabilitation Plan. If the parent fails to meet within the designated time and/or does not sign the Rehabilitation Plan, the student may be expelled without further Board action.

Upon satisfactory completion of all activities in this rehabilitation Plan, the student record will be expunged of this expulsion order.

<i>Motion:</i>	<u>El-Hajj</u>	<i>El-Hajj</i>	<u>Aye</u>	<i>Ryan</i>	<u>Aye</u>
<i>Second</i>	<u>Burns</u>	<i>Fox</i>	<u>Aye</u>	<i>Levens-Craig</i>	<u>Not Present</u>
<i>Vote:</i>	<u>4-0</u>	<i>Burns</i>	<u>Aye</u>		

**E. ADJOURNMENT**

The August 13, 2019 special meeting was adjourned at 7:40 p.m.

Consent Item D.2.1. Approval/Ratification of Travel Requests  
Prepared by Karl Christensen  
September 3, 2019

**BACKGROUND:**

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

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

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

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

**RECOMMENDATION:**

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

This recommendation supports the following District goal:

**Staff Development**

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

**FISCAL IMPACT:**

The estimated travel expenses are \$2,300, and additional substitute costs of \$840, as disclosed on the following page.

**STUDENT ACHIEVEMENT IMPACT:**

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

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

Agenda Item D.2.1.

Board Travel Report - September 3, 2019											
Travel Dates		Attendees	Site or Dept.	Conference or Workshop	Location	Sub Cost	Estimated Expenses	Budget	Purpose of Travel	District Goal	
Friday,	09/20/19		Suzanne Pickell	Carlton Oaks	Special Education Briefing	Cajon Valley USD	\$0	\$57	Special Education	Workshop on Section 504 and other Special Education matters.	2
Wednesday,	10/09/19		Lisa McFaul	Carlton Hills	Managing Behavior During Puberty	San Marcos	\$120	\$87	Special Education	Workshop will focus on behavior management strategies.	2
Wednesday,	11/20/19		Lisa McFaul	Carlton Hills	Data Collection Management	San Marcos	\$120	\$74	Special Education	Management the collection of Special Education data.	2
Wednesday,	11/20/19		Michelle May	Carlton Hills	Data Collection Management	San Marcos	\$120	\$72	Special Education	Management the collection of Special Education data	2
Tuesday,	12/17/19		Lisa McFaul	Carlton Hills	Using Functional Communication Systems Effectively	San Marcos	\$120	\$72	Special Education	Workshop will focus on communication strategies	1, 2
Tuesday,	12/17/19		Michelle May	Carlton Hills	Using Functional Communication Systems Effectively	San Marcos	\$120	\$72	Special Education	Workshop will focus on communication strategies	1, 2
Thursday,	01/30/20		Lisa McFaul	Carlton Hills	Evidence Based Practice	San Marcos	\$120	\$72	Special Education	Special Education workshop	2
Thursday,	01/30/20		Michelle May	Carlton Hills	Evidence Based Practice	San Marcos	\$120	\$72	Special Education	Special Education workshop	2
<b>Travel Requests That Require Airfare, Overnight Stay, and/or Travel Outside of the State of California</b>											
Wed-Fri,	10/16/19 - 10/18/19	Mimi McGinty	Special Education	Special Education Law	Palm Springs	\$0	\$861	Special Education	A review o current and new law regarding Special Education.	1, 2	
Wed-Fri,	10/16/19 - 10/18/19	Brienne Downing	Special Education	Special Education Law	Palm Springs	\$0	\$861	Special Education	A review o current and new law regarding Special Education.	1, 2	

District Goals:

1. Raise mastery of reading and writing grade level literacy standards with annual, incremental growth of at least five percentage points resulting in 90% mastery by June 2023.
2. Raise percentage of students feeling safe or very safe at school with annual, incremental growth of at least seven percentage points resulting in 100% of students feeling safe by June 2023.



**BACKGROUND:**

The Revolving Cash Fund of \$20,000 is used for prompt payment to vendors and saves the costs associated with processing payments of small amounts through the County Superintendent of Schools. The attached report of numerical listings by check number include the issue date, name of payee, a general description of items purchased, and the amount of the check.

**RECOMMENDATION:**

It is recommended that the Board of Education approve check #22651 on the \$20,000 Revolving Cash Account.

This recommendation supports the following District goal:

**Fiscal Accountability**

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

**FISCAL IMPACT:**

The fiscal impact is \$200.00 as disclosed on the following report.

**STUDENT ACHIEVEMENT IMPACT:**

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

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

Agenda Item D.2.2.

SANTEE SCHOOL DISTRICT  
 REVOLVING CASH REPORT- \$20,000

Date	Number Name	Memo	Amount
08/20/19	22651 Vons	Lorene Foster Fund-No alcohol or tobacco	200.00

Total Checks Written	\$200.00
Reimbursed by SDCOE	
July Bank Fees	
Total to be Reimbursed	\$200.00
Total to Deduct from Future Reimbursement	

**BACKGROUND:**

From time to time, the District contracts with individuals, companies, or organizations to provide various types of general services such as educational presentations/assemblies, or specialized student services. Some services are on an as-needed basis billed on an hourly or daily rate while other services are billed by the job. The Internal Revenue Service requires an analysis of the nature and type of work performed to determine whether the service provider qualifies as an independent contractor to be paid by commercial warrant. Service providers that do not qualify as an independent contractor will be processed through Human Resources under a short-term employment services agreement.

Approval of the following General Services Agreements is requested:

Vendor Name	Description of Services	Date(s) of Service	Amount	Funding
Socal AAC Therapy	Independent Educational Evaluations	06/10/19 – 06/10/20	\$1,500 (not to exceed)	Special Education
Word Play Speech Therapy, Inc.	Speech Therapy	08/20/19 – 06/30/20	\$68/hour (not to exceed \$50,000)	Special Education
Edu dance, Classrooms in Motion	Dance Instruction	09/01/19 – 12/31/19	\$3,960 (not to exceed)	Pepper Drive

**RECOMMENDATION:**

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

This recommendation supports the following District goal(s):

SUPPORTED	STRATEGIC OBJECTIVE	DESCRIPTION
✓	Educational Achievement	Assure the highest level of educational achievement for all students
✓	Fiscal Accountability	Financially support the vision, mission, and goals of the District by maximizing resources, controlling expenses, and managing assets to ensure fiscal solvency and flexibility

**FISCAL IMPACT:**

The fiscal impact of the General Service Agreements is detailed in the table above.

**STUDENT ACHIEVEMENT IMPACT:**

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

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

Agenda Item D.2.3.

**BACKGROUND:**

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

The Commercial Warrants Audit manual stipulates that an agreement is to be executed with the Parent/Guardian whenever mileage reimbursement is provided. Agreements with parents/guardians opting to receive mileage reimbursement during the 2019-20 and 2019-20 school year for the transportation of their own child(ren) are listed below:

School of Attendance	Round Trip Miles Per Day	# of Days	Per Mile Rate	Total Estimated Annual Cost
Cajon Park School	7	199	\$0.58	\$807.94
Sycamore Canyon School	11	199	\$0.58	\$1,269.62
Sycamore Canyon School	6	199	\$0.58	\$1,194.00
Sycamore Canyon School	6	199	\$0.58	\$1,194.00
Sycamore Canyon School	7.2	199	\$0.58	\$831.02
<b>Total:</b>				<b>\$5,296.58</b>

**RECOMMENDATION:**

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

This recommendation supports the following District goal(s):

SUPPORTED	STRATEGIC OBJECTIVE	DESCRIPTION
✓	Learning Environment	Provide a safe, engaging environment that promotes creativity, innovation, and personalized learning
✓	Fiscal Accountability	Financially support the vision, mission, and goals of the District by maximizing resources, controlling expenses, and managing assets to ensure fiscal solvency and flexibility

**FISCAL IMPACT:**

The fiscal impact of \$5,296.58 is paid in lieu of District provided transportation.

**STUDENT ACHIEVEMENT IMPACT:**

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

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

Agenda Item D.2.4.

**BACKGROUND:**

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

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

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

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

The items to declare surplus are described below:

<u>Qty</u>	<u>UOM</u>	<u>Description</u>	<u>Site</u>	<u>Storage Location</u>	<u>Condition</u>	<u>Estimated Value/Price</u>
1	Each	Printer Copier	CP	OST Shed	Old; Broken	\$0
1	Each	Computer	CP	OST Shed	Outdated; Working Condition	\$100
12	Each	Student Chairs	CH	Custodial	Broken	\$0
2	Each	Teacher Chairs	CH	Custodial	Broken	\$0
1	Each	Stand Alone Counter	CH	Custodial	Broken	\$0
1	Each	Loveseat	CH	Custodial	Stained; Damaged; Broken	\$0
1	Lot	Thinkpads/Netbooks, Misc Computer	PRIDE	ASES / PRIDE	Outdated; Obsolete	\$150

		Equipment Accessories, VCR, Boombox, Overhead Projector, Game Consoles				
1	Lot	Furniture (Tables, Cabinets, Carts, Desks, Bookshelf, Chairs)	PRIDE	ASES / PRIDE	Damaged; Unusable; Broken; Obsolete	\$50

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

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

**RECOMMENDATION:**

It is recommended that the Board of Education declare the described items as surplus with an estimated value of \$300.00 and authorize the sale or disposal of them in accordance with the recommended terms.

This recommendation supports the following District goal(s):

SUPPORTED	STRATEGIC OBJECTIVE	DESCRIPTION
✓	Fiscal Accountability	Financially support the vision, mission, and goals of the District by maximizing resources, controlling expenses, and managing assets to ensure fiscal solvency and flexibility

**FISCAL IMPACT:**

Income estimated at \$300.00.

**STUDENT ACHIEVEMENT IMPACT:**

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

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

Agenda Item D.2.5.



Consent Item D.2.6. Approval/Ratification of Expenditure Transactions  
 Prepared by Karl Christensen Charged to District Issued Purchasing Cards (P-Cards)  
 September 3, 2019

**BACKGROUND:**

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

**RECOMMENDATION:**

It is recommended that the Board of Education approve/ratify expenditure transactions charged to District P-Cards for the period July 1, 2019 through July 31, 2019.

This recommendation supports the following District goal:

SUPPORTED	STRATEGIC OBJECTIVE	DESCRIPTION
✓	Fiscal Accountability	Financially support the vision, mission, and goals of the District by maximizing resources, controlling expenses, and managing assets to ensure fiscal solvency and flexibility

**FISCAL IMPACT:**

There were 104 transactions totaling \$15,714.44 charged to various funds.

**STUDENT ACHIEVEMENT IMPACT:**

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

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

Agenda Item D.2.6.

PURCHASE DATE	CARDHOLDER	DEPARTMENT	MERCHANT NAME	PURCHASE AMOUNT	PURCHASE DESCRIPTION
20190718	ABEL,CATHY	CHILD NUTRITION	SMART AND FINAL 929	21.54	Tablecloth
20190721	ABEL,CATHY	CHILD NUTRITION	CVS/PHARMACY #09145	31.64	Mineral Oil
20190722	ABEL,CATHY	CHILD NUTRITION	THE WEBSTAUANT STORE	210.76	Tongs
				<u>263.94</u>	
20190710	AVILA,EVONN	BUSINESS SERVICES	PANERA BREAD 204874	126.29	PBK-REDI Group Meeting (7/9/19)
20190716	AVILA,EVONN	BUSINESS SERVICES	TARGET 00014852	14.64	Earbuds for new employee webinar training
				<u>140.93</u>	
20190716	BAKER,HOPE	OST PROGRAMS	TARGET 00014852	134.00	Binders, games, office supplies, outdoor toys
20190717	BAKER,HOPE	OST PROGRAMS	TARGET 00009977	109.58	Office supplies, ID holders
20190724	BAKER,HOPE	OST PROGRAMS	MICHAELS STORES 3256	23.19	Pencils, calendar set and supplies for YALE summer
20190724	BAKER,HOPE	OST PROGRAMS	WAL-MART #1917	119.15	Area rug, toolbox, tape supplies for YALE
20190725	BAKER,HOPE	OST PROGRAMS	IKEA SAN DIEGO	203.58	Books, duking play storage rug
20190725	BAKER,HOPE	OST PROGRAMS	LAKESHORE LEARNING #04	250.68	Alphabet card, name plate, cards, caddy and supplies
20190725	BAKER,HOPE	OST PROGRAMS	LAKESHORE LEARNING #04	215.96	YALE Wood Friends toys, Learning center pockets
20190725	BAKER,HOPE	OST PROGRAMS	WAL-MART #1917	96.91	Area rugs for YALE
20190726	BAKER,HOPE	OST PROGRAMS	MICHAELS #9490	32.31	YALE supplies for summer 3 tier rolling cart
20190730	BAKER,HOPE	OST PROGRAMS	SMART AND FINAL 929	35.42	YALE snack, juice, granola
				<u>1,220.78</u>	
20190701	BRASHER,PAMELA	OST PROGRAMS	BARNES & NOBLE #2135	47.31	Summer camp books
20190702	BRASHER,PAMELA	OST PROGRAMS	BARNES & NOBLE #2104	5.16	Summer camp books
20190704	BRASHER,PAMELA	OST PROGRAMS	WALMART.COM	134.04	Supplies for summer camp. giant wooden blocks, Bocce lawn game, outdoor games
20190705	BRASHER,PAMELA	OST PROGRAMS	WALMART.COM	348.93	Ultimate Model Building kit for HC summer camp
20190707	BRASHER,PAMELA	OST PROGRAMS	MICHAELS STORES 3851	29.63	Splash games for summer camp
20190711	BRASHER,PAMELA	OST PROGRAMS	REUBEN H FLEET BOX OFF	17.22	Lunch for children that forgot lunch on field trip
20190714	BRASHER,PAMELA	OST PROGRAMS	AMZN MKTP US*MH9S88GX0	50.90	Party favors for summer program
20190714	BRASHER,PAMELA	OST PROGRAMS	HARBOR FREIGHT TOOLS 8	62.84	Tarps for summer camp OSTP
20190714	BRASHER,PAMELA	OST PROGRAMS	JOANN STORES #1841	167.67	Beads, markers and stickers for summer camp OSTP
20190715	BRASHER,PAMELA	OST PROGRAMS	JOANN STORES #1841	(22.76)	Return back on card
20190717	BRASHER,PAMELA	OST PROGRAMS	WAL-MART #5140	885.62	Rubix cubes, baby oil and supplies for OSTP
20190719	BRASHER,PAMELA	OST PROGRAMS	WALMART.COM	116.18	Bubbles, glue, chalk
20190721	BRASHER,PAMELA	OST PROGRAMS	AMZN DIGITAL*MA1RZ7OR2	3.99	Movie for OSTP summer camp
20190721	BRASHER,PAMELA	OST PROGRAMS	WAL-MART #1917	78.70	Tennis balls, glue supplies for summer OSTP
20190722	BRASHER,PAMELA	OST PROGRAMS	JOANN STORES #1841	137.37	White shirts for summer craft for students
20190724	BRASHER,PAMELA	OST PROGRAMS	OFFICE DEPOT #908	35.56	Office supplies, paper folders
20190724	BRASHER,PAMELA	OST PROGRAMS	WAL-MART #1917	209.47	Sunscreen for students for summer program
20190725	BRASHER,PAMELA	OST PROGRAMS	SMART AND FINAL 929	10.17	Corn starch for summer craft
20190731	BRASHER,PAMELA	OST PROGRAMS	SQU*SQ *EASTLAKE@SDKID	6.00	Socks for ice skating
				<u>2,324.00</u>	
20190702	BROGAN-BARANSKI,K	SUPERINTENDENT'S OFFICE	ALS SPORT SHOP	409.72	One Team Voice Mission I-shirts
20190707	BROGAN-BARANSKI,K	SUPERINTENDENT'S OFFICE	ASS CAL SCH ADMIN	650.00	Registration for Dr. Baranski to the Superintendents' Symposium
				<u>1,059.72</u>	
20190703	D'AGOSTINO,KRISTA	HUMAN RESOURCES	VONS #1897	24.97	Food items for Board meeting (7/2/19)
				<u>24.97</u>	
20190722	FORSTER,CHASITY	HILL CREEK	MICHAELS STORES 8709	5.14	PBIS bulletin board paper
20190729	FORSTER,CHASITY	HILL CREEK	AMZN MKTP US*MA0272C40	7.99	Plastic Ice Cubes- Sensory
20190729	FORSTER,CHASITY	HILL CREEK	AMZN MKTP US*MA0M53A41	6.95	Sensory water beads
				<u>20.08</u>	
20190714	HICKS,TYLENE	CHET F. HARRITT	ALS SPORT SHOP	54.63	Name plates for new employees
20190714	HICKS,TYLENE	CHET F. HARRITT	INT*IN *EAST COUNTY FE	20.68	Supplies for chickens
20190718	HICKS,TYLENE	CHET F. HARRITT	AMZN MKTP US*MH07A2UU2	19.95	Deep cleaning spot & stain remover for custodians
20190724	HICKS,TYLENE	CHET F. HARRITT	SQ *SQ *THE CORE COLLA	116.90	Books from the MindFuel Conference to be used for Impact Teams
20190731	HICKS,TYLENE	CHET F. HARRITT	RCP BLOCK AND BRICK SA	1,293.00	DG for Outdoor Learning Lab
				<u>1,505.16</u>	
20190725	HOOKS,TED A	PEPPER DRIVE	WAYFAIR*WAYFAIR	692.76	Storage for intervention materials
				<u>692.76</u>	
20190714	JOHNSTON,ANDREW	CARLTON OAKS	VONS #4018	33.00	Postage
20190717	JOHNSTON,ANDREW	CARLTON OAKS	VONS #2107	44.00	Postage
				<u>77.00</u>	

PURCHASE DATE	CARDHOLDER	DEPARTMENT	MERCHANT NAME	PURCHASE AMOUNT	PURCHASE DESCRIPTION
20190711	MARSMAN, MATTHEW	INFORMATION TECHNOLOGY	ELECTRONIC IMAGING MAT	675.83	Labels
20190711	MARSMAN, MATTHEW	INFORMATION TECHNOLOGY	FS *VANDYKE.COM	272.00	Software
20190716	MARSMAN, MATTHEW	INFORMATION TECHNOLOGY	AMZN MKTP US*MH4FR75N0	55.93	iPod Touch 7 case
20190716	MARSMAN, MATTHEW	INFORMATION TECHNOLOGY	GROUP VERTICAL LLC	51.77	Phone repair parts
20190717	MARSMAN, MATTHEW	INFORMATION TECHNOLOGY	AMAZON COM*MH7F607S2 A	4.79	USB 3.0 Extension cable (50%)
20190717	MARSMAN, MATTHEW	INFORMATION TECHNOLOGY	AMAZON COM*MH7F607S2 A	4.79	USB 3.0 Extension cable (50%)
20190718	MARSMAN, MATTHEW	INFORMATION TECHNOLOGY	AMZN MKTP US*MH09B7RU1	75.00	Paper drill bit 5/16"
20190719	MARSMAN, MATTHEW	INFORMATION TECHNOLOGY	SIMPLISAFE	24.99	Security system
20190721	MARSMAN, MATTHEW	INFORMATION TECHNOLOGY	AMZN MKTP US*MH4Q16YV1	79.90	Brenthaven case for iPad 6th generation
20190721	MARSMAN, MATTHEW	INFORMATION TECHNOLOGY	AMZN MKTP US*MH5B94D50	319.60	Brenthaven 360 iPad case
20190723	MARSMAN, MATTHEW	INFORMATION TECHNOLOGY	AMZN MKTP US*MA4N54ZN2	32.22	tTech armor glass for iPad pro
20190725	MARSMAN, MATTHEW	INFORMATION TECHNOLOGY	BARCODESINC	743.48	Labels
20190730	MARSMAN, MATTHEW	INFORMATION TECHNOLOGY	WAL-MART #1917	7.41	Medical supply
20190731	MARSMAN, MATTHEW	INFORMATION TECHNOLOGY	DMI* DELL CONSUMER-GOV	37.70	Charging block for laptop
20190731	MARSMAN, MATTHEW	INFORMATION TECHNOLOGY	DMI* DELL CONSUMER-GOV	80.80	Battery for laptop
				<u>2,466.21</u>	
20190705	MARTIN, SUZANNE	HILL CREEK	AMZN MKTP US*MH8AA9J42	416.52	Magnetic base ten blocks and protractors
				<u>416.52</u>	
20190726	MCGINTY, MIRIAM	SPECIAL EDUCATION	AMAZON COM*MA1V12311 A	30.69	Admin office supplies
20190726	MCGINTY, MIRIAM	SPECIAL EDUCATION	AMZN MKTP US*MA1G16AG2	68.52	Supplies for classroom behavior management
20190726	MCGINTY, MIRIAM	SPECIAL EDUCATION	AMZN MKTP US*MA8CP7AU2	24.17	Admin office supplies
20190730	MCGINTY, MIRIAM	SPECIAL EDUCATION	AMZN MKTP US*MA4KR6EH1	109.48	Admin office supplies
				<u>232.86</u>	
20190710	MCKINNON, KATHY	EDUCATIONAL SERVICES	SKILLPATH / NATIONAL	199.00	Prof Dev - Travel/Registration - Admin Assistants Conf/L Brambila
20190717	MCKINNON, KATHY	EDUCATIONAL SERVICES	AMZN MKTP US*MH0WS0UL1	15.98	ERC admin supplies
20190717	MCKINNON, KATHY	EDUCATIONAL SERVICES	AMZN MKTP US*MH8WV5G2	11.09	ERC admin supplies
				<u>226.07</u>	
20190701	MINUTELLI, DAWN	EDUCATIONAL SERVICES	AMAZON.COM*MH9WM1A71 A	53.76	Prof. Dev. - Books
20190701	MINUTELLI, DAWN	EDUCATIONAL SERVICES	MARRIOTT	31.00	Prof. Dev. - Travel/Parking - MindFuelED/Minutelli
20190710	MINUTELLI, DAWN	EDUCATIONAL SERVICES	OFFICE DEPOT #908	24.86	Prof Dev - Supplies
				<u>109.62</u>	
20190726	MONTLER, BONNER M	EDUCATIONAL SERVICES	REI*GREENWOODHEINEMANN	746.71	Benchmark Assessment System Student Folders/District reading assessment record keeping
				<u>746.71</u>	
20190731	PROUTY, DANIEL J	INSTRUCTIONAL TECHNOLOGY	AMAZON.COM*MA2BL7VN2 A	14.48	Book "Dare to Lead"
20190731	PROUTY, DANIEL J	INSTRUCTIONAL TECHNOLOGY	TARGET 00009977	68.98	Printed classroom/training photos for display in ERC
				<u>83.46</u>	
20190703	SHEEN, KRISTINA D	OST PROGRAMS	BARNES & NOBLE #2733	26.02	Books for summer camp OSTP
20190703	SHEEN, KRISTINA D	OST PROGRAMS	SANTEE LAKES RECREATIO	174.77	Middle School Field trp for Summer Camp
20190703	SHEEN, KRISTINA D	OST PROGRAMS	WAL-MART #5140	56.00	Fun with food project, cereal, almond bark, pool floats, puzzles
20190707	SHEEN, KRISTINA D	OST PROGRAMS	FOOD4LESS #0349	17.94	Patnotic cupcakes for summer camp
20190707	SHEEN, KRISTINA D	OST PROGRAMS	WAL-MART #1917	230.44	Slinkies, smile face toys, bottle dispensers, swabs for summer crafts
20190708	SHEEN, KRISTINA D	OST PROGRAMS	OFFICE DEPOT #908	77.56	Markers, bulletin boards
20190709	SHEEN, KRISTINA D	OST PROGRAMS	99 CENTS ONLY STORES #	72.16	Items for summer crafts, summer emoji flying disc, tooth brushes, dice
20190709	SHEEN, KRISTINA D	OST PROGRAMS	TARGET 00014852	26.93	Sport games and DVD's for summer camp
20190709	SHEEN, KRISTINA D	OST PROGRAMS	WAL-MART #1917	96.47	Bingo board games, twister games, YoYos
20190711	SHEEN, KRISTINA D	OST PROGRAMS	GROSSMONT CINEMA	203.00	Summer field trip admission
20190711	SHEEN, KRISTINA D	OST PROGRAMS	GROSSMONT CINEMA	693.00	Summer field trp admission
20190711	SHEEN, KRISTINA D	OST PROGRAMS	GROSSMONT CINEMA	345.00	Summer field trp combo packs for students
20190711	SHEEN, KRISTINA D	OST PROGRAMS	TARGET 00009977	16.28	DVD's for summer movies for OSTP
20190711	SHEEN, KRISTINA D	OST PROGRAMS	THE HOME DEPOT #0673	62.84	Beach pebbles for craft for summer camp
20190715	SHEEN, KRISTINA D	OST PROGRAMS	7-ELEVEN 17637	9.15	Slurpees for middle school field trp
20190715	SHEEN, KRISTINA D	OST PROGRAMS	7-ELEVEN 20321	16.02	Slurpees for middle school field trp
20190715	SHEEN, KRISTINA D	OST PROGRAMS	SPEEDEE MART	22.24	Drinks for middle school
20190718	SHEEN, KRISTINA D	OST PROGRAMS	JOHNS INCREDIBLE PIZZA	1,497.95	Field trip for summer OSTP
20190721	SHEEN, KRISTINA D	OST PROGRAMS	MICHAELS STORES 3256	221.20	Shrinky dinks for crafts for summer OSTP
20190725	SHEEN, KRISTINA D	OST PROGRAMS	PARTY CITY 441	43.64	Pirate hats and items for ASES Summer Camp
20190726	SHEEN, KRISTINA D	OST PROGRAMS	THE BOARDWALK	414.00	Admissions for Boardwalk for students for summer camp
20190728	SHEEN, KRISTINA D	OST PROGRAMS	SHOPBOP.COM	6.52	Fraudulent use of card/reversed same day
20190728	SHEEN, KRISTINA D	OST PROGRAMS	SHOPBOP.COM	(6.52)	Fraudulent use of card/reversal
				<u>4,322.61</u>	
20190730	SIMKO, JOHANNA	PRIDE ACADEMY	AMAZON.COM*MA47S6490	31.19	Personal purchase made in error. Check to reimburse submitted 8/1/19
				<u>31.19</u>	

PURCHASE DATE	CARDHOLDER	DEPARTMENT	MERCHANT NAME	PURCHASE AMOUNT	PURCHASE DESCRIPTION
20190714	SIMPSON,DEBRA	RIO SECO	TEACHERSPAYTEACHERS.CO	11.35	Supplies
20190722	SIMPSON,DEBRA	RIO SECO	TEACHERSPAYTEACHERS.CO	7.50	Supplies
				<u>18.85</u>	
20190716	STORM,BRYCE	FACILITIES, MAINTENANCE & OPERATIO	SKILLPATH / NATIONAL	(269.00)	Cancelled management training seminar
				<u>(269.00)</u>	
				<u>15,714.44</u>	

Consent Item D.2.7.  
Prepared by Karl Christensen  
September 3, 2019

Adoption of Resolution No. 1920-02 to Certify 2018-19  
Gann Limit Appropriations Recalculation and an  
Estimated Limit for 2019-20

**BACKGROUND:**

In 1979, California voters approved a spending limit for State and local government agencies including school districts. California State Constitution, Article XIII B, requires that each district annually prepare a resolution for Board approval which reflects the funds subject to the Gann Limit Appropriation for fiscal year 2018-19 and an estimate for fiscal year 2019-20.

**RECOMMENDATION:**

It is recommended that the Board of Education adopt Resolution No. 1920-02 for the recalculation of appropriation limit and funds subject to the Gann Limit for the fiscal year 2018-19 and an estimate for 2019-20.

This recommendation supports the following District goal:

<b>SUPPORTED</b>	<b>STRATEGIC OBJECTIVE</b>	<b>DESCRIPTION</b>
✓	Fiscal Accountability	Financially support the vision, mission, and goals of the District by maximizing resources, controlling expenses, and managing assets to ensure fiscal solvency and flexibility

**FISCAL IMPACT:**

The 2018-19 appropriations subject to the Gann limitation are \$42,102,823.45 and the 2018-19 appropriations subject to the Gann limitation are estimated to be \$43,723,782.15.

**STUDENT ACHIEVEMENT IMPACT:**

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

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

Agenda Item D.2.7.

**RESOLUTION NO. 1920-02**

**RESOLUTION OF THE SANTEE SCHOOL DISTRICT  
TO CERTIFY THE 2018-19 GANN LIMIT APPROPRIATIONS RECALCULATION  
AND AN ESTIMATED LIMIT FOR 2019-20**

On motion of \_\_\_\_\_ and seconded by \_\_\_\_\_, the following resolution is hereby adopted:

**WHEREAS**, in November of 1979, the California electorate did adopt Proposition 4, commonly called the Gann Amendment, which added Article XIII-B to the California Constitution; and,

**WHEREAS**, the provisions of that Article establish maximum appropriation limitations, commonly called "Gann Limits," for public agencies, including school districts; and,

**WHEREAS**, the District must establish a revised Gann limit for the 2018-19 fiscal year and a projected Gann Limit for the 2019-20 fiscal year in accordance with the provisions of Article XIII-B and applicable statutory law;

**NOW, THEREFORE, BE IT RESOLVED** that this Board does provide public notice that the attached calculations and documentation of the Gann limits for the 2018-19 and 2019-20 fiscal years are made in accord with applicable constitutional and statutory law;

**AND BE IT FURTHER RESOLVED** that this Board does hereby declare that the appropriations in the Budget for the 2018-19 and 2019-20 fiscal years do not exceed the limitations imposed by Proposition 4;

**AND BE IT FURTHER RESOLVED** that the Superintendent provides copies of this resolution along with the appropriate attachments to interested citizens of this district.

**PASSED AND ADOPTED** by the Santee School District Board of Education on the 3rd day of September, 2019, by the following vote:

AYES:

NOES:

ABSENT:

STATE OF CALIFORNIA            )  
COUNTY OF SAN DIEGO        )

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

\_\_\_\_\_  
Barbara Ryan, Clerk of the Board of Education

Consent Item D.2.8.  
Prepared by Karl Christensen  
September 3, 2019

Adoption of Resolution No. 1920-03 to Apply for a  
Grant Funded by the Volkswagen Environmental  
Mitigation Trust

**BACKGROUND:**

The Volkswagen (VW) Environmental Mitigation Trust (Trust) provides about \$423 million for California to mitigate the excess nitrogen oxide (NOX) emissions caused by VW's use of illegal emissions testing defeat devices in certain VW diesel vehicles. The Trust provides funding opportunities for specified eligible actions that are focused mostly on "scrap and replace" projects for the heavy-duty sector, including on-road freight trucks, transit and shuttle buses, school buses, forklifts and port cargo handling equipment, commercial marine vessels, and freight switcher locomotives.

Adoption of this resolution authorizes the District to apply for a grant to replace one or several current school buses with electric ones. The grant would also pay for charging infrastructure.

**RECOMMENDATION:**

It is recommended the Board of Education adopt Resolution No. 1920-03 authorizing staff to apply for a grant funded by the Volkswagen Environmental Mitigation Trust.

This recommendation supports the following District goal(s):

<b>SUPPORTED</b>	<b>STRATEGIC OBJECTIVE</b>	<b>DESCRIPTION</b>
✓	Learning Environment	Provide a safe, engaging environment that promotes creativity, innovation, and personalized learning
✓	Fiscal Accountability	Financially support the vision, mission, and goals of the District by maximizing resources, controlling expenses, and managing assets to ensure fiscal solvency and flexibility

**FISCAL IMPACT:**

\$460,000 per bus.

**STUDENT ACHIEVEMENT IMPACT:**

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

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

Agenda Item D.2.8.

SANTEE SCHOOL DISTRICT  
RESOLUTION NO. 1920-03  
SEPTEMBER 3, 2019

**Resolution for Authorization to Participate in the  
Volkswagen Environmental Mitigation Trust**

**WHEREAS**, the Governing Board of the Santee School District authorizes Karl Christensen, Assistant Superintendent Business Services to submit a grant request and participate in the Volkswagen Environmental Mitigation Trust; and

**WHEREAS**, the Governing Board also understands that although matching funds are not required, grantees are responsible for any costs over the Air Pollution Control District's award; and

**WHEREAS**, the Santee School District is aware that funding is available through the Volkswagen Environmental Mitigation Trust for purchase of the cleanest available equipment and the Santee School District was offered the opportunity to fund zero-emissions and near-zero-emissions school bus equipment.

**NOW, THEREFORE BE IT RESOLVED**, the foregoing Resolution was adopted upon motion of \_\_\_\_\_, seconded by \_\_\_\_\_, and is hereby Passed, Approved and Adopted by the Santee School District Board of Education on this 3rd day of September, 2019.

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Governing Board Members:

\_\_\_\_\_  
Ken Fox, President

\_\_\_\_\_  
Elana Levens-Craig, Member

\_\_\_\_\_  
Dustin Burns, Vice President

\_\_\_\_\_  
Dianne El-Hajj, Member

\_\_\_\_\_  
Barbara Ryan, Clerk



Consent Item D.3.1.

Approval of Nonpublic Agency Master Contract  
with Maxim Healthcare for Nursing Services

Prepared by Dr. Stephanie Pierce  
September 3, 2019

**BACKGROUND:**

School districts are required to have nurses to promote and maintain optimal student health. When district-employed nurses are absent, we must have appropriately-trained nurse substitutes. We have contracted with Maxim Healthcare for nursing services in the past and would like to renew our relationship with them.

**RECOMMENDATION:**

Administration recommends the Board of Education approve the Nonpublic Agency Master Contract with Maxim Healthcare for nursing services. The Nonpublic Agency Master Contract will be available at the Board meeting for review.

This recommendation supports the following District goal:

- Provide social, emotional, and health service programs, integrated with community resources, to foster student character and personal well-being.

**FISCAL IMPACT:**

Type of Nurse	Hourly Rate	Hours Per Day	Days Per Year	Total
RN	\$63.94	7.0	36	\$16,112.88
LVN	\$39.43	7.0	36	\$9,936.36
<b>GRAND TOTAL</b>				\$26,049.24

**STUDENT ACHIEVEMENT:**

Nursing services are necessary for students in order to promote and maintain optimal student health. Healthy students are better able to engage in the learning process and demonstrate educational growth.

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

Agenda Item D.3.1.

Consent Item D.3.2.

Approval of Agreement for Clinical Practicum and/or Externship/Internship Education with Northern Arizona University for Placement of Practicum Students and Interns

Prepared by Dr. Stephanie Pierce  
September 3, 2019

**BACKGROUND:**

Santee School District has entered into cooperative agreements with various universities in the past to provide field laboratory classroom placement for practicum students, student teachers, and interns. Santee School District has received an Agreement for Clinical Practicum and/or Externship/Internship Education with Northern Arizona University for this purpose. The terms of the agreement shall commence on August 26, 2019 and continue through August 25, 2024.

**RECOMMENDATION:**

Administration recommends that the proposed Agreement for Clinical Practicum and/or Externship/Internship Education with Northern Arizona University be approved by the Board of Education.

This recommendation supports the following District goal:

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

**FISCAL IMPACT:**

There is no cost to the District for entering into this agreement.

**STUDENT ACHIEVEMENT IMPACT:**

This agreement supports student learning by placing a practicum student, student teacher or intern in the classroom and provides students with an additional instructional resource.

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

Agenda Item D.3.2.



**AGREEMENT FOR CLINICAL PRACTICUM AND/OR  
EXTERNSHIP/ INTERNSHIP EDUCATION ("Agreement")**

Contract # 5086

This Agreement is entered into by and between Arizona Board of Regents for and on behalf of Northern Arizona University, located in Flagstaff, Arizona ("University"), and Santee School District ("Facility") located in Santee, CA.

This Agreement will be in effect for five (5) years, unless a lesser time-period is stated herein. The effective date of this Agreement will begin on 8/26/2019 and will end on 8/25/2024. This Agreement may be renewed, revised, or modified by a written addendum signed by both parties.

The purpose of this Agreement is to establish a relationship between the University and the Facility, to allow students from the University ("Students") to participate in a clinical practicum and/or externship/internship program approved by the University, and conducted at the Facility.

It is agreed by the parties to be of mutual interest and advantage for selected Students of the University to be provided quality clinical practicum and/or externship/internship education experiences at the Facility.

**I. MUTUAL RESPONSIBILITIES**

- A. University and Facility shall each designate a Clinical Education Coordinator ("CEC") to be the designated representative to each other for implementation of this Agreement and agree to notify the other within fourteen (14) days of any change in their designated representative.
- B. The number of Students assigned to the Facility and the dates of rotation shall be mutually agreed upon, and shall be subject to the availability of the Facility's personnel for teaching and supervision. The objectives, nature, and timeframe of the experiences shall be individually arranged and approved by the CEC for the Facility and the University.
- C. If Facility is a Covered Entity under the Health Insurance Portability and Accountability Act ("HIPAA") of 1996, as amended by the American Recovery and Reinvestment Act of 2009 ("ARRA") each as amended from time to time, then Students shall function as part of the Facility's "workforce" as defined in 45 CFR §160.103 and shall be subject to the HIPAA policies and procedures of the Facility.

Facility shall be responsible for providing the assigned Students with the appropriate training in their HIPAA policies and procedures. University shall ensure that the assigned Students are familiar with HIPAA prior to their assignment to the Facility. University and Facility shall advise the Students to protect the confidentiality of all patient/client/customer information (including medical records, electronic data, radiology films, laboratory blocks, slides and billing information), and comply with all of Facility's policies on the release of patient/client/customer information and all applicable federal and state laws and regulations protecting the confidentiality of patients'/clients'/customers' records.

- D. Except as previously set forth, no provision of this Agreement shall be deemed to constitute University, or any agent or employee of University, as an agent or employee of Facility. Neither University nor Facility personnel, by virtue of this Agreement, are entitled or eligible by reason of the contractual relationship hereby created, to participate in any benefits or privileges given or extended by either party to its employees. The University and Facility do not consider a Student an employee of the Facility for liability or workers' compensation purposes, but solely as a Student in the clinical practicum and/or externship/internship education phase of the Student's educational and professional development.
- E. University and Facility agree to comply with all applicable state and federal laws, rules, regulations, local laws, and executive orders governing equal employment opportunity, immigration, nondiscrimination, and affirmative action, including the Americans with Disabilities Act.
- F. The policies, rules, and regulations of the Facility shall be applicable to the Students. Facility shall inform Students of their policies, rules, and regulations at the initiation of the clinical practicum and/or externship/internship. University shall inform its Students of their responsibility to comply with the laws, as well as the policies, rules, and regulations of Facility, including those regarding the confidentiality of protected health information or other confidential information pertaining to patient/client/customer records.
- G. Neither the Facility nor the University shall use the name of the other party or its employees in any publicity or advertising material without prior written approval by a duly authorized representative of the other party.

## II. **UNIVERSITY RESPONSIBILITIES**

The University shall:

- A. Give Facility at least thirty (30) days notice of a Student assignment unless this notice is specifically waived by the Facility by agreeing to this at less than thirty (30) days.

- B. Reserve the right to revoke any assignment prior to a Student's entry into the clinical practicum and/or externship/internship program at the Facility.
- C. Forward to the Facility a summary of the Student's training and experience which shall include at least information on the Student's general education and academic standing.
- D. Contact or visit the Facility for the purpose of monitoring Student progress and performance and facilitating information exchange between the University, Facility, and the Student.
- E. Reserve the right to withdraw any Student from assigned clinical practicum and/or externship/internship rotation at the Facility when, in the University's CEC's judgment, the clinical practicum and/or externship/internship experiences no longer meet the needs of the Student.
- F. Provide professional liability through the Arizona Department of Administration Risk Management Division to cover liabilities arising from the acts and omissions of the University's employees and Students participating in this Agreement. If requested, a self-insurance letter will be furnished to the Facility indicating the effective coverage from the Arizona Department of Administration Risk Management Division.
- G. Provide Facility with a statement of expectations and objectives of curricular and clinical education, upon request.
- H. Ensure that Students review and understand their responsibilities under this Agreement as outlined in Appendix A.
- I. If requested by Facility prior to placement of any Student, the University's CEC shall verify that the Student has (i) successfully passed a criminal background check; and (ii) meet all immunization requirements of the Facility.

### III. **FACILITY RESPONSIBILITIES**

The Facility shall:

- A. Provide clinical practicum and/or externship/internship experiences as stated in the objectives of the University and Facility, and provide supervision appropriate to the academic and clinical level of the assigned Student.
- B. Provide appropriate orientation and information regarding the policies, rules and regulations of the Facility to incoming Students.

- C. Make available the physical facilities and other equipment necessary to support the clinical practicum and/or externship/internship experiences.
- D. Retain primary responsibility for its patients/clients/customers.
- E. Complete forms requested by the University, such as but not limited to general information form or student evaluation report.
- F. Request the University to immediately withdraw a Student from assigned clinical practicum and/or externship/internship experience when the Student's performance is unsatisfactory or the Student's behavior is disruptive or detrimental to the Facility and/or violates the Code of Ethics of the discipline, or Facility regulations, policies or procedures.
- G. Provide and/or facilitate emergency care for Students if needed, and the Student intern shall be responsible for the cost of said emergency care.

IV. **MISCELLANEOUS**

- A. Any notice required or permitted hereunder shall be in writing and shall be deemed given if delivered in person, electronic mail with delivery receipt, or three days after mailing, by United States registered or certified mail, postage prepaid, and addressed as follows:

To Facility:

9625 Cuyamaca Street  
Santee,  
CA  
92071  
Phone: 6192582300  
Email: mimi.mcginity@santeesd.net

To University:

College of Health & Human Services  
Office of the Dean  
P.O. Box 15015  
Flagstaff, AZ 86011  
Phone: (928) 523-4331  
Email: CHHS@nau.edu

with a copy to:

Northern Arizona University  
Contracting, Purchasing and Risk Management  
PO Box 4124

Flagstaff, AZ 86011  
Phone: (928) 523-4557  
Email: NAU-Contracts@nau.edu

- B. To the extent required by Arizona Revised Statutes (“A.R.S.”) §35-214, Facility agrees to retain all records relating to this Agreement. Facility further agrees to make those records available at all reasonable times for inspection and audit by University or the Auditor General of the State of Arizona during the term of this Agreement and for a period of five (5) years after the completion of this Agreement. The records shall be provided at Northern Arizona University, Flagstaff, Arizona, or another location designated by University upon reasonable notice to the Facility.
- C. University is an Arizona public institution of higher education and is self-insured through the Arizona Department of Administration Risk Management Division pursuant to A.R.S. §41-621, et seq. and shall maintain adequate insurance to cover any liability arising from the acts and omissions of University’s agents, employees, and Students, arising out of the performance of this Agreement. University shall not be responsible for maintaining insurance coverage for liability arising from the acts and omissions of Facility’s employees or agents. Facility shall maintain adequate insurance to cover any liability arising from the acts and omissions of Facility’s employees or agents arising out of the performance of this Agreement. Facility shall not be responsible for maintaining insurance to cover liability arising from the acts and omissions of employees of University.
- D. The parties agree that either party may terminate this Agreement at any time upon thirty (30) days written notice, which may include electronic mail with delivery receipt, to the other party, except that any Student already assigned to and accepted by the Facility shall be allowed to complete any in-progress clinical practicum and/or externship/internship assignment at the Facility (if feasible), provided, however, that Facility retains the right to require the immediate removal of any Student pursuant to Section III.F.
- E. University’s participation in this Agreement is subject to A.R.S. §38-511 which provides that this Agreement may be cancelled if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of University is, at any time while this Agreement, or any extension thereof, is in effect, an employee or agent of the other party to this Agreement in any capacity or a consultant to any other party with respect to the subject matter of this Agreement. Facility certifies that no such conflict of interest currently exists and that there are no relevant facts or circumstances which could give rise to any actual or potential organizational or personal conflicts of interest.

- F. Pursuant to A.R.S. §12-1518, the parties acknowledge and agree that they may be required to make use of mandatory arbitration of any legal action that is filed in the Arizona Superior Court concerning a controversy arising out of this Agreement if required by A.R.S. §12-133.
- G. University and Facility recognize that student educational records are protected by the federal Family Educational Rights and Privacy Act ("FERPA") (20 U.S.C. § 1232g). Facility agrees to comply with FERPA and to not make any disclosures of student educational records to third parties without prior notice to and consent from the Student or as otherwise provided by law.
- H. Except as otherwise agreed in writing, the parties acknowledge that the relationship created by this Agreement is limited to the Student internship or placement program contemplated herein. Neither party shall make any representations stating or implying that the parties engage in broader transactions or that a party is otherwise associated with the other without first obtaining express written permission from the other party. In addition, neither party shall use any trade name, trademark, service mark, logo, domain name, nor any other distinctive brand feature owned or used by the other party without its express written authorization.
- I. Any other provision of this Agreement to the contrary notwithstanding, the parties acknowledge that University is a public institution, and as such is subject to Arizona Public Record laws, Title 39, Chapter 1, Article 2 of the A.R.S. §§ 39-121 through 39-127, et seq. Any provision regarding confidentiality is limited to the extent necessary to comply with the provisions of state law.
- J. If the University's performance under this Agreement depends upon the appropriation of funds by the Arizona Legislature, and if the Legislature fails to appropriate the funds necessary for performance, then the University may provide written notice of this to the Facility and cancel this Agreement without further obligation of the University. Appropriation is a legislative act and is beyond the control of the University.
- K. Pursuant to A.R.S. §§ 35-393 and 35-393.01, the Facility certifies that the Facility is not currently engaged in and agrees, for the duration of this Agreement, to not engage in a Boycott of Israel.
- L. Each party to this Agreement shall be responsible for each party's own costs for performance of their respective obligations. The parties do not currently anticipate the need for a budget but will create one should the need arise.
- M. If any section, paragraph, subdivision, clause, sentence or phrase of this Agreement



shall for any reason be held illegal or unenforceable, such decision shall not affect the validity of the remaining portions of the Agreement. If any provision of this Agreement contains an ambiguity, which may be construed as either valid or invalid, the valid construction shall prevail.

- N. This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter. No prior or contemporaneous agreement or understanding will be effective.
- O. Any changes or modifications to this Agreement shall be accomplished only by written amendment to this Agreement executed by the duly authorized representatives of the parties.
- P. Neither party shall have the right to assign its rights or obligations under this Agreement without the prior written consent of the other party.

The individual signing below on behalf of the Facility hereby represents and warrants being duly authorized to execute and deliver this Agreement on behalf of the Facility and that this Agreement is binding upon the Facility in accordance with its terms.

Facility: *Santee School District*

University: Arizona Board of Regents for and on behalf of Northern Arizona University

_____ Signature	_____ Date	_____ Signature	_____ Date
_____ Printed Name/Title		Lynda Ransdell, Dean _____ Printed Name/Title	

**APPENDIX A**

**STUDENT RESPONSIBILITY STATEMENT**

This acknowledgment is made by the Student identified below to acknowledge certain duties and responsibilities with regard to participation in a clinical experience in the Arizona Board of Regents for and on behalf of Northern Arizona University ("University") program at the facility where the clinical experience takes place ("Facility").

**DUTIES AND RESPONSIBILITIES OF STUDENT**

1. The Student will complete and be responsible for the cost of providing all health forms and certificates requested by the Facility.
2. The Student will comply with all applicable policies, procedures, and rules of Facility.
3. The Student will participate in orientation, required mandatory education, and skill training as required by Facility.
4. The Student will demonstrate professional behavior appropriate to the environment, including adhering to professional dress code, and maintaining high standards of patient care.
5. The Student will follow the policies, rules, and regulations of Facility, including those regarding confidentiality of protected health information or other confidential information pertaining to patient/client/customer records.
6. The Student's conduct at all times, both at the Facility and outside normal business hours, will be in a personally and professionally ethical manner.
7. The Student will make appropriate arrangements for transportation and housing, if necessary, and be responsible for all travel and living expenses incurred in relation to the clinical experience.
8. The Student understands and agrees that participation will be as a Student and shall not be considered an employee of Facility for any purpose and will receive no compensation or benefits as a Student.
9. The Student agrees that University may share information received from the Student's Criminal Background Check and Drug Testing with Facility, if applicable.
10. The Student will conform to the work schedule of Facility, and make up time and work missed during unavoidable illnesses, in consultation with placement coordinator, clinical education coordinator, or clinical instructor.
11. The Student will obtain prior written approval from University and Facility before publishing or presenting any material relating to the clinical experience outside normal educational settings of the University.

**I HAVE READ AND UNDERSTAND THIS ACKNOWLEDGMENT AND AGREE TO ABIDE BY ITS TERMS AND CONDITIONS:**

Student Name: \_\_\_\_\_  
(Please type or print)

\_\_\_\_\_  
Student Signature

\_\_\_\_\_  
Date

**BACKGROUND:**

The following personnel appointments, changes of status, leave requests, resignations, dismissals and consultant requests are submitted for Board consideration. Italicized information indicates a change.

**Certificated Staff**

A. New Appointments:

Employee	Location	Class/Step/Position #	Previous Annual Salary	New Annual Salary	Effective Date
1. Gunter, Denise	Rio Seco	V-11 #10321462	\$0.00	\$76,816.00	08-15-19
2. Hobbs, Spencer	Pepper Drive	IV-01 #10321462	\$0.00	\$51,009.00	08-19-19

B. Temporary Rehires:

Employee	Location	Class/Step/Position #	Previous Annual Salary	New Annual Salary	Effective Date
1. Novotny, Juline	Carlton Hills	III-01 to III-02 #30013194	\$51,009.00	\$51,009.00	08-14-19

C. Change of Status/Location:

Employee	Location	Class/Step/Position #	Previous Annual Salary	New Annual Salary	Effective Date
1. Bernard, Kara	Hill Creek	IV-04 to V-04 #30002023	\$56,445.00	\$60,477.00	08-14-19
2. Boerman, Julie	PRIDE Academy	IV-10 to V-10 #10321414	\$69,177.00	\$74,482.00	08-14-19
3. Droegemeier, Joanna	Hill Creek	IV-04 to V-04 #30002862	\$56,445.00	\$60,477.00	08-14-19
4. Enslow, Erin	Rio Seco	III-03 to IV-03 #10321465	\$51,009.00	\$54,323.00	08-14-19
5. O'Connell, Tara	PRIDE Academy	VI-13 0.8 FTE to 1.0 FTE #10321413	\$70,280.00	\$87,851.00	08-14-19
6. Rowan, Michael	Educational Resource Center	V-12 to VI-12 #30009122	\$79,151.00	\$85,304.00	08-14-19
7. Sciarretta, Allison	Carlton Hills	IV-03 to V-03 #10321186	\$54,323.00	\$58,143.00	08-14-19
8. Strickland, Shawna	Rio Seco	IV-04 to V-04 #10321472	\$56,445.00	\$60,477.00	08-14-19

D. Unpaid Leave Requests:

Employee	Location	Class/Step	Reason	Recommendation	Effective Date

E. Resignations:

Employee	Location	Class/Step	Reason	Effective Date

F. 39-Month Reemployment:

Employee	Location	Class/Step	Reason	Effective Date

G. Dismissals:

Employee	Location	Class/Step	Effective Date

## Classified Staff

### H. New Appointments:

Employee	Location	Position/Class/Hours/ Position #	Previous Monthly Salary	New Monthly Salary	Effective Date
1. Arizmendi, Ruth	Chet F. Harritt	Instructional Assistant, Special Ed II 21 A / 6.0 hrs #30012205	\$0.00	\$2,119.00	08-21-19
2. Diveley, Gavin	Rio Seco	Project SAFE Assistant 17 A / 3.5 hrs #10325004	\$0.00	\$1,016.93	08-21-19
3. Flanagan, Jodi	Cajon Park	Health Clerk 23.5 A / 8.0 hrs #10327258	\$0.00	\$3,192.80	08-21-19
4. Gray, Megan	PRIDE Academy	Campus Aide 15 A / 2.0 hrs #30004633	\$0.00	\$526.93	08-21-19
5. Hood, Kayla	Carlton Hills	Instructional Assistant, Special Ed II 21 A / 6.0 hrs #10327223	\$0.00	\$2,119.00	08-21-19
6. Holstein, Allison	PRIDE Academy	Community Liaison 20 A / 3.0 hrs #30012196	\$0.00	\$1,008.80	08-21-19
7. Johnson, Barbara	Chet F. Harritt	Instructional Assistant, Special Ed II 21 A / 6.0 hrs #30012206	\$0.00	\$2,119.00	08-21-19
8. Lopez, Monica	Transportation	Bus Driver I 25 A / 6.0 hrs #10326228	\$0.00	\$2,576.60	08-21-19
9. Nevarez, Amanda	Chet F. Harritt	Student Support Assistant 27.5 A / 6.0 hrs #30012203	\$0.00	\$2,912.00	08-21-19
10. Roth, Charleeanna	Hill Creek	Instructional Assistant, Special Ed II 21 A / 6.0 hrs #30012239	\$0.00	\$2,119.00	08-21-19
11. Shirey, Nichole	Carlton Hills	Instructional Assistant, Special Ed II 21 A / 6.0 hrs #30007625	\$0.00	\$2,119.00	08-21-19
12. Wilson, Merik	Hill Creek	Project SAFE Assistant 17 A / 3.0 hrs #10325014	\$0.00	\$871.65	08-21-19
13. Workman, Kaylynn	PRIDE Academy	Instructional Assistant I 19 A / 3.0 hrs #10327020	\$0.00	\$960.70	08-21-19

### I. Rehires:

Employee	Location	Position/Class/Hours/ Position #	Previous Monthly Salary	New Monthly Salary	Effective Date
1. Corona, Alondra	Sycamore Canyon	Instructional Assistant, Special Ed II 20 A / 3.0 hrs #10327159	\$1,008.80	\$1,008.80	08-21-19

## Classified Staff continued

J. Change of Status/Location:

Employee	Location	Position/Class/Hours/ Position #	Previous Monthly Salary	New Monthly Salary	Effective Date
1. Conley, Jerri	Rio Seco to <i>Carlton Hills</i>	Instructional Assistant, Special Ed II 21 E / 6.0 hrs to 21 E / 6.0 hrs #10327226	\$2,885.79	\$2,885.79	08-21-19
2. Hernandez, Abraham	Carlton Oaks to <i>Cajon Park</i>	Instructional Assistant, Special Ed II 21 B / 6.0 hrs to 21 B / 6.0 hrs #30004805	\$2,225.60	\$2,225.60	08-21-19
3. Murray, Diane	Hill Creek	Early Childhood Group Leader I 19.5 E / 8.0 hrs to <i>Early Childhood Group Leader II</i> 24 C / 8.0 hrs #30012505	\$3,717.15	<i>\$4,197.68</i>	08-05-19
4. Parker, Tiffany	Sycamore Canyon	Instructional Assistant, Special Ed II 21 C / 3.75 hrs to 21 C / 6.25 hrs #10327178	\$1,461.03	<i>\$2,434.64</i>	08-21-19
5. Smith, Samantha	Cajon Park to <i>Hill Creek</i>	Instructional Assistant, Special Ed II 21 E / 6.0 hrs to 21 E / 6.0 hrs #30008384	\$2,576.60	\$2,576.60	08-21-19
6. Stotler, Sondra	Transportation	Van Driver 22 B / 6.75 hrs to <i>Bus Driver I</i> 25 A / 6.0 hrs #10326217	\$2,629.73	<i>\$2,576.60</i>	08-21-19

K. Unpaid Leave Requests:

Employee	Location	Position/Class/Hours	Reason	Recommendation	Effective Date

L. Resignations:

Employee	Location	Position	Reason	Effective Date
1. Ironside, Wendi	Carlton Hills	Instructional Assistant, Special Ed II	Resignation	06-13-19
2. Molzen, David	Maintenance & Operations	Craftworker II	Retirement	08-24-19
3. Oropeza, Isabel	Cajon Park	Campus Aide	School	06-13-19
4. Oropeza, Katelyn	Pepper Drive	Campus Aide	School	09-07-19

M. 39-63 Month Reemployment:

Employee	Location	Position/Class/Hours	Effective Date

N. Dismissals:

Employee	Location	Position	Effective Date

**RECOMMENDATION:**

It is recommended that the Board of Education approve the listed personnel appointments, changes of status, leave requests, resignations, dismissals, and consultants.

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

Agenda Item D.4.1.

Consent Item D.4.2.

Approval to Increase Work Hours and Year for  
Identified Classified Non-Management Positions

Prepared by Tim Larson  
September 3, 2019

**BACKGROUND:**

Due to the increase in enrollment, administration has determined that an increase in work year for a current Early Childhood Group Leader I position is required to support the OST program at Hill Creek School (YALE). In addition, the Out-of-School Time Program has recommended to increase work hours for a 2.75-hour Project SAFE Assistant position to 3.75 hours due to increased enrollment.

All employees currently working in these positions will receive the opportunity to transfer into the increased hours.

**RECOMMENDATION:**

It is recommended that the Board of Education approve to increase work hours for the following positions effective September 4, 2019:

- Increase one (1) Early Childhood Group Leader I position at Hill Creek School (YALE) from 6-months to 9-months
- Increase one (1) Project SAFE Assistant position from 2.75 hours to 3.75 hours at Pepper Drive School

**FISCAL IMPACT:**

The annual cost to increase work year for the Early Childhood Group Leader I position will be \$5,483. The increase will be paid for by the fee-based program. The annual cost to increase work hours for the Project SAFE position will be \$5,485. The increase will be paid for by the Out-of-School Time Program.

**STUDENT ACHIEVEMENT IMPACT:**

It is the District's intention to provide support for all students and support programs.

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

Agenda Item D.4.2.

**Item E. DISCUSSION AND/OR ACTION ITEMS**

Agenda Item E.

Discussion and/or Action Item E.1.1.  
Prepared by Karl Christensen  
September 3, 2019

Adoption of Resolution No. 1920-04 of the Board of Education of the Santee School District Declaring Results and Certifying Proceedings of School Bond Election Held November 6, 2018

**BACKGROUND:**

On November 6, 2018, the voters of the District approved Measure S, authorizing the District to issue up to \$15,370,000 in aggregate principal of bonds for authorized projects.

The Registrar of Voters of the County of San Diego has submitted to the District a certification of results of the canvass of the votes cast in said bond election, showing the votes cast for and against Measure S (the "Statement of Election Results"). The Statement of Election Results show that 60.66% of voters in the District voted in support of Measure S.

**RECOMMENDATION:**

It is recommended that the Board of Education adopt Resolution No. 1920-04, thereby entering the election results in the minutes.

This recommendation supports the following District goal(s):

<b>SUPPORTED</b>	<b>STRATEGIC OBJECTIVE</b>	<b>DESCRIPTION</b>
✓	Learning Environment	Provide a safe, engaging environment that promotes creativity, innovation, and personalized learning
✓	Fiscal Accountability	Financially support the vision, mission, and goals of the District by maximizing resources, controlling expenses, and managing assets to ensure fiscal solvency and flexibility

**FISCAL IMPACT:**

None.

**STUDENT ACHIEVEMENT IMPACT:**

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

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

Agenda Item E.1.1.



**RESOLUTION NO. 1920-04**

**RESOLUTION OF THE BOARD OF EDUCATION OF THE  
SANTEE SCHOOL DISTRICT DECLARING RESULTS AND  
CERTIFYING PROCEEDINGS OF SCHOOL BOND  
ELECTION HELD NOVEMBER 6, 2018**

**WHEREAS**, at a meeting duly called and held on May 15, 2018, this Board of Education (the “Board”) of the Santee School District (the “District”) duly adopted a resolution (the “Resolution Ordering School Bond Election”) ordering an election be held on November 6, 2018, on the question of authorizing the issuance of bonds of the District in the aggregate principal amount of \$15,370,000; and

**WHEREAS**, the Superintendent of Schools of the County of San Diego has jurisdiction over the District; and

**WHEREAS**, on or before August 10, 2018, being no fewer than 88 days before the date of said bond election, this Board caused to be delivered to the Registrar of Voters of the County of San Diego (the “County”) and the Clerk of the Board of Supervisors of the County one or more certified copies of the Resolution Ordering School Bond Election, containing specifications of the election order; and

**WHEREAS**, within the Resolution Ordering School Bond Election, this Board requested the consolidation of said bond election with such other elections as may be held on the same date in territory partly or wholly the same; and

**WHEREAS**, on the date of said election, November 6, 2018, a statewide general election was conducted throughout the District, and the District’s school bond measure (the “Measure”) was submitted to the electors of the District; and

**WHEREAS**, the Registrar of Voters of the County has submitted to this Board a certified statement of the votes cast in said bond election, showing the votes cast for and against the Measure (the “Statement of Election Results”); and

**NOW, THEREFORE**, the Board of Education of the Santee School District, does hereby find, resolve, determine and order, as follows:

1. All of the above recitals are true.
2. The Statement of Election Results, certified by the Registrar of Voters of the County, is hereby received, confirmed, approved and entered upon the minutes of this meeting.
3. It appears from the Statement of Election Results that at least 55% of all the votes cast at the election on the Measure were in favor of the Measure, and this Board hereby declares the Measure approved.

4. All proceedings had in the premises by this Board and the officers of the District with respect to the election on the Measure are hereby certified by this Board to the Board of Supervisors of the County.

5. The Clerk of this Board is hereby directed to deliver a copy of this Resolution certified as to its due adoption, together with a copy of the certified Statement of Election Results, to the Superintendent of Schools of the County, and such documents together shall constitute and be deemed the report required by Education Code Section 15111.

6. The Superintendent of Schools of the County is hereby requested to send a copy of the Statement of Election Results to the Board of Supervisors of the County, in accordance with Education Code Section 15124.

7. The Clerk of this Board is hereby directed to file a certified copy of this Resolution with the Board of Supervisors of the County.

**PASSED AND ADOPTED** this day, September 3, 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

---

Ken Fox, President  
of the Board of Education  
of the Santee School District

ATTEST:

---

Barbara Ryan, Clerk  
of the Board of Education  
of the Santee School District

**CLERK'S CERTIFICATE**

I, Barbara Ryan, Clerk of the Board of Education of the Santee School District, County of San Diego, California, hereby certify as follow:

The attached is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Education of the District duly and regularly held at the regular meeting place thereof on September 3, 2019, and entered in the minutes thereof, of which meeting all of the members of the Board of Education had due notice and at which a quorum thereof was present; and at that 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 said meeting at 9625 Cuyamaca Street, Santee, California, a location freely accessible to members of the public, and a brief description of the resolution appeared on the agenda. A copy of the agenda is attached hereto.

I have carefully compared the same with the original minutes of the meeting on file and of record in my office. The resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this \_\_\_\_ day of \_\_\_\_\_, 2019.

---

Barbara Ryan, Clerk  
of the Board of Education  
Santee School District

Discussion and/or Action Item E.1.2.  
Prepared by Karl Christensen  
September 3, 2019

Adoption of Resolution No. 1920-05 of the Board of Education of the Santee School District Requesting Cancellation of Unissued Measure R Bonds by the Board of Supervisors and Authorizing the Issuance and Sale of Not to Exceed \$15,370,000 Aggregate Principal Amount of Bonds of Santee 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 Continuing Disclosure Certificate, a Paying Agent Agreement and an Investment Management Agreement, Approving the Form of and Authorizing the Distribution of an Official Statement for the Bonds, and Authorizing the Execution of Necessary Documents and Certificates and Related Actions

**BACKGROUND:**

On November 7, 2006, the voters of the District approved Measure R, authorizing the District to issue up to \$60,000,000 in aggregate principal of bonds for authorized projects. The District has issued five series of bonds under Measure R, leaving \$15,371,421 principal amount of Measure R Bonds which have been authorized but unissued by the District (the “Unissued Measure R Bonds”).

Due to the need to continue the renovation and construction of District educational projects, the voters of the District approved Measure S on November 6, 2018, authorizing the District to issue up to \$15,370,000 in aggregate principal of bonds for authorized projects.

The Board of Education is requested to adopt the above-referenced resolution authorizing the issuance of the first series of bonds (the “Series 2019 Bonds”) under the Measure S in an aggregate principal amount not exceeding \$15,370,000. In order to ensure that the issuance of the bonds under Measure S will not result in an increase in the total District bonded indebtedness authorized pursuant to Measure R, the Board of Education of the District has covenanted to cancel an amount of Unissued Measure R Bonds equal to the aggregate principal amount of the Series 2019 Bonds issued.

The Series 2019 Bonds will be sold and issued by the District. Dale Scott & Company will serve as the municipal advisor for the transaction, and Orrick, Herrington & Sutcliffe LLP will serve as bond counsel and disclosure counsel. RBC Capital Markets, LLC will serve as the underwriter.

The Board of Education is asked to approve the resolution referenced above to effect the issuance of the Series 2019 Bonds and approve various documents and actions, as follows:

1. **Resolution.** The resolution authorizes the issuance of the Series 2019 Bonds and establishes parameters for the terms thereof, approves the forms of and authorize the execution and delivery of the financing documents (including the Bond Purchase Agreement and the Continuing Disclosure Certificate), approves the form of and authorize the distribution of the official statement (in preliminary and final form), and sets forth the security provisions for the Series 2019 Bonds and the covenants of the District to bond owners.
2. **Petition for Cancellation of Unissued Measure R Bonds.** The Petition to the Board of Supervisors will be filed with the Clerk of the Board of Supervisors of the County. All costs and expenses incurred by the County in connection with the proceedings for the cancellation of the Unissued Measure R Bonds shall be borne by the District.
3. **Bond Purchase Agreement.** The Bond Purchase Agreement will specify the purchase price of the Series 2019 Bonds to be paid by the underwriter, the interest rates, maturity dates and principal amounts of each maturity of the Series 2019 Bonds, the date, time and place of the closing of the bond issue, the allocation of the expenses incurred in connection with the bond issue, the parties' representations to and agreements with each other and the conditions which the school district must satisfy before the underwriter becomes obligated to purchase the Series 2019 Bonds.
4. **Continuing Disclosure Certificate.** Federal securities laws indirectly require school districts to disclose and annually update certain financial and operating information relevant to the security and repayment of Series 2019 Bonds. The Continuing Disclosure Certificate contains the undertakings of the District to provide the ongoing disclosure in the form of annual reports and event notices.
5. **Paying Agent Agreement.** The Paying Agent sets forth the terms under which the County, through the office of the Treasurer-Tax Collector of the County, will act as authenticating agent, bond registrar, transfer agent and paying agent for the Series 2019 Bonds.
6. **Investment Management Agreement.** The Investment Management Agreement authorizes the County, through the office of the Treasurer-Tax Collector of the County, to manage the investment of proceeds of the Series 2019 Bonds.
7. **Official Statement.** The Official Statement (in its preliminary and final form) is used to provide information to investors and prospective investors about

the District and the Series 2019 Bonds. The Series 2019 Bonds constitute securities for purposes of state and federal securities laws and, therefore, the offering and sale of the Series 2019 Bonds through the Official Statement is subject to certain provisions of such laws, including, importantly, the anti-fraud laws. The Official Statement sets forth information about the terms of the Series 2019 Bonds, the security for the Series 2019 Bonds, the sources and uses of the proceeds of the Series 2019 Bonds, the school district and the tax base of the school district, the documents under which the Series 2019 Bonds are issued, and the tax-exemption of interest on the Series 2019 Bonds.

**RECOMMENDATION:**

It is recommended that the Board of Education adopt Resolution No. 1920-05 and authorize staff to take the necessary steps to complete the financing.

This recommendation supports the following District goal(s):

SUPPORTED	STRATEGIC OBJECTIVE	DESCRIPTION
✓	Learning Environment	Provide a safe, engaging environment that promotes creativity, innovation, and personalized learning
✓	Fiscal Accountability	Financially support the vision, mission, and goals of the District by maximizing resources, controlling expenses, and managing assets to ensure fiscal solvency and flexibility

**FISCAL IMPACT:**

The Series 2019 Bonds will be paid from taxes on property within the District levied and collected by the County. The Series 2019 Bonds will finance projects authorized by the voters under Measure S at the November 6, 2018 election.

**STUDENT ACHIEVEMENT IMPACT:**

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

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

Agenda Item E.1.2.

**RESOLUTION NO. 1920-05**

**RESOLUTION OF THE BOARD OF EDUCATION OF THE SANTEE SCHOOL DISTRICT REQUESTING CANCELLATION OF UNISSUED MEASURE R BONDS BY THE BOARD OF SUPERVISORS AND AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$15,370,000 AGGREGATE PRINCIPAL AMOUNT OF BONDS OF SANTEE 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 CONTINUING DISCLOSURE CERTIFICATE, A PAYING AGENT AGREEMENT AND AN INVESTMENT MANAGEMENT AGREEMENT, APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT FOR THE BONDS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS**

**WHEREAS**, on November 7, 2006, an election was duly called and regularly held within the boundaries of the Santee School District (the "District"), located in the County of San Diego (the "County"), on the proposition of authorizing the issuance of bonds of the District in the aggregate principal amount of \$60,000,000 (the "Measure R"); and

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

**WHEREAS**, the District has issued five series of bonds under Measure R (the "Measure R Bonds"), in the principal amounts of \$18,000,000, \$12,385,076.75, \$2,869,039.35, \$7,840,155.20 and \$3,534,306.75, leaving \$15,371,421 principal amount of Measure R Bonds which have been authorized but unissued by the District (the "Unissued Measure R Bonds"); and

**WHEREAS**, Section 15268 of the California Education Code (the "Education Code") requires that at the time of issuance of any series of Measure R Bonds, the District must project that the tax rate levied to pay debt service on such Measure R Bonds, together with debt service due on other series of Measure R Bonds which have previously been issued, will not exceed \$30 per year per \$100,000 of taxable property when projected by the District to increase in accordance with Article XIII A of the California Constitution; and

**WHEREAS**, as a result of the general economic downturn commencing in 2008 and resulting declines in the assessed valuations of property in the District, the Board of Education (the "Board of Education") of the District has determined that, due to the limitations imposed by Section 15268 of the Education Code, the District will not in the immediate future be able to make such tax rate projections and therefore will be prevented from issuing all of the Unissued Measure R Bonds; and

**WHEREAS**, since there is a need to continue the renovation and construction of District educational projects, the Board of Education called an election held in the District on November

6, 2018, at which the following proposition (as abbreviated pursuant to Section 13247 of the California Elections Code) was submitted to the electors of the District (the “Bond Measure”):

*“To construct, modernize, update and equip Santee elementary and junior high school classrooms and educational facilities, shall \$15,370,000 of Santee School District bonds, approved by voters in 2006, be reauthorized as new bonds, with legal rates, projected average annual levies of \$0.03 per \$100 of assessed valuation for approximately eight years (an estimated \$2.2 million raised annually), citizens’ oversight, audits, no increase in total District debt, and all funds spent locally and not taken by the State?”*

and

**WHEREAS**, passage of the Bond Measure required at least a 55% affirmative vote of the votes cast therein, and at least 55% of the votes cast on the Bond Measure were in favor of issuing said bonds; and

**WHEREAS**, in order to ensure that the issuance of bonds of the District authorized under the Bond Measure (the “Reauthorized Bonds”) will not result in an increase in the total District bonded indebtedness authorized pursuant to Measure R, the Board of Education has covenanted that (a) prior to issuing any series of Reauthorized Bonds, the Board of Education will take all actions which are required to petition the Board of Supervisors of the County (the “Board of Supervisors”) to cancel a like aggregate principal amount of Unissued Measure R Bonds, and (b) under all circumstances, not to authorize the issuance of or issue any Unissued Measure R Bonds or Reauthorized Bonds if such issuance would cause the aggregate principal amount of all of the Measure R Bonds which are issued by the District, together with the aggregate principal amount of the Reauthorized Bonds which are issued by the District, to exceed \$60,000,000; and

**WHEREAS**, at this time, the Board of Education deems it necessary and desirable to authorize and consummate the sale of a portion of the Reauthorized Bonds, designated the “Santee School District (San Diego County, California) General Obligation Bonds, Election of 2018, Series 2019” (the “Series 2019 Bonds”), with such additional or other series or subseries designations as may be approved as herein provided, in an aggregate principal amount not exceeding \$15,370,000, for purposes of financing projects authorized to be financed under the Bond Measure, according to the terms and in the manner hereinafter set forth; and

**WHEREAS**, at this time the Board of Education deems it necessary and desirable to take all actions which are necessary to formally petition the Board of Supervisors to cancel an amount of Unissued Measure R Bonds equal to the aggregate principal amount of the Series 2019 Bonds issued hereunder and such petition shall be submitted immediately upon pricing the Series 2019 Bonds; 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 2019 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; and

**WHEREAS**, the Board of Education has determined that securing the timely payment of the principal of and interest on the Series 2019 Bonds by obtaining a municipal bond insurance policy with respect thereto could be economically advantageous to the District; 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 2019 Bonds proposed to be entered into with RBC Capital Markets, LLC, as underwriter (the “Underwriter”) 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 2019 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 2019 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 District desires the County, through the office of the Treasurer-Tax Collector of the County, to serve as paying agent for the Series 2019 Bonds pursuant to a 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 District Resolution, being referred to herein as the “Paying Agent Agreement”), by and between the District and the County, a form of which has been prepared; and

**WHEREAS**, the County, through the office of the Treasurer-Tax Collector of the County, will manage the investment of proceeds of the Series 2019 Bonds pursuant to an Investment Management Agreement (such Investment Management Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this District Resolution, being referred to herein as the “Investment Management Agreement”), by and between the District and the County, 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 2019 Bonds has been prepared (such Preliminary Official Statement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Preliminary Official Statement”); and

**WHEREAS**, Government Code Section 5852.1 requires that the Board of Education obtain from an underwriter, financial advisor or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

**WHEREAS**, in compliance with Government Code Section 5852.1, the Board of Education has obtained from Dale Scott & Company, as financial advisor under Education Code Section 15146(b)(1)(C) and as municipal advisor under Section 15B of the Securities Exchange Act of 1934 (the “Municipal Advisor”), and from the Underwriter the required good faith estimates and such estimates are disclosed and set forth on Exhibit A attached hereto; and

**WHEREAS**, the District has previously adopted a local debt policy (the “Debt Management Policy”) that complies with Government Code Section 8855(i), and the District’s sale and issuance of the Series 2019 Bonds as contemplated by this Resolution is in compliance with the Debt Management Policy; and

**WHEREAS**, the Board of Education has been presented with the form of each document referred to herein relating to the financing contemplated hereby, and the Board of Education 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 2019 Bonds, and intends by the adoption of this Resolution to notify the Board of Supervisors, the Auditor-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 principal of and interest on the Series 2019 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 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 Education of the Santee School District, as follows:

**Section 1. Recitals.** All of the above recitals are true and correct and the Board of Education 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-Controller”** means the Auditor-Controller of the County or any authorized deputy thereof.

**“Authorized Officers”** means the President of the Board of Education, or such other member of the Board of Education as the President may designate, the Superintendent of the District, the Assistant Superintendent, Business Services of the District, or such other officer or employee of the District as the Superintendent may designate.

**“Board of Education”** means the Board of Education 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 2019 Bonds by and between the District and the Underwriter in accordance with the provisions hereof.

**“Bonds”** means all bonds, including refunding bonds, of the District heretofore or hereafter issued pursuant to voter approved measures of the District, including bonds approved by the voters of the District pursuant to Measure R and the Bond Measure, as all such Bonds are required by State law to be paid from the interest and sinking fund.

**“Cede & Co.”** means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2019 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 2019 Bonds.

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

**“District”** means the Santee 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 2019 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, 2020, or such other dates as may be set forth in the Bond Purchase Agreement.

**“Investment Agreement”** shall have the meaning set forth in Section 15 hereof.

**“Investment Management Agreement”** means the Investment Management Agreement relating to the Series 2019 Bonds by and between the District and the County in accordance with the provisions hereof.

**“Official Statement”** means the Official Statement of the District relating to the Series 2019 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 2019 Bond, the person whose name appears on the Registration Books as the registered Owner thereof.

**“Paying Agent”** means the County acting through the office of 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 2019 Bonds in accordance with Section 8 hereof.

**“Paying Agent Agreement”** means the Paying Agent Agreement relating to the Series 2019 Bonds by and between the District and the County in accordance with the provisions hereof.

**“Preliminary Official Statement”** means the Preliminary Official Statement of the District relating to the Series 2019 Bonds.

**“Record Date”** means, with respect to any Interest Payment Date for the Series 2019 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 2019 Bonds maintained by the Paying Agent in accordance with Section 8(e) hereof.

**“Series 2019 Bonds”** means the bonds authorized and issued pursuant to this Resolution, in one or more series or subseries, designated the “Santee School District (San Diego County, California) General Obligation Bonds, Election of 2018, Series 2019,” 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 Series 2019 Bonds not issued as Taxable Bonds, executed by the District, dated the date of issuance of such Series 2019 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 2019 Bonds the interest on which is not Tax-Exempt.

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

“**Underwriter**” means RBC Capital Markets, LLC, as underwriter.

**Section 3. Authorization and Designation of Bonds; Petition for Cancellation of Unissued Measure R Bonds.** (a) *Authorization and Designation of Bonds.* The Series 2019 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 Education hereby authorizes the issuance and sale, by a negotiated sale, of not to exceed \$15,370,000 aggregate principal amount of Series 2019 Bonds. The Series 2019 Bonds may be issued in one or more series or subseries and shall be designated “Santee School District (San Diego County, California) General Obligation Bonds, Election of 2018, Series 2019,” with appropriate additional or other series or subseries designations as approved by an Authorized Officer. The proceeds of the Series 2019 Bonds, exclusive of any premium and accrued interest received, shall be applied to finance projects authorized to be financed under the Bond Measure.

(b) *Petition for Cancellation of Unissued Measure R Bonds.* The Board of Education hereby petitions the Board of Supervisors of the County to initiate, undertake and complete proceedings for the cancellation of Unissued Measure R Bonds in the aggregate principal amount equal to the aggregate principal amount of the Series 2019 Bonds issued hereunder. Such proceedings shall be taken pursuant to the provisions of Section 15200 *et seq.* of the Education Code. In accordance with Section 15200 of the Education Code, the Board of Education hereby approves a petition to the Board of Supervisors, substantially in the form attached hereto as Exhibit B, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve. Following the completion and execution of such petition immediately upon pricing the Series 2019 Bonds, the Clerk of the Board shall cause this Resolution and the signed petition to be filed with the Clerk of the Board of Supervisors of the County. All costs and expenses incurred by the County in connection with the proceedings for the cancellation of Unissued Measure R Bonds shall be borne by the District.

**Section 4. Form of Bonds; Execution.** (a) *Form of Series 2019 Bonds.* The Series 2019 Bonds shall be issued in fully registered form without coupons. The Series 2019 Bonds and the certificate of authentication and registration and the form of assignment to appear on each of them, shall be in substantially the form attached hereto as Exhibit C, with necessary or appropriate variations, omissions and insertions as permitted or required by this Resolution.

(b) *Execution of Bonds.* The Series 2019 Bonds shall be signed by the manual or facsimile signatures of the President of the Board of Education, and countersigned by the manual or facsimile signature of the Clerk of the Board of Education. The Series 2019 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 2019 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 2019 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 2019 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 2019 Bonds.* The Series 2019 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 2019 Bonds shall be issued in denominations of \$5,000 principal amount or any integral multiple thereof.

(c) *Maturity.* The Series 2019 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 2019 Bond shall mature later than the date which is 30 years from the date of the Series 2019 Bonds, to be determined as provided in subsection (a) of this Section. No Series 2019 Bond shall have principal maturing on more than one principal maturity date.

(d) *Interest.* The Series 2019 Bonds shall bear interest at an interest rate or rates 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 2019 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 2019 Bond, interest is in default on any outstanding Series 2019 Bonds, such Series 2019 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 2019 Bonds.

(e) *Interest; Tax-Exempt or Taxable.* Each series of Series 2019 Bonds may be issued such that the interest on such series of Series 2019 Bonds is Tax-Exempt or such that the interest on such series of Series 2019 Bonds is not Tax-Exempt. The Board of Education hereby finds and determines that, pursuant to Section 5903 of the Government Code, the interest payable on each

series of Series 2019 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 2019 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 2019 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 2019 Bonds in such year, and to pay from such taxes all amounts due on the Series 2019 Bonds. The District hereby requests the Board of Supervisors of the County to annually levy a tax upon all taxable property in the District sufficient to redeem the Series 2019 Bonds, and to pay the principal, redemption premium, if any, and interest thereon, and all fees and expenses of the Paying Agent as permitted by Section 15232 of the Education Code, as and when the same become due.

(b) *Principal.* The principal of the Series 2019 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 2019 Bonds shall be payable on each Interest Payment Date in lawful money of the United States of America to the Owner thereof as of the Record Date preceding such Interest Payment Date, such interest to be paid by check or draft mailed on such Interest Payment Date (if a business day, or on the next business day if the Interest Payment Date does not fall on a business day) to such Owner at such Owner's address as it appears on the Registration Books or at such address as the Owner may have filed with the Paying Agent for that purpose except that the payment shall be made by wire transfer of immediately available funds to any Owner of at least \$1,000,000 of outstanding Series 2019 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 2019 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 2019 Bonds. The obligation for repayment of the Series 2019 Bonds is the sole obligation of the District.

(f) *Pledge of Taxes.* The District hereby pledges all revenues from the property taxes collected from the levy by the Board of Supervisors of the County for the payment of Bonds of the District and amounts on deposit in the interest and sinking fund of the District to the payment of the principal or redemption price of and interest on the Bonds. This pledge shall be valid and binding from the date hereof for the benefit of the owners of the Bonds and successors thereto. The property taxes and amounts held in the interest and sinking fund of the District shall be immediately subject to this pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in the interest and sinking fund of

the District to secure the payment of the Bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. The pledge is an agreement between the District and the owners of Bonds to provide security for the Bonds in addition to any statutory lien that may exist, and the Bonds secured by the pledge are or were issued to finance one or more of the projects specified in the applicable voter-approved measure.

(g) *Insurance.* The payment of principal of and interest on all or a portion of the Series 2019 Bonds may be secured by a municipal bond insurance policy as shall be described in the Bond Purchase Agreement. The Bond Purchase Agreement may provide that no municipal bond insurance policy shall be obtained. The Authorized Officers are each hereby authorized and directed to qualify the District for municipal bond insurance for the Series 2019 Bonds and authorize that such insurance be obtained if the present value cost of such insurance is less than the present value of the estimated interest savings with respect to the Series 2019 Bonds. The Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver a contract or contracts for such insurance if such contract is deemed by the Authorized Officer executing the same to be in the best interests of the District, such determination to be conclusively evidenced by such Authorized Officer's execution and delivery of such contract. If the Authorized Officers so deem and obtain municipal bond insurance, and such insurance is issued by a mutual insurance company, the Authorized Officers are each hereby authorized and directed to enter into any required mutual insurance agreement substantially in such insurer's standard form with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of such agreement by such Authorized Officer.

**Section 7. Redemption Provisions.** (a) *Optional Redemption.* The Series 2019 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 the Series 2019 Bonds shall not be subject to optional redemption.

(b) *Selection.* If less than all of the Series 2019 Bonds, if any, are subject to such redemption and are called for redemption, such Series 2019 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 2019 Bonds of any given maturity are called for redemption, the portions of such Series 2019 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 2019 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 or as otherwise directed by the District by the amount of any Series 2019 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 2019 Bonds shall not be subject to mandatory sinking fund redemption. The Auditor-Controller is hereby authorized to create such sinking funds or accounts for the term Series 2019 Bonds as shall be necessary to accomplish the purposes of this Section.

(d) *Notice of Redemption.* Notice of any redemption of the Series 2019 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 2019 Bonds and the date of issue of the Series 2019 Bonds; (iii) the redemption date; (iv) the redemption price; (v) the series of Series 2019 Bonds and the dates of maturity or maturities of Series 2019 Bonds to be redeemed; (vi) if less than all of the Series 2019 Bonds of a series of any maturity are to be redeemed, the distinctive numbers of the Series 2019 Bonds of each maturity of such series to be redeemed; (vii) in the case of Series 2019 Bonds of a series redeemed in part only, the respective portions of the principal amount of the Series 2019 Bonds of each maturity of such series to be redeemed; (viii) the CUSIP number, if any, of each maturity of Series 2019 Bonds of a series to be redeemed; (ix) a statement that such Series 2019 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 2019 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 2019 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 2019 Bonds called for redemption is set aside for the purpose as described in subsection (g) of this Section, the Series 2019 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 2019 Bonds at the place specified in the notice of redemption, such Series 2019 Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Series 2019 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 2019 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 2019 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 2019 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 2019 Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

(g) *Funds for Redemption.* Prior to or on the redemption date of any Series 2019 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 2019 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 2019 Bonds to be redeemed upon presentation and surrender of such Series 2019 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 2019 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 2019 Bonds, the monies shall be held in or returned or transferred to the interest and sinking fund of the District for payment of any outstanding Bonds of the District payable from such fund; provided, however, that if the monies are part of the proceeds of Bonds of the District, the monies shall be transferred to the fund created for the payment of principal of and interest on such Bonds. If no such Bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

(h) *Defeasance of 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 2019 Bonds all or any part of the principal, interest and premium, if any, on the Series 2019 Bonds at the times and in the manner provided herein and in the Series 2019 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 and the County 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 2019 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 2019 Bonds, but only out of monies on deposit in the interest and sinking fund or otherwise held in trust for such payment; and provided further, however, that the provisions of subsection (i) of this Section shall apply in all events.

For purposes of this Section, the District may pay and discharge any or all of the Series 2019 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 2019 Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

(i) *Unclaimed Monies.* Any money held in any fund created pursuant to this Resolution, or by the Paying Agent or an escrow agent in trust, for the payment of the principal of, redemption premium, if any, or interest on the Series 2019 Bonds and remaining unclaimed for two years after the principal of all of the Series 2019 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 Education does hereby consent to and confirm the appointment of the County, acting through the office of the Treasurer, to act as the initial paying agent for the Series 2019 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 2019 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) *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 Officers are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver the Paying Agent Agreement in substantially said form, with such changes, insertions and omissions as the Authorized Officer 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 Officer.

(c) *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 the Treasurer of the County, including his or her designated agents, or any bank, trust company, national banking association or other financial institution doing business in and having a corporate trust office in California, with at least \$50,000,000 in net assets.

(d) *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 2019 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, which includes the office of the Treasurer of the County, or the office of his or her designated agents, if the Treasurer of the County is acting in the capacity of Paying Agent. If no office is so designated for a particular purpose, such functions shall be conducted at the office the County acting through the office of the Treasurer, or the principal corporate trust office of any successor Paying Agent.

(e) *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 2019 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 2019 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 2019 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.

(f) *Merger or Consolidation.* Any bank, national banking association or trust company into which the Paying Agent may be merged or converted or with which it may be consolidated or any bank, national banking association or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, national banking association or trust company to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided such bank, national banking association or trust company shall be eligible under subsection (c) of this Section shall be the successor to such Paying Agent, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

**Section 9. Transfer Under Book-Entry System; Discontinuation of Book-Entry System.** (a) *Appointment of Depository; Book-Entry System.* Unless otherwise specified in the Bond Purchase Agreement, DTC is hereby appointed depository for each series of the Series 2019 Bonds and the Series 2019 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 2019 Bonds; provided, however, that if different CUSIP numbers are assigned to Series 2019 Bonds of a series or subseries maturing in a single year or, if Series 2019 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 2019 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) *Transfers.* 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 2019 Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, a new Series 2019 Bond for each maturity shall be executed and delivered (in the aggregate principal amount of such Series 2019 Bonds then outstanding), registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to clause (iii) of subsection (a) of this Section, upon receipt of the outstanding Series 2019 Bonds by the Paying Agent together with a written request of the District to the Paying Agent, new Series 2019 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 2019 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 2019 Bonds within a period of less than 60 days after the receipt of any such written request of the District.

(c) *Partial or Advance Refundings.* In the case of partial redemption or an advance refunding of the Series 2019 Bonds evidencing all or a portion of the principal amount then outstanding, DTC shall make an appropriate notation on the Series 2019 Bonds indicating the date and amounts of such reduction in principal.

(d) *Treatment of Registered Owner.* The District and the Paying Agent shall be entitled to treat the person in whose name any Series 2019 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 2019 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 2019 Bonds.

(e) *Form of Payment.* So long as the outstanding Series 2019 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 2019 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 2019 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 2019 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 2019 Bond or Series 2019 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 2019 Bond or Series 2019 Bonds, of the same maturity, Interest Payment Date and interest rate or rates (for a like aggregate principal amount). The Paying Agent may require the payment by any Owner of Series 2019 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 2019 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 2019 Bonds for redemption, and (ii) after any Series 2019 Bond has been selected for redemption.

(b) *Exchange.* The Series 2019 Bonds may be exchanged for Series 2019 Bonds of other authorized denominations of the same maturity, Interest Payment Date and interest rate or rates, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Series 2019 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 2019 Bond or Series 2019 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 2019 Bond or Series 2019 Bonds of the same maturity and interest payment mode and interest rate or rates (for a like aggregate principal amount). The Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No exchange of any Series 2019 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 2019 Bonds for redemption, and (ii) after any Series 2019 Bond has been selected for redemption.

**Section 11. Bond Purchase Agreement; Sale of Bonds.** (a) *Bond Purchase Agreement.* 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 Officers are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that (a) the true interest cost for the Series 2019 Bonds shall not be in excess of 2.115%, (b) the interest rates on the Series 2019 Bonds shall not exceed 8.00% per annum, (c) the ratio of total debt service to principal of the Series 2019 Bonds shall not exceed four to one, (d) the Underwriter's discount for the sale of Series 2019 Bonds shall not exceed 2.00% of the principal amount of such Series 2019 Bonds (exclusive of any costs of issuance the Underwriter contracts to pay), and (e) the Series 2019 Bonds shall otherwise conform to the limitations specified herein.

The Bond Purchase Agreement shall recite the aggregate principal amount of the Series 2019 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.

(b) *Method of Sale.* The Board of Education hereby finds and determines that the sale of the Series 2019 Bonds at negotiated sale as contemplated herein and by the Bond Purchase Agreement will provide more flexibility in the timing of the sale, an ability to implement the sale in a shorter time period, an increased ability to structure the Series 2019 Bonds to fit the needs of particular purchasers, and greater opportunity for the Underwriter to pre-market the Series 2019 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.

(c) *Reserves and Capitalized Interest.* In accordance with subsections (i) and (j) of Section 15146 of the Education Code, the Authorized Officers are each hereby authorized to cause to be deposited in the interest and sinking fund of the District proceeds of sale of the Series 2019 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 2019 Bonds for a period of two years from the date of issuance of the Series 2019 Bonds, as shall be set forth in the Bond Purchase Agreement, if any such a deposit is deemed by the Authorized Officer executing the same to be in the best interests of the District.

(d) *Good Faith Estimates.* In accordance with Government Code Section 5852.1 and subsection (b) of Section 15146 of the Education Code, good faith estimates of the following have been obtained from the Municipal Advisor and the Underwriter and are set forth on Exhibit A attached hereto: (a) the true interest cost of the Series 2019 Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Series 2019 Bonds, (c) the amount of proceeds of the Series 2019 Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Series 2019 Bonds, and (d) the sum total of all debt service payments on the Series 2019 Bonds calculated to the final maturity of the Series 2019 Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Series 2019 Bonds. In accordance with Section 15146(b)(4) of the Education Code, the actual costs associated with the issuance of the Series 2019 Bonds shall be presented to this Board of Education at its next scheduled public meeting following the sale of the Series 2019 Bonds.

(e) *Costs of Issuance.* In accordance with subsection (h) of Section 15146 of the Education Code, to the extent not contracted to be paid by the Underwriter, the Authorized Officers are each hereby authorized to cause to be deposited in a costs of issuance account, which may be held by a bank, national banking association or trust company meeting the qualifications necessary to be a paying agent set forth in Section 8, as cost of issuance administrator, proceeds of sale of the Series 2019 Bonds (exclusive of any premium or accrued interest received) in an amount not exceeding 2.00% of the principal amount of the Series 2019 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 2019 Bonds.

**Section 12. Continuing Disclosure Certificate.** The Continuing Disclosure Certificate, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver the Continuing Disclosure Certificate 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 Officer 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 Officer.

**Section 13. Preliminary Official Statement.** The Preliminary Official Statement to be distributed in connection with the public offering of the Series 2019 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 Officer, is hereby approved, and the use of such Preliminary Official Statement in connection with the offering and sale of the Series 2019 Bonds is hereby authorized and approved. The Authorized Officers 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 14. Official Statement.** The preparation and delivery of an Official Statement with respect to the Series 2019 Bonds, and its use by the Underwriter in connection with the offering and sale of the Series 2019 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 2019 Bonds with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are 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 2019 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 15. Investment of Proceeds.** (a) *Deposit of Proceeds.* As provided in subsection (g) of Section 15146 of the Education Code, (i) the proceeds of the sale of the Series 2019 Bonds, exclusive of any premium or accrued interest received, shall be deposited in the County treasury to the credit of the building fund of the District, (ii) the proceeds deposited in the building fund of the District shall be drawn out as other school moneys are drawn out, and (iii) the bond proceeds withdrawn shall not be applied to any purposes other than those for which the Series 2019 Bonds were issued. In accordance with subsection (g) of Section 15146 of the Education Code, at no time shall the proceeds of the Series 2019 Bonds be withdrawn by the District for investment outside the County treasury. Amounts in the building fund of the District shall be invested so as to be available for the aforementioned disbursements and the District shall keep a written record of such disbursements. Pursuant to subsection (g) of Section 15146 of the Education Code, any premium or accrued interest received by the District from the sale of the Series 2019 Bonds, shall be deposited in the interest and sinking fund of the District.

(b) *Investment of Proceeds.* All funds held in the interest and sinking 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.*, the investment policy of the County, and the Investment Management Agreement, any of which as may be amended or supplemented from time to time. Proceeds of the Series 2019 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.*, the investment policy of the County, and the Investment Management Agreement, any of which as may be amended or supplemented from time to time.

(c) *Investment Management Agreement.* The Investment Management 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 Officers are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver the Investment Management Agreement in substantially said form, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such determination, requirement or approval to be conclusively evidenced by the execution of the Investment Management Agreement by such Authorized Officer.

(d) *Investment Agreements.* To the extent permitted by law, at the written request of an Authorized Officer, 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 2019 Bonds necessary in order to maintain the then-current rating on the Series 2019 Bonds. Pursuant to Section 5922 of the Government Code, the Board of Education 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 2019 Bonds or enhance the relationship between risk and return with respect to investments of proceeds of the Series 2019 Bonds and funds held to pay the Series 2019 Bonds.

**Section 16. Tax Covenants.** (a) *General.* 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 2019 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 2019 Bonds. The provisions of this subsection (a) shall survive payment in full or defeasance of the Series 2019 Bonds.

(b) *Yield Restriction.* 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) *Reliance on Opinion of Bond Counsel.* 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 Series 2019 Bonds not issued as Taxable 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 Series 2019 Bonds not issued as Taxable Bonds, and the covenants hereunder shall be deemed to be modified to that extent.

**Section 17. Professional Services.** Dale Scott & Company, shall serve as Municipal Advisor to the District for the Series 2019 Bonds. Orrick, Herrington & Sutcliffe LLP shall serve as bond counsel and disclosure counsel to the District for the Series 2019 Bonds. RBC Capital Markets, LLC shall serve as Underwriter for the Series 2019 Bonds.

**Section 18. Delegation of Authority.** The Authorized Officers 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, including, without limitation negotiating the terms of the insurance policy, if any, referred to herein.

**Section 19. Approval of Actions.** 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 20. Debt Management Policy; Notice to California Debt and Investment Advisory Commission.** With the passage of this Resolution, the Board of Education hereby certifies that the Debt Management Policy complies with Government Code Section 8855(i), and that the Series 2019 Bonds authorized to be issued pursuant to this Resolution are consistent with such policy, and instructs Bond Counsel, on behalf of the District, with respect to each series of Series 2019 Bonds issued pursuant to this Resolution, (a) to cause notices of the proposed sale and final sale of the Series 2019 Bonds to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to Government Code Section 8855, and (b) to check, on behalf of the District, the “Yes” box relating to such certifications in the notice of proposed sale filed pursuant to Government Code Section 8855.

**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-Controller of the County the final terms of sale of the Series 2019 Bonds, and to file with the Auditor-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 2019 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-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 2019 Bonds, pursuant to law; and to the other officers of the County to levy and collect said taxes for the payment of the Series 2019 Bonds, to pay in a timely manner to the Paying Agent on behalf

of the Owners of the Series 2019 Bonds the principal, interest, and premium, if any, due on the Series 2019 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. Contract with Bondholders.** The provisions of this Resolution shall be a contract with each and every owner of Bonds and the duties of the District and of the Board of Education and the officers of the District shall be enforceable by any owner of Bonds by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction.

**Section 23. Amendments.** This Resolution may be modified or amended without the consent of the Owners in order to cure ambiguities or provide clarification, provided that such modification or amendment does not materially adversely affect the rights of owners of Bonds. For any other purpose, this Resolution may be modified or amended only with the consent of the Owners of a majority of the aggregate principal amount of all Series 2019 Bonds then outstanding; provided that any such modification or amendment to Section 6(f) or Section 22 shall require the consent of the owners of a majority of the aggregate principal amount of all Bonds then outstanding. No such modification or amendment shall extend the maturity of, reduce the interest rate or redemption premium on or principal amount of any Series 2019 Bond or reduce the percentage of consent required for amendment hereof without the express consent of all the owners so affected.

**Section 24. 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 2019 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 25. Effective Date.** This Resolution shall take effect from and after its date of adoption.

**PASSED AND ADOPTED** this day, September 3, 2019.

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Ken Fox, President  
of the Board of Education  
of the Santee School District

ATTEST:

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Barbara Ryan, Clerk  
of the Board of Education  
of the Santee School District

## EXHIBIT A

### GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Series 2019 Bonds in compliance with Section 15146(b)(1)(D) of the California Education Code and Section 5852.1 of the California Government Code. Such good faith estimates have been provided to the District by Dale Scott & Company, as the District's financial advisor under Education Code Section 15146(b)(1)(C) and as Municipal Advisor under Section 15B of the Securities Exchange Act of 1934 (the "Municipal Advisor"), and by RBC Capital Markets, LLC, the underwriter of the Series 2019 Bonds (the "Underwriter").

*Principal Amount.* The Municipal Advisor and the Underwriter have informed the District that, based on the District's financing plan and based on market conditions prevailing at the time of preparation of such estimate, their good faith estimate of the aggregate principal amount of the Series 2019 Bonds to be sold in a public offering is \$15,370,000 (the "Estimated Principal Amount").

*True Interest Cost of the Series 2019 Bonds.* The Municipal Advisor and the Underwriter have informed the District that, assuming that the Estimated Principal Amount of the Series 2019 Bonds is sold, and based on market conditions prevailing at the time of preparation of such estimate, their good faith estimate of the true interest cost of the Series 2019 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Series 2019 Bonds, is 1.115%.

*Finance Charge of the Series 2019 Bonds.* The Municipal Advisor and the Underwriter have informed the District that, assuming that the Estimated Principal Amount of the Series 2019 Bonds is sold, and based on market conditions prevailing at the time of preparation of such estimate, their good faith estimate of the finance charge for the Series 2019 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Series 2019 Bonds), is \$251,480, as follows:

a)	Underwriter's Discount	\$61,480
b)	Credit Enhancement	N/A*
c)	Bond Counsel and Disbursements	49,500
d)	Disclosure Counsel and Disbursements	22,500
e)	Municipal Advisor and Disbursements	91,770
f)	Rating Agency	19,500
g)	Other Expenses	6,730

\*A municipal bond insurance policy with respect to the Series 2019 Bonds is not expected to be obtained.

*Amount of Proceeds to be Received.* The Municipal Advisor and the Underwriter have informed the District that, assuming that the Estimated Principal Amount of the Series 2019 Bonds is sold, and based on market conditions prevailing at the time of preparation of such estimate, their good faith estimate of the amount of proceeds expected to be received by the District for sale of the Series 2019 Bonds, less the finance charge of the Series 2019 Bonds, as estimated above, and

any reserves or capitalized interest paid or funded with proceeds of the Series 2019 Bonds, is \$15,370,000.

*Total Payment Amount.* The Municipal Advisor and the Underwriter have informed the District that, assuming that the Estimated Principal Amount of the Series 2019 Bonds is sold, and based on market conditions prevailing at the time of preparation of such estimate, their good faith estimate of the total payment amount, which means the sum total of all payments the District will make to pay debt service on the Series 2019 Bonds, plus the estimated finance charge for the Series 2019 Bonds, as described above, not paid with the proceeds of the Series 2019 Bonds, calculated to the final maturity of the Series 2019 Bonds, is \$16,545,853.93.

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the Series 2019 Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates for a variety of reasons, including, without limitation, due to (a) the market conditions prevailing on the actual date of the sale of the Series 2019 Bonds being different than the market conditions prevailing at the time of preparation of the estimates contained herein, (b) the actual principal amount of Series 2019 Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the Series 2019 Bonds being different than the amortization assumed for purposes of preparing the estimates contained herein, (d) the actual interest rates at which the Series 2019 Bonds are sold being different than those estimated for purposes of preparing the estimates contained herein, (e) other market conditions, or (f) alterations in the District's financing plan, or a combination of such factors. The actual date of sale of the Series 2019 Bonds and the actual principal amount of Series 2019 Bonds sold will be determined by the District based on various factors. The actual interest rates borne by the Series 2019 Bonds will depend on market conditions at the time of sale thereof. The actual amortization of the Series 2019 Bonds will also depend, in part, on market conditions rates at the time of sale thereof. Market conditions, including, without limitation, interest rates are affected by economic and other factors beyond the control of the District, the Municipal Advisor, and the Underwriter. The Board of Education has approved the issuance of the Series 2019 Bonds with a maximum true interest cost of 2.115%.

**EXHIBIT B**

**PETITION TO THE  
BOARD OF SUPERVISORS OF  
SAN DIEGO COUNTY, CALIFORNIA**

We, the undersigned, hereby certify that we are duly elected members of the Board of Education of the Santee School District (the "District") and, as such, we are authorized to present this Petition to the Board of Supervisors of San Diego County, California, in the name and on behalf of the District. We further certify that we represent a majority of the member of the Board of Education of the District.

On behalf of the District, and pursuant to a resolution duly adopted by the Board of Education of the District at a regular meeting held on September 3, 2019 (the "Resolution"), we hereby petition the Board of Supervisors of San Diego County, California (the "Board of Supervisors"), to initiate, undertake and complete proceedings for the cancellation of a portion of the general obligation bonds of the District which were authorized by the voters of the District at an election held on November 7, 2006 (the "Measure R Bonds"), and which have not previously been issued by the District. The aggregate principal amount of Measure R Bonds to be cancelled shall be equal to \$ \_\_\_\_\_.

This Petition is presented pursuant to the provisions of Sections 15200-15205 of the Education Code of the State of California, which provisions shall govern the cancellation of the Measure R Bonds.

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

EXHIBIT C

FORM OF SERIES 2019 BOND

Number UNITED STATES OF AMERICA Amount
R-\_\_ STATE OF CALIFORNIA \$
COUNTY OF SAN DIEGO

SANTEE SCHOOL DISTRICT
(SAN DIEGO COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS, ELECTION OF 2018, SERIES 2019

Maturity Date Interest Rate Dated as of CUSIP No.
August 1, 20\_\_ % \_\_\_\_, 20\_\_

Registered Owner: CEDE & CO.

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

Santee School District, County of San Diego, State of California (the "District"), acknowledges itself obligated to and promises to pay to the Registered Owner identified above or registered assigns, on the Maturity Date set forth above or upon prior redemption hereof, the Principal Amount specified above in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond (unless this bond is authenticated after the close of business on a Record Date (as defined herein) and on or prior to the succeeding interest payment date, in which event it shall bear interest from such interest payment date, or unless this Bond is authenticated on or before \_\_\_\_ 15, 20\_\_, in which event it shall bear interest from the date hereof) at the Interest Rate per annum stated above, payable commencing on \_\_\_\_ 1, 20\_\_, and thereafter on February 1 and August 1 in each year, until payment of the Principal Amount. This Bond is issued pursuant to a Resolution adopted by the Board of Education of the District on September 3, 2019 (the "Resolution"). Capitalized undefined terms used herein have the meanings ascribed thereto in the Resolution.

The principal hereof is payable to the Registered Owner hereof upon the surrender hereof at the principal corporate trust office of the Treasurer-Tax Collector of the County of San Diego, the paying agent/registrars 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 or draft mailed to such Registered Owner at the owner's address as it appears on such registration books, or at such other address filed with the Paying Agent for that purpose. Upon written request, given no later than the Record Date immediately preceding an interest payment date, of the owner of 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 “Santee School District (San Diego County, California) General Obligation Bonds, Election of 2018, Series 2019” (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, 2018. The Bonds are issued and sold by the Board of Education of the District pursuant to and in strict conformity with the provisions of the Constitution and laws of the State, and of the Resolution, and subject to the more particular terms specified in the Bond Purchase Agreement, dated \_\_\_\_\_, 2019 (the “Bond Purchase Agreement”), by and between the District and RBC Capital Markets, LLC, as underwriter.

The Bonds are issuable as fully registered bonds without coupons in the denomination of \$5,000 principal amount or any integral multiple thereof, provided that no Bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Resolution, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same tenor, 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 the Resolution and the Bond Purchase Agreement. If this Bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.]

The Board of Education of the District hereby certifies and declares that the total amount of indebtedness of the District, including the amount of this Bond, is within the limit provided by law; that all acts, conditions and things required by law to be done or performed precedent to and in the issuance of this Bond have been done and performed in strict conformity with the laws authorizing the issuance of this Bond; and that this Bond is in substantially the form prescribed by order of the Board of Education duly made and entered on its minutes. The Bonds represent an obligation payable out of the interest and sinking fund of the District, and the money for the



payment of principal of, premium, if any, and interest hereon, shall be raised by taxation upon the taxable property of the District.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Paying Agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

**IN WITNESS WHEREOF**, the Board of Education of the Santee School District, County of San Diego, State of California, has caused this bond to be signed by its President and countersigned by the Clerk of said Board, as of the date set forth above.

\_\_\_\_\_  
Ken Fox, President of the Board of  
Education of the Santee School District

Countersigned:

\_\_\_\_\_  
Barbara Ryan, Clerk of the Board of  
Education of the Santee School District

**CERTIFICATE OF AUTHENTICATION AND REGISTRATION**

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

**TREASURER-TAX COLLECTOR,  
COUNTY OF SAN DIEGO, 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.

**CLERK'S CERTIFICATE**

I, Barbara Ryan, Clerk of the Board of Education of the Santee School District, County of San Diego, California, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Education of said District duly and regularly held at the regular meeting place thereof on September 3, 2019, and entered in the minutes thereof, of which meeting all of the members of the Board of Education had due notice and at which a quorum thereof was present, and that at said meeting the resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of the meeting was posted at least 72 hours before the meeting at 9625 Cuyamaca Street, Santee, California, a location freely accessible to members of the public, and a brief description of the resolution appeared on the agenda.

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; the foregoing resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: \_\_\_\_\_, 2019

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Barbara Ryan, Clerk  
of the Board of Education  
of Santee School District

\$[\_\_\_\_\_]  
**SANTEE SCHOOL DISTRICT**  
**(SAN DIEGO COUNTY, CALIFORNIA)**  
**GENERAL OBLIGATION BONDS, ELECTION OF 2018, SERIES 2019**

**BOND PURCHASE AGREEMENT**

[\_\_\_\_\_] , 2019

Santee School District  
9625 Cuyamaca Street  
Santee, California 92071

The undersigned, RBC Capital Markets, LLC (the “Underwriter”), hereby offers to enter into this Bond Purchase Agreement (the “Purchase Agreement”) with the Santee School District (the “District”) which, upon the acceptance hereof, will be binding upon the District and the Underwriter. By execution of this Purchase Agreement, the District acknowledges the terms hereof and recognizes that it will be bound by certain of the provisions hereof, and to the extent binding on the District, acknowledges and agrees to such terms. This offer is made subject to the written acceptance of this Purchase Agreement by the District and delivery of such acceptance to the Underwriter at or prior to 11:59 PM, California time, on the date hereof.

**Section 1. Purchase and Sale of the Bonds.** (a) Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the District for reoffering to the public and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of the \$[\_\_\_\_\_] aggregate principal amount of the Santee School District (San Diego County, California) General Obligation Bonds, Election of 2018, Series 2019 (the “Bonds”).

(b) The Bonds shall be issued in the principal amounts and shall bear interest at the rates and shall mature on the dates and in the years shown on Exhibit A hereto, which is incorporated herein by this reference. The Bonds shall bear interest payable from the date thereof and such interest shall be payable on each February 1 and August 1, commencing February 1, 2020.

(c) The Underwriter shall purchase the Bonds at a price of \$[\_\_\_\_\_] (the “Purchase Price”), which shall be paid, in immediately available funds, by wire transfer to or upon the order of the County of San Diego (the “County”) on behalf of the District on the Closing Date.

(d) The District acknowledges and agrees that: (a) 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; (b) the Underwriter is acting solely as underwriter and principal in connection with the matters contemplated by and with respect to all communications under this Purchase Agreement, and is not acting as the agent or fiduciary of the District or as Municipal

Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) of the District and its advisors in connection with the matters contemplated by this Purchase Agreement; (c) the Underwriter has financial and other interests that differ from those of the District; and (d) in connection with the purchase and sale of the Bonds, the District has consulted its own financial, legal and other advisors to the extent it has deemed appropriate. The District also acknowledges that it previously received from the Underwriter a letter regarding Municipal Securities Rulemaking Board (“MSRB”) Rule G-17 Disclosures, and that it has provided to the Underwriter an acknowledgement of such letter.

**Section 2. The Bonds.** (a) The Bonds shall be dated their date of delivery and shall mature on August 1 in the years shown on Exhibit A hereto and be subject to redemption all as shown on Exhibit A hereto. The Bonds shall be issued and secured pursuant to the provisions of the Resolution of the Board of Education of the District (the “Board of Education”) adopted on September 3, 2019 (the “Resolution”), this Purchase Agreement and Article 4.5 of Chapter 3, of Part 1 of Division 2 of Title 5 of the Government Code (the “Act”). The Bonds were authorized under and pursuant to a bond authorization approved by more than 55% of the voters of the District voting at an election held on November 6, 2018 (the “Election”) approving an amount not more than \$15,370,000 of general obligation bonds of the District. The Bonds are being issued to provide funding for projects authorized by voters at the Election. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Resolution.

[The payment of principal of and interest on the Bonds will be secured by a municipal bond insurance policy (the “Policy”) to be issued simultaneously with the issuance of the Bonds by [\_\_\_\_\_] (the “Insurer”).]

(b) In order to assist the Underwriter with compliance with Rule 15c2-12 of the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended (the “Rule”), the District will enter into the Continuing Disclosure Certificate, dated the Closing Date (the “Continuing Disclosure Certificate”).

(c) The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Agreement and the Resolution. The Bonds shall be in definitive form, shall bear CUSIP numbers, and shall be in fully registered form, registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York (“DTC”).

**Section 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 (defined below), the Official Statement (defined below), the Resolution and the Continuing Disclosure Certificate, and all information contained herein and therein and all of the documents, certificates or statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

**Section 4. Public Offering of the Bonds.** The Underwriter agrees to make a bona fide initial public offering of all the Bonds at prices no higher than, or yields not lower than, those set forth on Exhibit A hereto. Subsequent to such initial public offering but subject to the provisions set forth in Section 5 below, the Underwriter reserves the right to lower such initial offering prices as the Underwriter deems necessary in connection with the marketing of the Bonds; provided,

however, that the Underwriter shall not change the interest rates set forth in Exhibit A. Subject to the provisions set forth in Section 5 below, the Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial public offering price or prices set forth on Exhibit A hereto. The Underwriter also reserves the right to: (i) over-allot or effect transactions which stabilize or maintain the market price of the Bonds at levels above those that might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time without prior notice.

**Section 5. Establishment of Issue Price.** (a) The Underwriter agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Bond Counsel (as defined herein), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the District under this section to establish the issue price of the Bonds may be taken on behalf of the District by the District’s municipal advisor, Dale Scott & Company (the “Municipal Advisor”), and any notice or report to be provided to the District may be provided to the District’s Municipal Advisor.

(b) Except as otherwise set forth in Exhibit A attached hereto, the District will treat the first price (meaning single) at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the District the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the District the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined herein) has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the District or Bond Counsel (as defined herein). For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the Underwriter represents that (i) the 10% test has been satisfied (assuming orders are confirmed by the end of the day immediately following the day of execution of this Purchase Agreement) and (ii) the 10% test has not been satisfied and for which the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the

initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5<sup>th</sup>) business day after the sale date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the District promptly after the close of the fifth (5<sup>th</sup>) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that:

(1) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(i) (A) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (B) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(ii) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(iii) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(2) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may



be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The District acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires.

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(1) “public” means any person other than an underwriter or a related party;

(2) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public);

(3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(4) “sale date” means the date of execution of this Purchase Agreement by all parties.

**Section 6. Official Statement.** (a) The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated [\_\_\_\_\_], 2019 (as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the “Preliminary Official Statement”). The District represents that it deems the Preliminary Official Statement to be final as of its date, except for either revisions or additions to the offering price(s), interest rate(s), yield(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to the Rule. By the execution of this Purchase Agreement, the District ratifies the use by the Underwriter of the Preliminary Official Statement.

(b) 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, 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 (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto, and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, being herein called the “Official Statement”) in such quantities as may be requested by the Underwriter in order to permit the Underwriter to comply with paragraph (b)(4) of the Rule and with the rules of the MSRB; provided, however, that the failure of the District to comply with this requirement due solely to the acts of the Underwriter, its counsel or agents, shall not be considered cause for the Underwriter to refuse to accept delivery of and pay for the Bonds. The Underwriter agrees that prior to the time the final Official Statement relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

(c) The Underwriter agrees to file the Official Statement with the MSRB through its Electronic Municipal Market Access system.

(d) Each party hereto agrees that it will notify the other party hereto if, within the period from the date of this Purchase Agreement to and including the date which is 25 days following the End of the Underwriting Period (as hereinafter defined), such party discovers any pre-existing or subsequent fact or becomes aware of the occurrence of any event, in any such case which might cause the Official Statement (as the same may have been theretofore supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the written opinion of the District or the Underwriter, the preparation and publication of a supplement or amendment to the Official Statement is, as a result of such fact or event (or any other event which becomes known to the District or the Underwriter during such period), necessary so that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the District shall, at its expense, supplement or amend the Official Statement in such a manner so that the Official Statement, as so

supplemented or amended, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and furnish copies of such supplement or amendment to the Underwriter in such numbers as the Underwriter may reasonably request. The District and the Underwriter agree that they will cooperate in the preparation of any such amendment or supplement. As used herein, the term “End of the Underwriting Period” means the later of such time as (a) the District delivers the Bonds to the Underwriter, or (b) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the “End of the Underwriting Period” shall be deemed to be the Closing Date (as defined herein). Any notice delivered pursuant to this provision shall be written notice delivered to the District at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the End of the Underwriting Period.

**Section 7. Closing.** At 8:30 a.m., California time, on [\_\_\_\_\_], 2019, or at such other time or on such other date as shall have been mutually agreed upon by the parties hereto (the “Closing” or “Closing Date”), the District will direct the County of San Diego, acting through the office of the Treasurer-Tax Collector, as the paying agent (the “Paying Agent”) to deliver to the Underwriter, through the facilities of DTC, or at such other place as the District and the Underwriter may mutually agree upon, the Bonds in fully registered book-entry form, duly executed, and shall cause the other documents hereinafter mentioned to be delivered at the offices of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”) in Irvine, California. Upon fulfillment of all conditions to Closing herein, the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds (by wire transfer or such other manner of payment as the Underwriter and the District shall reasonably agree upon) to the account of the District.

**Section 8. Representations, Warranties and Agreements of the District.** The District hereby represents, warrants and agrees with the Underwriter that:

(a) The District is a school district duly organized and validly existing under the laws of the State of California (the “State”), with the power to issue the Bonds under the laws of the State and pursuant to the Act;

(b) (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the Resolution was duly adopted at a meeting of the Board of Education, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting at the time of adoption, and the Resolution has not been amended, modified or rescinded, (iii) the District has full legal right, power and authority to enter into this Purchase Agreement and the Continuing Disclosure Certificate, to adopt the Resolution, to issue and to deliver the Bonds to the Underwriter, to perform its obligations under each such document or instrument and to carry out and effectuate the transactions contemplated by this Purchase Agreement and the Resolution; (iv) the execution and delivery or adoption of and the performance by the District of the obligations represented by, the Bonds, the Resolution, the Continuing Disclosure Certificate and this Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (v) this Purchase Agreement constitutes, and, when executed and delivered, the Continuing Disclosure Certificate will constitute, a valid and legally binding obligation of the

District, enforceable against the District in accordance with its terms; and (vi) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Agreement;

(c) No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, or which have not been taken or obtained;

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

(e) As of the time of acceptance hereof and as of the time of the Closing, the District is not and will not be, in any manner which would adversely affect the transactions contemplated hereby and by the Resolution, in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or is otherwise subject and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute, in any manner which would adversely affect the transactions contemplated hereby and by the Resolution, a default or event of default under any such instrument; and, as of such times, to the best knowledge of the District, the issuance of the Bonds, the execution, delivery and performance of this Purchase Agreement, the Resolution, the Continuing Disclosure Certificate and the Bonds and the compliance with the provisions hereof and thereof and of the Resolution do not conflict with or constitute on the part of the District a violation of, or material default under, any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or is otherwise subject and do not conflict with or result in a violation or breach of, or constitute a material default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject;

(f) As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending (in which service of process has been completed against the District) or, to the best knowledge of the District, otherwise pending or threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices of the District or the titles of the officials of the District to such offices; (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the levy of any taxes contemplated by the Resolution, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement, the Continuing Disclosure Certificate or the Resolution or contesting the powers of the District or its authority with respect to the Bonds, the Continuing Disclosure Certificate, the Resolution or this Purchase Agreement; (iii) contesting the completeness or accuracy of the Preliminary Official Statement; or (iv) except as disclosed in the Preliminary Official Statement

and the Official Statement, in which a final adverse decision could (A) result in any material adverse impact on the financial condition of the District, (B) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Purchase Agreement, the Continuing Disclosure Certificate or the Resolution, (C) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (D) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes or the exemption of such interest on the Bonds from California personal income taxation;

(g) Preparation and distribution of the Preliminary Official Statement and the Official Statement have been duly authorized by the District, and the information contained therein (excluding the statements and information relating to the book entry system[, any information relating to the Insurer or the Policy] and any information provided by the Underwriter, and so identified as source thereof, for inclusion in the Official Statement) is true and correct in all material respects and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except that no representation and warranty is made concerning statements and information relating to the book entry system[, any information relating to the Insurer or the Policy] or any information provided by the Underwriter, and so identified as source thereof, for inclusion in the final Official Statement;

(h) The Preliminary Official Statement was as of its date, and the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement contain, and up to and including the Closing will contain, no material misstatement of any material fact and do not, and up to and including the Closing will not, omit any statement necessary to make the statements contained therein, in light of the circumstances in which such statements were made, not misleading. At the time of the Closing, there shall not have been any material adverse changes in the financial condition of the District since the date of the Official Statement;

(i) The District agrees that if at any time before the Closing Date any event occurs as a result of which the Official Statement as then in effect would include any untrue statement of a material fact or omit to state any fact necessary to make the statements made therein not misleading in any material respect, the District shall promptly prepare an amendment or supplement that will correct such statement or omission. The District will advise the Underwriter promptly of any proposal to so amend or supplement the Official Statement and will effect such amendment or supplement in a form and manner approved by the Underwriter;

(j) The District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter if and as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations or such states and jurisdictions, provided, however, that the District shall not be required to consent to service of process in any jurisdiction in which they are not so subject as of the date hereof;

(k) To assist the Underwriter in complying with the Rule, the District will undertake, pursuant to the Resolution and the Continuing Disclosure Certificate, to provide annual reports

and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement;

(l) Except as disclosed in the Preliminary Official Statement and the Official Statement, in the preceding five years, the District has not failed to comply in all material respects with any previous undertakings with regard to the Rule to provide annual reports or notices of events required by such undertakings;

(m) Between the date hereof and the Closing, without the prior written consent of the Underwriter, the District will not have issued any bonds, notes or other obligations for borrowed money except for such borrowing as may be described in or contemplated by the Official Statement;

(n) The District agrees to take all steps required by law and by the County to ensure that the Board of Supervisors of the County annually levies a tax upon all taxable property in the District sufficient to pay the principal of and interest on the Bonds as and when the same become due;

(o) The audited financial statements of the District for the fiscal year ended June 30, 2018, were prepared in accordance with generally accepted accounting principles consistently applied and fairly present the financial position and results of operation of the District for the period and at the date set forth therein, and there has been no material adverse change in the business, affairs, financial position, results of operations or condition, financial or otherwise, of the District since the date of such financial statements, except as otherwise disclosed in the Official Statement;

(p) The District has not received a qualified or negative certification in its most recent interim report pursuant to Section 42130 *et seq.* of the California Education Code; and

(q) 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.

**Section 9. Conditions to Closing.** (a) 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 Closing Date. 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:

(1) 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 Closing Date; and the District shall be in compliance with each of the agreements made by it in this Purchase Agreement;

(2) At the time of the Closing, (i) the Official Statement, this Purchase Agreement, the Continuing Disclosure Certificate and the Resolution shall be in full force

and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the parties hereto; (ii) all actions under the Act which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or has performed all of its obligations required under or specified in the Resolution, this Purchase Agreement or the Official Statement to be performed at or prior to the Closing;

(3) 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, shall be pending (in which service of process has been completed against the District) or threatened (either in state or federal courts) (i) seeking to restrain or enjoin the execution, sale or delivery of any of the Bonds, (ii) in any way contesting or affecting the authority for the execution, sale or delivery of the Bonds, the Continuing Disclosure Certificate or this Purchase Agreement, or (iii) in any way contesting the existence or powers of the District, or contesting in any way the completeness or accuracy of the Official Statement;

(4) Between the date hereof and the Closing, the market price for the Bonds, or the market for or marketability or the ability of the Underwriter to enforce contracts for the sale of the Bonds at the initial offering prices set forth in the Official Statement, shall not have been materially adversely affected by reason of any of the following:

(i) legislation enacted by the Congress of the United States, or by the legislature of the State, or introduced in the Congress or recommended for passage by the President of the United States or a decision rendered by a court of the United States or the State or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(A) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service or other federal or State authority, which would have the purpose or effect of changing, directly or indirectly, the federal income tax consequences or State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof; 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, or that the Resolution is not exempt from qualification under the Trust Indenture Act of 1939, as amended;

(ii) the declaration of war or engagement in or escalation of major military hostilities by the United States or the occurrence of any other national or

international emergency or calamity or crisis relating to the effective operation of the government or the financial community in the United States;

(iii) the declaration of a general banking moratorium by federal, New York or State authorities having jurisdiction, or the general suspension of trading on any national securities exchange or fixing of minimum or maximum prices for trading or maximum ranges for prices for securities on any national securities exchange, whether by virtue or a determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction;

(iv) 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;

(v) 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;

(vi) the withdrawal or downgrading of any underlying rating or credit watch status or outlook of the District's outstanding indebtedness by a national rating agency or the occurrence of any adverse change of a material nature of the financial condition, results of operation or properties of the District;

(vii) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information set forth in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; or

(viii) a material disruption in securities settlement, payment or clearance services or the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets.

(5) At or prior to the Closing Date, the Underwriter shall have received the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Underwriter:



(i) An approving opinion of Orrick, Herrington & Sutcliffe LLP as Bond Counsel, substantially in the form attached as Appendix C to the Official Statement, dated the Closing Date and addressed to the District;

(ii) A reliance letter from Bond Counsel to the effect that the Underwriter may rely upon the approving opinion described in (5)(i) above;

(iii) A certificate signed by an appropriate official of the District, to the effect that (i) such official is authorized to execute this Purchase Agreement and the Continuing Disclosure Certificate, (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the Closing Date, (iii) the District has complied with all the terms of the Resolution and this Purchase Agreement to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect, (iv) to the best of such official's knowledge, no litigation is pending or threatened (either in state or federal courts) (A) seeking to restrain or enjoin the execution, sale or delivery of any of the Bonds, (B) in any way contesting or affecting the authority for the execution, sale or delivery of the Bonds, the Continuing Disclosure Certificate or this Purchase Agreement, or (C) in any way contesting the existence or powers of the District, (v) such official has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, (vi) each of the conditions listed in Section 9(a)(5) of this Purchase Agreement has been satisfied on the date hereof and the District is not aware of any other condition of this Purchase Agreement that has not been satisfied on the date hereof, and (vii) the Bonds being delivered on the Closing Date to the Underwriter under this Purchase Agreement substantially conform to the descriptions thereof contained in the Resolution and this Purchase Agreement;

(iv) The letter of Orrick, Herrington & Sutcliffe LLP, as disclosure counsel to the District ("Disclosure Counsel"), addressed to the District and the Underwriter, dated the Closing Date, to the effect that, based on such counsel's participation in conferences with representatives of the County, the District, the District's Municipal Advisor, the Underwriter, Stradling Yocca Carlson & Rauth, a Professional Corporation, as counsel to the Underwriter, and others, during which the contents of the Official Statement and related matters were discussed, and based on such counsel's participation in the above-mentioned conferences (which did not extend beyond the date of the Official Statement), and in reliance thereon, on oral and written statements and representations of the District, the County and others and on the records, documents, certificates, opinions and matters herein mentioned, such counsel advises the District and the Underwriter, as a matter of fact and not opinion, that, during the course of such counsel's engagement as disclosure counsel with respect to the Bonds, no facts came to the attention of such counsel's attorneys rendering legal services in connection with such representation with respect to the Bonds which caused such counsel to believe that the Official Statement as of its

date and as of the Closing Date (except for any CUSIP numbers, financial, accounting, statistical, economic or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about DTC or its book-entry system, litigation, ratings, rating agencies, the Underwriter, underwriting, relationships among the parties, [the Insurance Policy, the Insurer,] any management discussion, any statements about compliance with prior continuing disclosure undertakings, and Appendices [\_\_, \_\_, \_\_ and \_\_], included or referred to therein or omitted therefrom, as to which such counsel expressly excludes from the scope of this paragraph and as to which such counsel expresses no opinion or view) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(v) The Continuing Disclosure Certificate signed by an appropriate official of the District and in form and substance reasonably satisfactory to the Underwriter;

(vi) A non-arbitrage certificate of the District with respect to the Bonds in form satisfactory to Bond Counsel;

(vii) Evidence satisfactory to the Underwriter that any ratings described in the Official Statement are in full force and effect as of the Closing Date;

(viii) A certificate, together with fully executed copies of the Resolution, of the District Clerk to the effect that:

(A) such copies are true and correct copies of the Resolution; and

(B) that the Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the Closing Date;

(ix) Certificates of the appropriate officials of the District evidencing their determinations respecting the Preliminary Official Statement in accordance with the Rule;

(x) An opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, as counsel to the Underwriter, addressed to the Underwriter in form and substance satisfactory to the Underwriter;

(xi) [The Policy with respect to the Bonds insured by the Insurer;]

(xii) [A certificate of the Insurer in form and substance satisfactory to Bond Counsel and the Underwriter;]

(xiii) [An opinion of counsel to the Insurer addressed to the District and the Underwriter in form and substance satisfactory to Bond Counsel and the Underwriter;] and

(xiv) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence (i) compliance by the District and the Paying Agent with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained, and (iii) the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

(b) 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 or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

**Section 10. Conditions to Obligations of the District.** The performance by the District of its obligations is conditioned upon (i) the performance by the Underwriter of its obligations hereunder; and (ii) the receipt by the District and the Underwriter of the opinions and certificates being delivered at the Closing by persons and entities other than the District.

**Section 11. Expenses.** (a) The Underwriter shall pay costs of issuance of the Bonds up to the amount of \$ \_\_\_\_\_, including but not limited to the following: (i) the fees and disbursements of Bond Counsel and Disclosure Counsel, and any other consultants to the District, including the District's Municipal Advisor; (ii) the cost of the preparation, printing and delivery of the Bonds; (iii) the fee for the Bond rating(s), including all necessary expenses for travel relating to such ratings; (iv) the cost of the printing and distribution of the Preliminary Official Statement and the Official Statement; (v) the initial fees of the Paying Agent and related fees and expenses; (vi) [the insurance premium on the Policy due to the Insurer; and (vii)] all other fees and expenses incident to the issuance and sale of the Bonds. Any such expenses which exceed in the aggregate \$ \_\_\_\_\_ shall be paid by the District and may be paid from the proceeds of the Bonds.

(b) All out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory Commission fee, [CUSIP Bureau registration fees,] [fees of Underwriter's Counsel,] expenses for travel (except in connection with securing a rating on the sale of the Bonds) and other expenses (except as provided above) shall be paid by the Underwriter.

(c) The District acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

**Section 12. 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 Santee School District at 9625 Cuyamaca Street, Santee, California 92071, Attention: Assistant Superintendent, Business Services, or if to the Underwriter, to RBC Capital Markets, 777 South Figueroa Street, Suite 850, Los Angeles, California; Attention: Frank Vega, Managing Director.

**Section 13. 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 hereof.

**Section 14. Parties in Interest; Survival of Representations and Warranties.** This Purchase Agreement when accepted by the District in writing as heretofore specified 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 the 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.

**Section 15. 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.

**Section 16. Applicable Law.** This Purchase Agreement shall be interpreted, governed and enforced in accordance with the law of the State of California applicable to contracts made and performed in such State.

Very truly yours,

**RBC CAPITAL MARKETS, LLC**

By: \_\_\_\_\_  
Authorized Representative

The foregoing is hereby agreed to and accepted as of the date first above written:

**SANTEE SCHOOL DISTRICT**

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

Date: [ \_\_\_\_\_ ], 2019

Time: \_\_\_\_\_ [a.m.][p.m.] California Time

**EXHIBIT A**

**MATURITY SCHEDULE**

\$[\_\_\_\_\_]
   
**SANTEE SCHOOL DISTRICT**
  
**(SAN DIEGO COUNTY, CALIFORNIA)**
  
**GENERAL OBLIGATION BONDS, ELECTION OF 2018, SERIES 2019**

\$ \_\_\_\_\_ Serial Bonds

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Test Satisfied*</u>	<u>10% Test Not Satisfied</u>	<u>Subject to Hold-The- Offering Price Rule</u>
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\$ \_\_\_\_\_ % Term Bonds due August 1, 20\_\_ – Yield \_\_\_\_\_% - Price \_\_\_\_\_%  
 [10% Test Satisfied\*][10% Test Not Satisfied][Subject to Hold The Offering Price Rule]

\$ \_\_\_\_\_ % Term Bonds due August 1, 20\_\_ – Yield \_\_\_\_\_% - Price \_\_\_\_\_%  
 [10% Test Satisfied\*][10% Test Not Satisfied][Subject to Hold The Offering Price Rule]

\* At the time of the execution of this Purchase Agreement and assuming orders are confirmed by the end of the day immediately following the day of execution of this Purchase Agreement.

<sup>C</sup> Yield to call at par and priced to call at par, on August 1, 20\_\_.

## TERMS OF REDEMPTION

## EXHIBIT B

### CERTIFICATE OF THE UNDERWRITER

RBC Capital Markets, LLC has acted as the Underwriter in connection with the sale and issuance by the Santee School District (the “Issuer”) of its \$[\_\_\_\_\_] Santee School District (San Diego County, California) General Obligation Bonds, Election of 2018, Series 2019 (the “Bonds”), being issued on the date hereof, and the Underwriter, hereby certifies and represents the following:

#### **Issue Price.**

#### **[NOT USING HOLD THE PRICE]**

1. **[10% OF EACH MATURITY SOLD BY CLOSING]** As of the date hereof, the first price or yield at which at least 10% of each Maturity of the Bonds was sold by the Underwriter to the Public was the [Initial Offering Price/OR IF ACTUAL SALES AT OTHER THAN IOP price or yield set forth on Exhibit A to the Bond Purchase Agreement, dated [SALE DATE], 2019.

#### **OR**

1. **[LESS THAN 10% OF CERTAIN MATURITIES SOLD BY CLOSING]** As of the date hereof, other than the Bonds listed on Exhibit A to Bond Purchase Agreement, dated [SALE DATE], 2019 (the “Purchase Agreement”), by and between the Underwriter and the Issuer, as Subject-to-Hold-The Offering-Price Rule (the “Undersold Maturities”), the first price or yield at which at least 10% of each Maturity of the Bonds was sold by the Underwriter to the Public was the [Initial Offering Price/OR IF ACTUAL SALES AT OTHER THAN IOP price set forth on Exhibit A attached to the Purchase Agreement.]

2. With respect to the Undersold Maturities, the Underwriter agrees to notify the Issuer in writing of the first price or yield at which at least 10% of each such Undersold Maturity is ultimately sold by the Underwriter to the Public as soon as practicable after such applicable sales have occurred. If all of an Undersold Maturity is sold to the Public but not more than 10% of the Undersold Maturity is sold by the Underwriter to the Public at any particular price or yield, the Underwriter agrees to notify the Issuer in writing of the amount of the Undersold Maturity sold by the Underwriter to the Public at each of the respective prices or yields at which the Undersold Maturity is sold to the Public.

#### **[USING HOLD THE PRICE]**

1. As of [SALE DATE], 2019 (the “Sale Date”), all of the Bonds were the subject of a bona fide offering to the Public at the Initial Offering Price.

[2. **[USING HOLD THE PRICE FOR A PORTION OF THE ISSUE]** As of the date hereof, other than the Bonds listed on Exhibit A to the Bond Purchase Agreement, dated [SALE DATE], 2019, by and between the Underwriter and the Issuer, as Subject-to-Hold-The Offering-Price Rule (the “Undersold Maturities”), the first price or yield at which at least 10% of each Maturity of the Bonds was sold by the Underwriter to the Public was the respective [Initial



Offering Price **OR IF ACTUAL SALES AT OTHER THAN IOP** price set forth on Exhibit A attached to the Purchase Agreement]. Attached hereto as Schedule 1 is a copy of the final pricing wire for each Undersold Maturity or an equivalent communication. With respect to the Undersold Maturities, as agreed to in writing by the Underwriter in the Purchase Agreement between the Issuer and the Underwriter dated [SALE DATE], 2019, the Underwriter has not offered or sold any of the Undersold Maturities to any person at a price higher than or a yield lower than the respective Initial Offering Price for a period of time starting on the Sale Date and ending on the earlier of (a) the date on which 10% of the respective Undersold Maturity was sold at one or more prices no higher than or yields no lower than the Initial Offering Price by the Underwriter or (b) the close of the fifth business day following the Sale Date.

2. **[USING HOLD THE PRICE FOR 100% OF THE ISSUE]**. As agreed to in writing by the Underwriter in the Purchase Agreement between the Issuer and the Underwriter dated [SALE DATE], 2019, the Underwriter has not offered or sold any Bond to any person at a price higher than or a yield lower than the respective Initial Offering Price for a period of time starting on the Sale Date and ending on the earlier of (a) the date on which 10% of the respective Undersold Maturity was sold at one or more prices no higher than or yields no lower than the Initial Offering Price by the Underwriter or (b) the close of the fifth business day following the Sale Date. Attached hereto as Schedule 1 is a copy of the final pricing wire for the Bonds or an equivalent communication.]

#### **[ADD SECTION ON QUALIFIED GUARANTEE IF APPLICABLE]**

##### **Defined Terms.**

“Initial Offering Price” means the prices or yields set forth on the inside cover page of the Issuer’s Official Statement in respect of such Bonds dated [SALE DATE], 2019.

“Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

“Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

“Related Party” means any entity if an Underwriter and such entity are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

“Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly

or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The Underwriter understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate to which this certificate is included as Exhibit A and with respect to compliance with the federal income tax rules affecting the Bonds, and by Orrick, Herrington & Sutcliffe LLP, in connection with its opinion as to the exclusion of interest on the Bonds from federal gross income, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. The Underwriter is certifying only as to facts in existence on the date hereof. Nothing herein represents the Underwriter's interpretation of any laws; in particular the Treasury Regulations under the Internal Revenue Code of 1986, or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

Dated \_\_\_\_\_, 2019

**RBC CAPITAL MARKETS, LLC**

By: \_\_\_\_\_  
Authorized Representative

## CONTINUING DISCLOSURE CERTIFICATE

**THIS CONTINUING DISCLOSURE CERTIFICATE** (this “Disclosure Certificate”) is executed and delivered by the Santee School District (the “District”) in connection with the issuance of \$ \_\_\_\_\_ aggregate principal amount of Santee School District (San Diego County, California) General Obligation Bonds, Election of 2018, Series 2019 (the “Bonds”). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on September 3, 2019 (the “Resolution”). The District covenants and agrees as follows:

**Section 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

**Section 2. Definitions.** In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 hereof.

“Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean Dale Scott & Company, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“Financial Obligation” shall mean, for the purposes of the Listed Events set out in Section 5(a)(x) and 5(b)(viii), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Holder” shall mean the person in whose name any Bond shall be registered.

“Listed Events” shall mean any of the events listed in Section 5(a) or (b) hereof.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” shall mean the Official Statement, dated \_\_\_\_\_, 2019 (including all exhibits or appendices thereto), relating to the offer and sale of Bonds.

“Participating Underwriter” shall mean the original underwriter(s) of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

**Section 3. Provision of Annual Reports.** (a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District’s fiscal year (which due date shall be March 31 of each year, so long as the District’s fiscal year ends on June 30), commencing with the report for the 2018-19 Fiscal Year (which is due not later than March 31, 2020), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 hereof. The Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 hereof; provided, however, that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District’s fiscal year changes, it shall give notice of such change in a filing with the MSRB. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to the date specified in subsection (a), the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the District shall, in a timely manner, send or cause to be sent to the MSRB a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) (if the Dissemination Agent is other than the District), provide any Annual Report received by it to the MSRB as provided herein; and

(ii) (if the Dissemination Agent is other than the District), file a report with the District certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

**Section 4. Content of Annual Reports.** The District’s Annual Report shall contain or include by reference the following:

(a) Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District’s audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a) hereof, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statements of the District, the Annual Report shall also include the following:

- (i) The adopted budget of the District for the then-current fiscal year.
- (ii) Assessed value of taxable property in the District for the then-current fiscal year as shown on the most recent equalized assessment role.
- (iii) If the County of San Diego (the “County”) no longer includes the tax levy for payment of the Bonds in its Teeter Plan, the property tax levies, collections, and delinquencies for the District for the most recently completed fiscal year.
- (iv) Top twenty property owners in the District for the then-current fiscal year, as measured by secured assessed valuation, the amount of their respective taxable value, and their percentage of total secured assessed value, if provided 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 have been made available to the public on the MSRB’s website. The District shall clearly identify each such other document so included by reference.

**Section 5. Reporting of Significant Events.** (a) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

- (i) principal and interest payment delinquencies;
- (ii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) substitution of credit or liquidity providers or their failure to perform;
- (v) adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
- (vi) tender offers;
- (vii) defeasances;
- (viii) rating changes;

(ix) bankruptcy, insolvency, receivership or similar event of the District;  
or

(x) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

For the purposes of the event identified in subparagraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(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:

(i) unless described in paragraph 5(a)(v), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

(ii) modifications to rights of Bond Holders;

(iii) Bond calls;

(iv) release, substitution, or sale of property securing repayment of the Bonds;

(v) non-payment related defaults;

(vi) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

(vii) appointment of a successor or additional paying agent or the change of name of a paying agent; or

(viii) incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect Bond holders.

(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 hereof, as provided in Section 3(b) hereof.

(d) Upon the occurrence of a Listed Event described in Section 5(a), or upon the occurrence of a Listed Event described in Section 5(b) which the District determines 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. Notwithstanding the foregoing, notice of the Listed Event described in subsection (b)(iii) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

(e) The District intends to comply with the Listed Events described in subsection (a)(x) and subsection (b)(viii), and the definition of “Financial Obligation” in Section 1, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Securities and Exchange Commission in Release No. 34-83885, dated August 20, 2018 (the “2018 Release”), and any further amendments or written guidance provided by the Securities and Exchange Commission or its staff with respect to the amendments to the Rule effected by the 2018 Release.

**Section 6. Format for Filings with MSRB.** Any report or filing with the MSRB pursuant to this Disclosure Certificate must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

**Section 7. 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 a filing with the MSRB.

**Section 8. Dissemination Agent.** The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be Dale Scott & Company.

**Section 9. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Section 3(a) hereof, Section 4 hereof, or Section 5(a) or (b) hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the District with respect to the Bonds, or the type of business conducted;

(b) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements

of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by the Holders in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in a filing with the MSRB, 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 10. 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 required to be filed pursuant to this Disclosure Certificate, 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 in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

**Section 11. 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 or in U.S. District Court in or nearest to the County. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

**Section 12. Duties, Immunities and Liabilities of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and (if the Dissemination Agent is other than the District), the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under



this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

**Section 13. Beneficiaries.** This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: \_\_\_\_\_, 2019

**SANTEE SCHOOL DISTRICT**

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

ACCEPTED AND AGREED TO:

**DALE SCOTT & COMPANY, as  
Dissemination Agent**

By: \_\_\_\_\_  
Authorized Signatory

**EXHIBIT A**

**NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD  
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: **SANTEE SCHOOL DISTRICT**  
Name of Issue: Santee School District (San Diego County, California)  
General Obligation Bonds, Election of 2018, Series 2019  
Date of Issuance: \_\_\_\_\_, 2019

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the District, dated \_\_\_\_\_, 2019. [The District anticipates that the Annual Report will be filed by \_\_\_\_\_.]

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

**SANTEE SCHOOL DISTRICT**



# TREASURER-TAX COLLECTOR SAN DIEGO COUNTY

www.sdttc.com

Dan McAllister  
Treasurer-Tax Collector



## PAYING AGENT AGREEMENT

THIS PAYING AGENT AGREEMENT (the "Agreement"), is entered into as of [\_\_\_\_], 2019, between the Santee School District (the "District"), and the County of San Diego acting through the Office of the Treasurer-Tax Collector, San Diego County, California (the "County"), as Paying Agent and Registrar.

### RECITALS

WHEREAS the District has duly authorized and provided for the issuance of its Bonds, entitled the "Santee School District (San Diego County, California) General Obligation Bonds, Election of 2018, Series 2019" (the "Bonds") in an aggregate principal amount of \$[\_\_\_\_\_]. The Bonds will be issued as fully registered bonds without coupons;

WHEREAS the District will ensure that all things necessary to make the Bonds the valid obligations of the District, in accordance with their terms and the requirements of State of California ("State") law, will be done upon the issuance, sale and delivery thereof;

WHEREAS the District and the County wish to provide the terms under which 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;

WHEREAS the District and the County have each authorized the execution and delivery of this Agreement; and all things necessary to make this Agreement a valid agreement have been done.

NOW, THEREFORE, it is mutually agreed as follows:

### ARTICLE ONE

#### DEFINITIONS

##### Section 1.01. Definitions.

For all purposes of this Agreement except as otherwise expressly provided or unless the context otherwise requires:

"Bond" or "Bonds" means any one or all of the \$\_\_\_\_\_ in aggregate principal amount of bonds entitled "Santee School District (San Diego County, California) General Obligation Bonds, Election of 2018, Series 2019."

"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 Board of Education of the District, adopted on [September 3], 2019, pursuant to which the Bonds were issued.

“County” means the Office of the Treasurer–Tax Collector, County of San Diego, California.

“District” means Santee School District.

“District Request” means a written request signed in the name of the District and delivered to the County.

“DTC” or “Depository” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York in its capacity as securities depository for the Bonds.

“Fiscal Year” means the fiscal year of the District ending on June 30 of each year.

“Investment Management Agreement” means that certain Investment Management Agreement entered into by and between the District and the County.

“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.

“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, authentication agent and/or transfer agent for the Bonds.

## ARTICLE TWO

### APPOINTMENT OF COUNTY AS PAYING AGENT AND REGISTRAR

#### Section 2.01. Appointment and Acceptance.

The District hereby appoints the County to act as Paying Agent with respect to the Bonds, to pay, or to provide for payment, to the Registered Owners in accordance with the terms and provisions of this Agreement, the Bond Resolution, and the Bonds, the principal of, redemption premium (if any), and interest on all or any of the Bonds.

The District hereby appoints the County as Registrar with respect to the Bonds. As Registrar, the County shall keep and maintain for and on behalf of the District books and records as to the ownership of the Bonds and with respect to the transfer and exchange thereof as provided herein and in the Bond Resolution.

The County hereby accepts its appointment, and agrees to act as Paying Agent and Registrar.

Section 2.02. Compensation.

As compensation for the County's services as Paying Agent and Registrar, the District hereby agrees to pay the County the fees and amounts set forth in Exhibit A.

In addition, the District agrees to reimburse the County, upon its request, for all reasonable and necessary out-of-pocket expenses, disbursements, and advances, including without limitation the reasonable fees, expenses, and disbursements of its agents and attorneys made or incurred by the County in connection with entering into and performing under this Agreement, and in connection with investigating and defending itself against any claim or liability in connection with its performance hereunder.

ARTICLE THREE

PAYING AGENT

Section 3.01. Duties of Paying Agent.

As Paying Agent, the County, provided sufficient collected funds have been provided to it for such purpose by or on behalf of the District, shall pay on behalf of the District the principal of, redemption premium (if any), and interest on each Bond in accordance with the provisions of the Bond Resolution and the Bonds.

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 Bonds.

ARTICLE FOUR

REGISTRAR

Section 4.01. Initial Delivery of Bonds.

The Bonds will be initially authenticated, 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 if such purchaser delivers a written request to the County not later than five business days prior to the date of initial delivery, the County will, on the date of initial delivery, deliver Bonds of authorized denominations, registered in accordance with the instructions in such written request.

Section 4.02. Duties of Registrar.

The County shall provide for the proper registration of transfer, exchange and replacement of the Bonds. Every Bond surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature of which has been guaranteed by an eligible guarantor institution, in a form acceptable to the County, duly executed by the Registered Owner thereof or his 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 FIVE

THE COUNTY

Section 5.01. Duties of County.

The County undertakes to perform the duties set forth herein. No implied duties or obligations shall be read into this Agreement against the County. The County hereby agrees to use the funds deposited with it for payment of the principal of, redemption premium (if any), and interest on the Bonds to pay the same as it shall become due and further agrees to establish and maintain such accounts and funds as may be required for the County to function as Paying Agent.

Section 5.02. Reliance on Documents, Etc.

The County may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the County by the District.

No provision of this Agreement shall require the County to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

The County may rely, or be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The County need not examine the ownership of any Bond, but shall be protected in acting upon receipt of Bonds containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Registered Owner or agent of the Registered Owner.

The County has no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership or interest on the Bonds.

The County may consult with counsel, and the written advice or opinion of counsel shall be full authorization and protection with respect to any action taken, suffered or omitted by it hereunder in good faith and reliance thereon.

The County may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys and shall not be liable for the actions of such agent or attorney if appointed by it with reasonable care.

Section 5.03. Recitals of District.

The recitals contained in the Bond Resolution and the Bonds shall be taken as the statements of the District, and the County assumes no responsibility for their correctness.

Section 5.04. May Own Bonds.

The County, in its individual or any other capacity, may become the owner or pledgee of Bonds with the same rights it would have if it were not the Paying Agent and Registrar for the Bonds.

Section 5.05. Money Held by County.

Money held by the County hereunder need not be segregated from other funds. Money held hereunder will be deposited in the District's interest and sinking fund and invested in the County investment pool and invested by the County Treasurer pursuant to its duties as Treasurer and pursuant to the Investment Management Agreement, incorporated herein, 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 SIX

MISCELLANEOUS PROVISIONS

Section 6.01. Amendment.

This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02. Assignment.

This Agreement may not be assigned by either party without the prior written consent of the other party.

Section 6.03. Notices.

Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the District or the County shall be mailed or delivered to the District or the County, respectively, at the address shown herein, or such other address as may have been given by one party to the other by fifteen (15) days written notice.

Section 6.04. Effect of Headings.

The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 6.05. Successors and Assigns.

All covenants and agreements herein by the District and the County shall bind their successors and assigns, whether so expressed or not.

Section 6.06. Severability.

If any provision of this Agreement shall be determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 6.07. Benefits of Agreement.

Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim hereunder.

Section 6.08. Entire Agreement.

This Agreement and the terms of the Bonds set forth in the Bonds 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 until the final payment of principal of and interest on the Bonds or until the County resigns; whichever occurs first. The County may resign at any time and be discharged of its duties and obligations by giving written notice thereof to the District. If the County resigns, prior to the effective date of the resignation, the County shall appoint a successor Paying Agent and Registrar. A successor Paying Agent shall be appointed by the County Treasurer. In the event of resignation of the County as Paying Agent and Registrar, upon receipt of moneys representing the principal and interest on the Bonds, the successor Paying Agent shall be responsible for the actual payment to the bondholders and cancellation of any bonds or coupons. 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 specimen Bonds; (b) a copy of the opinion of bond counsel provided to the District in connection with the issuance of the Bonds; (c) a District Request containing written instructions to the County with respect to the issuance and delivery of the Bonds, including the name of the Registered Owners and the denominations of the Bonds; (d) a Closing Memorandum Addendum, to be reviewed by Bond Counsel, providing instructions to the County for the deposit of all bond proceeds; and (e) within 90 days of the date hereof, a transcript of proceedings prepared for the Bonds.

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.

**SANTEE SCHOOL DISTRICT**

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

**COUNTY OF SAN DIEGO, OFFICE OF THE  
TREASURER-TAX COLLECTOR OF THE COUNTY OF  
SAN DIEGO, CALIFORNIA, as Paying Agent**

By \_\_\_\_\_  
Treasurer-Tax Collector or Designee

**APPROVED AS TO FORM:**

By \_\_\_\_\_  
Chief Deputy County Counsel

EXHIBIT A PAYING AGENT FEE SCHEDULE

Service Type	Fee	Frequency
Fee for each bond series	\$1,500	At closing and annually
Fee for each additional subseries	\$500	At closing and annually

Note: The District is responsible for any extraordinary costs associated with paying agent activities as provided in Section 2.02. The District will be notified of any extraordinary costs.



# TREASURER-TAX COLLECTOR SAN DIEGO COUNTY

www.sdttc.com

Dan McAllister  
Treasurer-Tax Collector



**INVESTMENT MANAGEMENT AGREEMENT  
PROVIDING FOR INVESTMENT OF BOND PROCEEDS  
IN THE SAN DIEGO COUNTY TREASURER'S POOLED INVESTMENT FUND**

THIS INVESTMENT MANAGEMENT AGREEMENT ("Agreement") IS ENTERED INTO AS OF [\_\_\_\_], 2019, BY AND BETWEEN SANTEE SCHOOL DISTRICT ("Agency") AND THE SAN DIEGO COUNTY TREASURER-TAX COLLECTOR ("Treasurer").

## RECITALS

- A. Agency is a local public agency within the County of San Diego that is authorized by law to deposit funds to be managed and invested by the Treasurer.
- B. The Agency is authorized to deposit and Treasurer has agreed to accept a deposit of Agency's Bond Proceeds in the San Diego County Treasurer's Pooled Investment Fund, ("the Pool"), which contains County funds and money deposited by other local public agencies.
- C. The Pool is a permitted investment in the Agency's bond documents.
- D. The Agency has been provided with a copy of the Treasurer's Investment Policy for the Pool ("Policy") adopted pursuant to Government Code section 27133, and Agency has reviewed the policy prior to entering into this Agreement. The Policy is subject to annual revision.

## IN VIEW OF THE ABOVE RECITALS, THE PARTIES AGREE AS FOLLOWS:

1. Deposit of Funds. Except as provided by law, the Agency shall deposit the proceeds of any bond transaction with Treasurer to be managed and invested as part of the Pool. The Agency will provide the Treasurer with written documentation of its governing body's approval of the deposits. Any initial deposit and subsequent addition of bond proceeds shall be referred to as "Bond Proceeds."
2. Investment of Funds. Treasurer will manage and invest deposited Bond Proceeds in accordance with the Policy including any amendments or revisions to the Policy. Any funds invested outside the County Investment Pool are the sole responsibility of the Agency. The Treasurer-Tax Collector takes no responsibility for investments outside of the County Investment Pool, including the selection, on-going management, and accounting of such funds.
3. Annual Review of Policy. Agency acknowledges that the Treasurer reviews the Policy and submits the Policy to the County Oversight Committee and the Board of Supervisors for

their reviews and approvals annually. The current Policy is posted at <http://www.sdttc.com/content/dam/ttc/docs/investmentpolicy.pdf>

4. Non-Liability for Investment Results. Agency understands and agrees that as long as Treasurer invests, in good faith, the Bond Proceeds in accordance with the current Policy, neither Treasurer nor the County of San Diego shall be responsible or liable for any investment losses suffered by Agency or for any underperformance of the funds deposited.

5. Term of Agreement. The term of this Agreement commences on the date set forth above and terminates when Agency has withdrawn all Bond Proceeds from the Pool.

6. Reports. Agency shall provide Treasurer with cash flow reports on a quarterly basis indicating projected contributions to and withdrawals from the Pool. Treasurer shall provide Agency with monthly reports covering the performance of the pool -which will be found at <http://www.sdttc.com/content/ttc/en/treasury/financial-reports.html>

7. Disputes. The Parties agree to attempt to resolve any disputes under this Agreement by informal means and, if necessary, by mediation. Should mediation fail to resolve the dispute, either party may pursue its legal remedies.

8. Contacts for Responsibility. This Agreement shall be administered on behalf of the Treasurer by Lauren Warrem, Chief Deputy Treasurer, and on behalf of Agency by Karl Christensen, Assistant Superintendent, Business Services. Either party, by written notice to the other, may change the person responsible for administering this Agreement.

9. Notices. Any notices provided for in this Agreement shall deliver personally or by United States mail, as follows:

Treasurer: Lauren Warrem, Chief Deputy Treasurer  
County of San Diego  
1600 Pacific Hwy., Room 152  
San Diego, California 92101

Agency: Karl Christensen, Assistant Superintendent, Business Services  
Santee School District  
9625 Cuyamaca Street  
Santee, California 92071

Either party, by written notice to the other, may change the name and/or address to which written notices must be delivered.

10. Entire Agreement. This Agreement constitutes the entire agreement of the Parties with regard to investment of Bond Proceeds and supersedes any previous oral or written agreements. This Agreement may be amended only by written amendment executed by both Parties.

SAN DIEGO COUNTY TREASURER-TAX COLLECTOR

By: \_\_\_\_\_  
Dan McAllister, Treasurer-Tax Collector

SANTEE SCHOOL DISTRICT

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

NEW ISSUE—BOOK-ENTRY ONLY

Rating: S&P: “\_\_\_”  
(See “MISCELLANEOUS — Rating” herein.)

*[In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2019 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 Series 2019 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. 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 Series 2019 Bonds. See “TAX MATTERS” herein.]*

\$[\_\_\_\_\_] \*  
**SANTEE SCHOOL DISTRICT**  
**(SAN DIEGO COUNTY, CALIFORNIA)**  
**GENERAL OBLIGATION BONDS, ELECTION OF 2018, SERIES 2019**

**Dated: Date of Delivery****Due: August 1, as shown herein**

*This cover page is not a summary of this issue; it is only a reference to the information contained in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.*

The Santee School District (San Diego County, California) General Obligation Bonds, Election of 2018, Series 2019 (the “Series 2019 Bonds”) are issued by the Santee School District (the “District”), located in the County of San Diego, California (the “County”), to (i) finance specific construction, repair and improvement projects approved by the voters of the District and (ii) pay costs of delivery with respect to the Series 2019 Bonds. The Series 2019 Bonds were authorized at an election of the voters of the District held on November 6, 2018, at which at least 55% of the voters voting on the proposition authorized the issuance and sale of \$15,370,000 principal amount of bonds of the District. The Series 2019 Bonds are being issued under the laws of the State of California (the “State”) and pursuant to a resolution of the Board of Education of the District, adopted on September 3, 2019.

The Series 2019 Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the California Constitution and other State law. The Board of Supervisors of the County is empowered and obligated to levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Series 2019 Bonds, all as more fully described herein. See “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2019 BONDS” herein.

The Series 2019 Bonds will be issued as current interest bonds, as set forth on the inside front cover hereof. Interest on the Series 2019 Bonds is payable on each February 1 and August 1 to maturity, commencing February 1, 2020. Principal of the Series 2019 Bonds is payable on August 1 in each of the years and in the amounts set forth on the inside front cover hereof.

The Series 2019 Bonds will be issued in denominations of \$5,000 principal amount, or any integral multiple thereof as shown on the inside front cover hereof.

[As more fully described herein, the District may obtain a municipal bond insurance policy to guarantee the scheduled payment of principal of and interest on the Series 2019 Bonds as such payments become due. The District’s decision whether or not to obtain such a policy will be made at or about the time of pricing of the Series 2019 Bonds and will be based upon, among other things, market conditions at the time of such pricing. No assurance can be given as to whether the District will obtain such a policy, and, if so, whether such policy will cover all or less than all of the Series 2019 Bonds.]

The Series 2019 Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Series 2019 Bonds. Individual purchases of the Series 2019 Bonds will be made in book-entry form only. Purchasers will not receive physical delivery of the Series 2019 Bonds purchased by them. See “THE SERIES 2019 BONDS – Form and Registration” herein. Payments of the principal of and interest on the Series 2019 Bonds will be made by the Treasurer-Tax Collector of the County of San Diego, as paying agent, registrar and transfer agent with respect to the Series 2019 Bonds, to DTC for subsequent disbursement to DTC Participants, who will remit such payments to the beneficial owners of the Series 2019 Bonds. See “THE SERIES 2019 BONDS – Payment of Principal and Interest” herein.

**The Series 2019 Bonds are subject to redemption prior to maturity as described herein. See “THE SERIES 2019 BONDS — Redemption” herein.**

*The Series 2019 Bonds will be offered when, as and if issued by the District and received by the Underwriter, subject to the approval of legality by Orrick, Herrington & Sutcliffe LLP, Irvine, California, Bond Counsel to the District. Certain legal matters*

\* Preliminary: subject to change.



*will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, Irvine, California, as Disclosure Counsel to the District; and for the Underwriter by its counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation. It is anticipated that the Series 2019 Bonds, in definitive form, will be available for delivery through the facilities of DTC on or about \_\_\_\_\_, 2019.*

**[RBC Logo]**

Dated \_\_\_\_\_, 2019.

**MATURITY SCHEDULE  
BASE CUSIP<sup>†</sup>: 802853**

\$[\_\_\_\_\_] \*  
**SANTEE SCHOOL DISTRICT  
 (SAN DIEGO COUNTY, CALIFORNIA)  
 GENERAL OBLIGATION BONDS, ELECTION OF 2018, SERIES 2019**

\$ \_\_\_\_\_ Serial Series 2019 Bonds

Maturity (August 1.)	Principal Amount	Interest Rate	Yield	CUSIP Number <sup>†</sup>
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				

\$ \_\_\_\_\_ % Term Series 2019 Bonds due August 1, 20\_\_ – Yield \_\_\_\_\_ % - CUSIP Number<sup>†</sup> \_\_\_\_\_

\$ \_\_\_\_\_ % Term Series 2019 Bonds due August 1, 20\_\_ – Yield \_\_\_\_\_ % - CUSIP Number<sup>†</sup> \_\_\_\_\_

<sup>†</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2019 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

\* Preliminary; subject to change.

**SANTEE SCHOOL DISTRICT  
(SAN DIEGO COUNTY, CALIFORNIA)**

**BOARD OF EDUCATION**

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

**DISTRICT ADMINISTRATORS**

Dr. Kristin Baranski, *Superintendent*  
Karl Christensen, MBA, *Assistant Superintendent, Business Services*

**PROFESSIONAL SERVICES**

**Municipal Advisor**

Dale Scott & Company  
*San Francisco, California*

**Bond Counsel and Disclosure Counsel**

Orrick, Herrington & Sutcliffe LLP  
*Irvine, California*

**Paying Agent, Registrar and Transfer Agent**

County of San Diego Treasurer-Tax Collector  
*San Diego, California*

This Official Statement does not constitute an offering of any security other than the original offering of the Series 2019 Bonds by the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The Series 2019 Bonds are exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)2 thereof. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy Series 2019 Bonds in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein other than that furnished by the District, although obtained from sources which are believed to be reliable, is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Series 2019 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used, such as "plan," "expect," "estimate," "budget," "intend" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when their expectations, or events, conditions or circumstances on which such statements are based, occur.

The District maintains a website. However, the information presented there is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2019 Bonds.

In connection with this offering, the Underwriter may overallocate or effect transactions which stabilize or maintain the market prices of the Series 2019 Bonds at levels above those that might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Series 2019 Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside front cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

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S[\_\_\_\_\_]\*

**SANTEE SCHOOL DISTRICT  
(SAN DIEGO COUNTY, CALIFORNIA)  
GENERAL OBLIGATION BONDS, ELECTION OF 2018, SERIES 2019**

**INTRODUCTION**

*This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Series 2019 Bonds to potential investors is made only by means of the entire Official Statement.*

**General**

This Official Statement, which includes the cover page, inside cover page and appendices hereto, is provided to furnish information in connection with the sale of S[\_\_\_\_\_] aggregate principal amount of Santee School District (San Diego County, California) General Obligation Bonds, Election of 2018, Series 2019 (the “Series 2019 Bonds”), all as indicated on the inside front cover hereof, to be offered by the Santee School District (the “District”).

This Official Statement speaks only as of its date, and the information contained herein is subject to change. The District has no obligation to update the information in this Official Statement, except as required by the Continuing Disclosure Certificate to be executed by the District. See “OTHER LEGAL MATTERS – Continuing Disclosure” and APPENDIX E – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

The purpose of this Official Statement is to supply information to prospective buyers of the Series 2019 Bonds. Quotations from and summaries and explanations of the Series 2019 Bonds, the resolution of the Board of Education of the District providing for the issuance of the Series 2019 Bonds, and the constitutional provisions, statutes and other documents described herein, do not purport to be complete, and reference is hereby made to said documents, constitutional provisions and statutes for the complete provisions thereof.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or owners of any of the Series 2019 Bonds.

Copies of documents referred to herein and information concerning the Series 2019 Bonds are available from the District by contacting: Santee School District, 9625 Cuyamaca Street, Santee, California 92071, Attention: Assistant Superintendent, Business Services. The District may impose a charge for copying, handling and mailing such requested documents.

**The District**

The District, established in 1893, encompasses approximately 16.56 square miles in the eastern portion of the County of San Diego (the “County”). The District is located in the City of Santee, and it serves portions of the Cities of Santee, El Cajon, and San Diego, and an unincorporated area of San Diego

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\* Preliminary: subject to change.

County. The District provides public education services for grades pre-kindergarten through eight. The District operates one elementary school serving grades kindergarten through six, eight elementary schools serving grades kindergarten through eight, an alternative home school program and three preschool programs. Enrollment in the District for fiscal year 2018-19 was 6,826, and for fiscal year 2019-20 is estimated to be 6,864 students. The District operates under the jurisdiction of the San Diego County Superintendent of Schools.

For additional information about the District, see APPENDIX A – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET” and APPENDIX B – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2018.”

## **THE SERIES 2019 BONDS**

### **Authority for Issuance; Purpose**

The Series 2019 Bonds are issued under the provisions of California Government Code Section 53506 *et seq.*, including Section 53508.7 thereof, and California Education Code Section 15140 and Article XIII A of the California Constitution and pursuant to a resolution adopted by the Board of Education of the District on September 3, 2019 (the “Resolution”).

At an election held on November 6, 2018, the District received authorization under Measure S to issue general obligation bonds of the District in an aggregate principal amount not to exceed \$15,370,000, to construct, modernize, update and equip elementary and junior high school classrooms and educational facilities of the District (collectively, the “2018 Authorization”). Measure S required approval by at least 55% of the votes cast by eligible voters within the District and received an approval vote of approximately 60.66%.

The Series 2019 Bonds represent the first series of authorized bonds to be issued under the 2018 Authorization and will be issued (i) to finance projects authorized under the 2018 Authorization and (ii) to pay costs of delivery with respect to the Series 2019 Bonds. See “–Application and Investment of Series 2019 Bond Proceeds” herein.

### **Possible Municipal Bond Insurance**

In connection with the issuance of the Series 2019 Bonds, the District has applied for, and may obtain a municipal bond insurance policy to guarantee the scheduled payment of principal of and interest on all or a portion of the Series 2019 Bonds as such payments shall become due.

No assurance can be given as to whether a commitment will be issued by an insurer to the District and, if a commitment is issued by an insurer to the District, no assurance can be given as to (a) whether the District will decide to obtain an insurance policy from an insurer in connection with the issuance of the Series 2019 Bonds, or (b) whether the District will insure all or less than all of the Series 2019 Bonds. If a commitment is issued by an insurer to the District, the District’s decision as to whether the insurance policy will be obtained from an insurer with respect to all or a portion of the Series 2019 Bonds will be made at or about the time of the pricing of the Series 2019 Bonds and will be based upon, among other things, market conditions at the time of such pricing. If the District does decide to obtain an insurance policy from an insurer, it will be a condition to the issuance of the Series 2019 Bonds that such insurance policy be issued concurrently with the issuance of the Series 2019 Bonds.

In the event the District does decide to obtain a municipal bond insurance policy from an insurer, the insured Series 2019 Bonds (the “Insured Bonds”) would be assigned an insured rating from the rating



agency assigning the underlying rating to the Series 2019 Bonds based solely as a result of the issuance of such insurance policy, and such rating would reflect the rating agency's views of the claims-paying ability and financial strength of the applicable insurer. The financial strength and claims-paying ability of any insurer are predicated upon a number of factors which could change over time. Neither the District nor the Underwriter has made any independent investigation into the claims-paying ability of any insurer, and no assurance or representation regarding the financial strength or projected financial strength of any insurer is given. In addition, no assurance is made that any insured rating of the Insured Bonds would not be subject to downgrade. The existence of any insurance policy will not, of itself, negatively affect the underlying rating assigned to the Series 2019 Bonds. Without regard to any bond insurance, the Series 2019 Bonds are payable from the proceeds of an ad valorem tax approved by the voters of the District pursuant to all applicable laws and constitutional requirements, and required to be levied by the County on property within the District in an amount sufficient for the timely payment of principal of and interest on the Series 2019 Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2019 BONDS." However, any downward revision or withdrawal of any rating of an insurer may have an adverse effect on the market price of the Insured Bonds or the marketability (liquidity) for the Insured Bonds.

In the event of default of the payment of principal of or interest on the Insured Bonds, if any, when all or some becomes due, any owner of the Insured Bonds would have a claim under any applicable municipal bond insurance policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of optional redemption or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments would be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. No municipal bond insurance policy would insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional redemption of the Insured Bonds by the issuer which is recovered from an Insured Bond owner as a voidable preference under applicable bankruptcy law would be covered by any municipal bond insurance policy; however, such payments would be made by the applicable insurer at such time and in such amounts as would have been due absent such redemption unless the insurer were to choose to pay such amounts at an earlier date.

In the event any insurer becomes obligated to make payments with respect to any Insured Bonds, no assurance is given that such event will not adversely affect the market price of the Insured Bonds or the marketability (liquidity) for the Insured Bonds. The obligations of any insurer are contractual obligations and, in an event of default by an insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

### **Form and Registration**

The Series 2019 Bonds will be issued in fully registered form only, without coupons, in denominations of \$5,000 principal amount or integral multiples thereof. The Series 2019 Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the Series 2019 Bonds. Purchases of Series 2019 Bonds under the DTC book-entry system must be made by or through a DTC participant, and ownership interests in Series 2019 Bonds will be recorded as entries on the books of said participants. Except in the event that use of this book-entry system is discontinued for the Series 2019 Bonds, beneficial owners ("Beneficial Owners") will not receive physical certificates representing their ownership interests. See APPENDIX G – "BOOK-ENTRY ONLY SYSTEM."

### **Payment of Principal and Interest**

**Interest.** The Series 2019 Bonds will be dated as of their date of delivery, and bear interest at the rates set forth on the inside front cover page of this Official Statement, payable on February 1 and August 1

of each year (each, an “Interest Payment Date”), commencing on February 1, 2020, computed on the basis of a 360-day year consisting of twelve 30-day months. Each Series 2019 Bond will 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 15<sup>th</sup> day of the calendar month immediately preceding an Interest Payment Date (the “Record Date”) and on or prior to the succeeding Interest Payment Date, in which event it will 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 will bear interest from its dated date; provided, however, that if, at the time of authentication of any Series 2019 Bond, interest is in default on any outstanding Series 2019 Bonds, such Series 2019 Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Series 2019 Bonds.

***Payment of Series 2019 Bonds.*** The principal of the Series 2019 Bonds is payable in lawful money of the United States of America upon the surrender thereof at the office of the Treasurer-Tax Collector of the County, as paying agent (the “Paying Agent”) at the maturity thereof or upon redemption prior to maturity.

Interest on the Series 2019 Bonds is payable in lawful money of the United States of America by check mailed on each Interest Payment Date (if a business day, or on the next business day if the Interest Payment Date does not fall on a business day) to the registered owner thereof (the “Owner”) at such Owner’s address as it appears on the bond registration books kept by the Paying Agent or at such address as the Owner may have filed with the Paying Agent for that purpose, except that the payment shall be made by wire transfer of immediately available funds to any Owner of at least \$1,000,000 of outstanding Series 2019 Bonds who shall have requested in writing such method of payment of interest prior to the close of business on a Record Date. So long as the Series 2019 Bonds are held by Cede & Co., as nominee of DTC, payment shall be made by wire transfer. See APPENDIX G – “BOOK-ENTRY ONLY SYSTEM.”

### **Redemption\***

***Optional Redemption.*** The Series 2019 Bonds maturing on or before August 1, 20\_\_, are not subject to optional redemption prior to their respective stated maturity dates. The Series 2019 Bonds maturing on or after August 1, 20\_\_, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 20\_\_, at a redemption price equal to the principal amount of the Series 2019 Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

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\* Preliminary: subject to change.

**Mandatory Sinking Fund Redemption.** The \$ \_\_\_\_\_ term Series 2019 Bonds maturing on August 1, 20\_\_ are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
_____	\$

†

\_\_\_\_\_†  
Maturity.

The principal amount of the \$ \_\_\_\_\_ term Series 2019 Bonds maturing on August 1, 20\_\_, to be redeemed in each year shown above will be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000, by any portion of such term Series 2019 Bonds optionally redeemed prior to the mandatory sinking fund redemption date.

The \$ \_\_\_\_\_ term Series 2019 Bonds maturing on August 1, 20\_\_ are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
_____	\$

†

\_\_\_\_\_†  
Maturity.

The principal amount of the \$ \_\_\_\_\_ term Series 2019 Bonds maturing on August 1, 20\_\_, to be redeemed in each year shown above will be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000, by any portion of such term Series 2019 Bonds optionally redeemed prior to the mandatory sinking fund redemption date.

**Selection of Series 2019 Bonds for Redemption.** If less than all of the Series 2019 Bonds are called for redemption, the Series 2019 Bonds shall be redeemed in inverse order of maturities or as otherwise directed by the District. Whenever less than all of the outstanding Series 2019 Bonds of any one maturity are designated for redemption, the Paying Agent shall select the outstanding Series 2019 Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Series 2019 Bond shall be deemed to consist of individual Series 2019 Bonds of denominations of \$5,000 principal amount, each, which may be separately redeemed.

**Notice of Redemption.** Notice of redemption of any Series 2019 Bond will be given by the Paying Agent 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 bond registration books, and (ii) as may be further required in accordance with the Continuing Disclosure Certificate with respect to the Series 2019 Bonds. See APPENDIX E – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

Each notice of redemption will contain the following information: (i) the date of such notice; (ii) the name of the Series 2019 Bonds and the date of issue of the Series 2019 Bonds; (iii) the redemption date; (iv) the redemption price; (v) the dates of maturity or maturities of Series 2019 Bonds to be redeemed; (vi) if less than all of the Series 2019 Bonds of any maturity are to be redeemed the distinctive numbers of the Series 2019 Bonds of each maturity to be redeemed; (vii) in the case of Series 2019 Bonds redeemed in part only, the respective portions of the principal amount of the Series 2019 Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of Series 2019 Bonds to be redeemed; (ix) a statement that such Series 2019 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 2019 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. The actual receipt by the Owner of any Series 2019 Bond or by any securities depository or information service of notice of redemption shall not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, shall not affect the validity of the proceedings for the redemption of such Series 2019 Bonds or the cessation of interest on the date fixed for redemption.

***Effect of Notice of Redemption.*** When notice of redemption has been given substantially as described above and when the redemption price of the Series 2019 Bonds called for redemption is set aside, the Series 2019 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 2019 Bonds at the place specified in the notice of redemption, such Series 2019 Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Series 2019 Bonds so called for redemption after such redemption date shall look for the payment of such Series 2019 Bonds and the redemption premium thereon, if any, only to moneys on deposit for the purpose in the interest and sinking fund of the District within the County treasury (the “Interest and Sinking Fund”) or the trust fund established for such purpose. All Series 2019 Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

***Right to Rescind Notice.*** The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Series 2019 Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the Interest and Sinking Fund of the District or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Series 2019 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 2019 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.

### **Defeasance of Series 2019 Bonds**

The District may pay and discharge any or all of the Series 2019 Bonds by depositing in trust with the Paying Agent or an escrow agent at or before maturity, money or non-callable direct obligations of the United States of America or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount which will, together with the interest to accrue thereon and available moneys then on deposit in the Interest

and Sinking Fund of the District, be fully sufficient to pay and discharge the indebtedness on such Series 2019 Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

**Unclaimed Moneys**

Any money held in any fund 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 2019 Bonds and remaining unclaimed for two years after the principal of such Series 2019 Bonds has become due and payable (whether by maturity or upon prior redemption) is required to be transferred to the Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from said fund; or, if no such bonds of the District are at such time outstanding, said moneys is required to be transferred to the general fund of the District as provided and permitted by law.

**Application and Investment of Series 2019 Bond Proceeds**

The proceeds of the Series 2019 Bonds are expected to be applied as follows:

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
General Obligation Bonds, Election of 2018, Series 2019**

**Estimated Sources and Uses of Funds**

<u>Sources of Funds:</u>	
Principal Amount of Series 2019 Bonds	\$
[Plus/Less] [Net] Original Issue [Premium/Discount]	
Total Sources of Funds	\$
 <u>Uses of Funds:</u>	
Deposit to Building Fund	\$
Deposit to Interest and Sinking Fund <sup>(1)</sup>	
Costs of Issuance <sup>(2)</sup>	
Underwriter's Discount	
Total Uses of Funds	\$

<sup>(1)</sup> Consists of premium received by the District.

<sup>(2)</sup> Includes legal fees, municipal advisor fees, rating agency fee, bond insurance premium, if applicable, printing fees, and other miscellaneous expenses.

Under California law, all money received by or apportioned to a school district must generally be paid into and held in the County treasury. The proceeds from the sale of the Series 2019 Bonds less amounts necessary to pay costs of issuance will be deposited in the County treasury to the credit of the building fund of the District (the "Building Fund") and shall be accounted for together with the proceeds of other bonds of the District separately from all other District and County funds. Such proceeds shall be applied solely for the purposes for which the Series 2019 Bonds were authorized. Any premium or accrued interest on the Series 2019 Bonds received by the District will be deposited in the Interest and Sinking Fund of the District in the County treasury. Interest and earnings on each fund will accrue to that fund. All funds held by the County Treasurer-Tax Collector (the "County Treasurer") in the Building Fund and the Interest and Sinking Fund are expected to be invested at the sole discretion of the County Treasurer on behalf of the District in such investments as are authorized by Section 53601 and following of the California Government Code and the investment policy of the County, as either may be amended or supplemented from time to time. See

APPENDIX F – “COUNTY OF SAN DIEGO INVESTMENT POOL” for a description of the permitted investments under the investment policy of the County. In addition, to the extent permitted by law and the investment policy of the County, the District may request in writing that all or any portion of the funds held in the Building Fund may be invested in investment agreements, including guaranteed investment contracts, float contracts or other investment products which comply with the requirements of each rating agency then rating the Series 2019 Bonds. The County Treasurer does not monitor such investments for arbitrage compliance and does not perform any arbitrage calculations with respect to such investments.

**Debt Service**

Debt service on the Series 2019 Bonds, assuming no early optional redemptions, is as set forth in the following table.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
General Obligation Bonds, Election of 2018, Series 2019**

Year Ending August 1,	Principal	Interest	Total Debt Service
2020	\$	\$	\$
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
Total:	<u>\$</u>	<u>\$</u>	<u>\$</u>

## **Outstanding Bonds**

In addition to the Series 2019 Bonds, the District has six series of general obligation bonds outstanding, each of which is secured by *ad valorem* taxes upon all property subject to taxation by the District on a parity with the Series 2019 Bonds.

**2006 Authorization.** The District received authorization at an election held on November 7, 2006 to issue bonds of the District in an aggregate principal amount of not-to-exceed \$60,000,000 (“the Measure R Bonds”) to finance construction, reconstruction and/or rehabilitation of its school facilities, including the furnishing and equipping of its school facilities, acquisition, or lease of real property for its school facilities and construction management (the “2006 Authorization” or “Measure R”). The District issued five series of bonds under the 2006 Authorization. On May 1, 2007, the County, on behalf of the District, issued the Santee School District General Obligation Bonds, Election of 2006, Series A (San Diego County, California), in the aggregate principal amount of \$18,000,000 (the “Series 2006A Bonds”) as its first series of authorized bonds to be issued under the 2006 Authorization. On September 11, 2008, County, on behalf of the District, issued simultaneously (i) the Series 2006B Bonds in the aggregate initial principal amount of \$12,385,076.75, (ii) the Santee School District (San Diego County, California) General Obligation Bonds, Election of 2006, Series C, in the aggregate initial principal amount of \$2,869,039.35 (the “Series 2006C Bonds”), and (iii) the Santee School District (San Diego County, California) General Obligation Bonds, Election of 2006, Series D, in the aggregate initial principal amount of \$7,840,155.20 (the “Series 2006D Bonds”), as its second, third and fourth, respectively, series of authorized bonds to be issued under the 2006 Authorization. On May 12, 2011, the District issued its 2011 General Obligation Bonds, Election of 2006, Series E (San Diego County, California) in the aggregate initial principal amount of \$3,534,306.75 (the “Series 2006E Bonds”), as its fifth series of authorized bonds to be issued under the 2006 Authorization. The amount of \$15,371,421.95 remains authorized but unissued under the 2006 Authorization (the “Unissued Measure R Bonds”).

In order to ensure that the issuance of the bonds under the 2018 Authorization will not result in an increase in the total District bonded indebtedness authorized pursuant to Measure R, the Board of Education of the District has covenanted to cancel an amount of Unissued Measure R Bonds equal to the aggregate principal amount of the Series 2019 Bonds issued.

**Refunding Bonds.** On December 30, 2015, the District issued its General Obligation Refunding Bonds, Series 2015, in the aggregate initial principal amount of \$26,715,103.95 (the “Series 2015 Refunding Bonds”) to advance refund a portion of the Series 2006A Bonds and to repurchase a portion of the Series 2006D Bonds. On February 3, 2016, the District issued its General Obligation Refunding Bonds, Series 2016A in the aggregate initial principal amount of \$9,025,021.75 (the “Series 2016A Refunding Bonds”) to repurchase a portion of the Series 2006E Bonds. On July 25, 2017, the District issued its General Obligation Refunding Bonds, Series 2017 in the aggregate principal amount of \$10,750,000 (the “Series 2017 Refunding Bonds”) to advance refund a portion of the outstanding Series 2006B Bonds.

**Aggregate Debt Service**

The following table sets forth the annual aggregate debt service requirements of all outstanding general obligation bonds of the District, assuming no early optional redemptions.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
General Obligation Bonds – Aggregate Debt Service**

Period Ending August 1,	Series 2006C Bonds	Series 2006D Bonds	Series 2006E Bonds	Series 2015 Refunding Bonds	Series 2016A Refunding Bonds	Series 2017 Refunding Bonds	Series 2019 Bonds	Aggregate Total Debt Service
2020	240,000	-	-	\$ 1,695,167	\$ 104,741	\$ 737,000	\$	\$
2021	255,000	-	-	1,760,618	124,465	733,900		
2022	260,000	-	-	1,860,298	121,811	737,900		
2023	270,000	-	-	1,730,696	343,294	736,300		
2024	275,000	-	-	1,809,430	367,166	739,300		
2025	285,000	-	-	1,987,087	295,883	736,700		
2026	290,000	-	\$ 35,000	2,072,853	322,366	738,700		
2027	295,000	-	75,000	2,163,448	348,533	736,700		
2028	300,000	-	115,000	2,263,629	371,927	733,950		
2029	295,000	-	160,000	2,486,601	285,102	735,450		
2030	295,000	-	210,000	2,696,152	211,561	739,850		
2031	295,000	-	270,000	2,807,715	239,881	493,450		
2032	2,825,000	-	325,000	647,257	21,852	491,250		
2033	225,000	\$ 2,725,000	390,000	654,284	34,339	493,850		
2034	-	1,282,775	455,000	2,097,131	419,692	496,050		
2035	-	1,339,968	530,000	2,496,397	122,480	492,850		
2036	-	1,403,798	610,000	2,310,811	414,540	494,450		
2037	-	1,465,727	695,000	2,199,915	637,621	492,025		
2038	-	1,485,000	895,000	302,227	2,585,261	494,431		
2039	-	1,436,221	1,160,000	1,497,689	1,456,282	496,500		
2040	-	1,434,188	1,430,000	185,000	2,801,558	494,250		
2041	-	1,435,158	1,720,000	-	3,005,505	491,500		
2042	-	1,435,361	423,388	-	3,035,497	738,250		
2043	-	1,435,000	489,639	-	3,061,565	737,000		
2044	-	1,997,415	555,354	-	2,524,785	739,500		
2045	-	1,994,125	628,544	-	2,555,000	740,500		
2046	-	1,995,765	705,000	-	-	735,000		
2047	-	1,999,115	1,054,307	-	-	733,250		
2048	-	2,000,000	1,165,554	-	-	735,000		
2049	-	-	2,497,646	-	-	-		
2050	-	-	2,614,550	-	-	-		
2051	-	-	2,745,000	-	-	-		
Total <sup>(2)</sup>	<u>\$6,405,000</u>	<u>\$26,864,616</u>	<u>\$21,953,982</u>	<u>\$37,724,405</u>	<u>\$25,812,707</u>	<u>\$18,694,856</u>	<u>\$</u>	<u>\$</u>

Source: Dale Scott & Company



## SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2019 BONDS

### General

In order to provide sufficient funds for repayment of principal and interest when due on the Series 2019 Bonds, the Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). Such taxes are in addition to other taxes levied upon property within the District. When collected, the tax revenues will be deposited by the County in the Interest and Sinking Fund of the District, which is required to be maintained by the County and to be used solely for the payment of bonds of the District.

The Series 2019 Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the California Constitution and other State law, and are not a debt or obligation of the County. No fund of the County is pledged or obligated to repayment of the Series 2019 Bonds.

### Statutory Lien on Taxes (Senate Bill 222)

Pursuant to Section 53515 of the California Government Code (which became effective on January 1, 2016), all general obligation bonds issued by local agencies, including refunding bonds, will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax. Section 53515 provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board, and will be valid and binding from the time the bonds are executed and delivered. Section 53515 further provides that the revenues received pursuant to the levy and collection of the tax will be immediately subject to the lien, and the lien will immediately attach to the revenues and be effective, binding and enforceable against the local agency, its successor, transferees and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

### Pledge of Tax Revenues

The District has pledged all revenues from the property taxes collected from the levy by the Board of Supervisors of the County for the payment of all bonds, including the Series 2019 Bonds (collectively, the "Bonds"), of the District heretofore or hereafter issued pursuant to voter-approved measures of the District and amounts on deposit in the Interest and Sinking Fund of the District to the payment of the principal or redemption price of and interest on the Bonds. The Resolution provides that the property taxes and amounts held in the Interest and Sinking Fund shall be immediately subject to this pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in the Interest and Sinking Fund to secure the payment of the Bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. The Resolution provides that this pledge constitutes an agreement between the District and the owners of Bonds to provide security for the Bonds in addition to any statutory lien that may exist, and the Bonds secured by the pledge are or were issued to finance (or refinance) one or more of the projects specified in the applicable voter-approved measure.

### Property Taxation System

Property tax revenues result from the application of the appropriate tax rate to the total assessed value of taxable property in the District. School districts receive property taxes for payment of voter-approved bonds as well as for general operating purposes.

Local property taxation is the responsibility of various county officers. School districts whose boundaries extend into more than one county are treated for property tax purposes as separate jurisdictions in each county in which they are located. For each school district located in a county, the county assessor computes the value of locally assessed taxable property. Based on the assessed value of property and the scheduled debt service on outstanding bonds in each year, the county auditor-controller computes the rate of tax necessary to pay such debt service, and presents the tax rolls (including rates of tax for all taxing jurisdictions in the county) to the county board of supervisors for approval. The county treasurer-tax collector prepares and mails tax bills to taxpayers and collects the taxes. Both the county auditor-controller and the county treasurer-tax collector have accounting responsibilities related to the collecting of the property taxes. Once collected, the county auditor-controller apportions and distributes the taxes to the various taxing entities and related funds and accounts. The county treasurer-tax collector, the superintendent of schools of which has jurisdiction over the school district, holds school district funds, including taxes collected for payment of school bonds, and is charged with payment of principal and interest on the bonds when due, as ex officio treasurer of the school district.

### **Assessed Valuation of Property Within the District**

**General.** Taxable property located in the District has a fiscal year 2019-20 assessed value of \$[\_\_\_\_\_]. All property (real, personal and intangible) is taxable unless an exemption is granted by the California Constitution or United States law. Under the State Constitution, exempt classes of property include household and personal effects, intangible personal property (such as bank accounts, stocks and bonds), business inventories, and property used for religious, hospital, scientific and charitable purposes. The State Legislature may create additional exemptions for personal property, but not for real property. Most taxable property is assessed by the assessor of the county in which the property is located. Some special classes of property are assessed by the State Board of Equalization, as described below.

Taxes are levied for each fiscal year on taxable real and personal property assessed as of the preceding January 1, at which time the lien attaches. The assessed value is required to be adjusted during the course of the year when property changes ownership or new construction is completed. State law also affords an appeal procedure to taxpayers who disagree with the assessed value of any property. When necessitated by changes in assessed value during the course of a year, a supplemental assessment is prepared so that taxes can be levied on the new assessed value before the next regular assessment roll is completed. See “*Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*” below.

Under the State Constitution, the State Board of Equalization assesses property of State-regulated transportation and communications utilities, including railways, telephone and telegraph companies, and companies transmitting or selling gas or electricity. The Board of Equalization also is required to assess pipelines, flumes, canals and aqueducts lying within two or more counties. The value of property assessed by the Board of Equalization is allocated by a formula to local jurisdictions in the county, including school districts, and taxed by the local county tax officials in the same manner as for locally assessed property. Taxes on privately owned railway cars, however, are levied and collected directly by the Board of Equalization. Property used in the generation of electricity by a company that does not also transmit or sell that electricity is taxed locally instead of by the Board of Equalization. Thus, the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies, as often occurred under electric power deregulation in California, affects how those assets are assessed, and which local agencies benefit from the property taxes derived. In general, the transfer of State-assessed property located in the District to non-utility companies will increase the assessed value of property in the District, since the property’s value will no longer be divided among all taxing jurisdictions in the County. The transfer of property located and taxed in the District to a State-assessed utility will have the opposite effect: generally reducing the assessed value in the District, as the value is shared among the other jurisdictions in the County. The District is unable to predict future transfers of State-assessed property in the District and the County,

the impact of such transfers on its utility property tax revenues, or whether future legislation or litigation may affect ownership of utility assets, the State’s methods of assessing utility property, or the method by which tax revenues of utility property is allocated to local taxing agencies, including the District.

Locally taxed property is classified either as “secured” or “unsecured,” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State-assessed property and property (real or personal) for which there is a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. All other property is “unsecured,” and is assessed on the “unsecured roll.” Secured property assessed by the State Board of Equalization is commonly identified for taxation purposes as “utility” property.

The following table sets forth the assessed valuation of the various classes of property in the District’s boundaries from fiscal year 2007-08 through 2019-20.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
Assessed Valuations  
Fiscal Years 2007-08 through 2019-20**

*[To be updated with FY 19-20 data when available.]*

Fiscal Year	Local Secured	Utility	Unsecured	Total
2007-08	\$4,772,885,551	\$0	\$200,149,848	\$4,973,035,399
2008-09	4,955,020,388	0	211,869,779	5,166,890,167
2009-10	4,755,224,761	0	206,373,408	4,961,598,169
2010-11	4,738,864,565	0	193,145,473	4,932,010,038
2011-12	4,781,726,558	0	174,798,432	4,956,524,990
2012-13	4,795,501,467	0	172,838,144	4,968,339,611
2013-14	4,933,827,547	0	173,428,626	5,107,256,173
2014-15	5,216,533,401	0	178,109,760	5,394,643,161
2015-16	5,468,418,006	0	172,095,535	5,640,513,541
2016-17	5,707,397,951	0	175,417,933	5,882,815,884
2017-18	6,172,797,513	0	178,712,146	6,351,509,659
2018-19	6,586,133,985	0	185,530,206	6,771,664,191
2019-20				

Source: California Municipal Statistics, Inc.

**Risk of Decline in Property Values.** Assessments may be adjusted during the course of the year when real property changes ownership or new construction is completed. Assessments may also be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District’s control, such as a general market decline in property values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, fire, toxic dumping, etc. When necessitated by changes in assessed value in the course of a year, taxes are pro-rated for each portion of the tax year. See also “–*Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*” below.

**Risk of Changing Economic Conditions; Risk of Earthquake.** Property values could be reduced by factors beyond the District’s control, including an earthquake, or a depressed real estate market due to general economic conditions in the County, the region, and the State. The District is located in a seismically active region.

**Drought.** In recent years California has experienced severe drought conditions. In January 2014, the Governor declared a state-wide Drought State of Emergency due to the State facing serious water shortfalls due to the driest year in recorded history in the State and the resultant record low levels measured in State rivers and reservoirs. The California State Water Resources Control Board (the “State Water Board”) subsequently issued a Statewide notice of water shortages and potential future curtailment of water right diversions. In April 2017, the Governor of the State lifted the drought emergency declaration, while retaining a prohibition on wasteful practices and advancing conservation measures. It is not possible for the District to make any representation regarding the extent to which drought conditions could cause reduced economic activity within the boundaries of the District or the extent to which the drought has had or may have in the future on the value of taxable property within the District.

**Wildfire.** In recent years, portions of California, including adjacent counties, have experienced wildfires that have burned thousands of acres and destroyed thousands of homes and structures. Property damage due to wildfire could result in a significant decrease in the assessed value of property in the District. It is not possible for the District to make any representation regarding the extent to which wildfires could cause reduced economic activity within the boundaries of the District or the extent to which wildfires may impact the value of taxable property within the District.

**Appeals of Assessed Valuation; Blanket Reductions of Assessed Values.** There are two basic types of property tax assessment appeals provided for under State law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the assessor immediately subsequent to an instance of a change in ownership or completion of new construction. If the base year value assigned by the assessor is reduced, the valuation of the property cannot increase in subsequent years more than 2% annually unless and until another change in ownership and/or additional new construction or reconstruction activity occurs.

The second type of appeal, commonly referred to as a Proposition 8 appeal (which Proposition 8 was approved by the voters in 1978), can result if factors occur causing a decline in the market value of the property to a level below the property’s then current taxable value (escalated base year value). Pursuant to State law, a property owner may apply for a Proposition 8 reduction of the property tax assessment for such owner’s property by filing a written application, in the form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. A property owner desiring a Proposition 8 reduction of the assessed value of such owner’s property in any one year must submit an application to the county assessment appeals board (the “Appeals Board”). Following a review of the application by the county assessor’s office, the county assessor may offer to the property owner the opportunity to stipulate to a reduced assessment, or may confirm the assessment. If no stipulation is agreed to, and the applicant elects to pursue the appeal, the matter is brought before the Appeals Board (or, in some cases, a hearing examiner) for a hearing and decision. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal’s filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level (such pre-reduction level escalated by the annual inflation rate of no more than 2%) following the year for which the reduction application is filed. However, the county assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year and any intervening years as well. In practice, such a reduced assessment may and often does remain in effect beyond the year in which it is granted.

In addition, Article XIII A of the State Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. This measure is computed on a calendar year basis. According to

representatives of the County assessor’s office, the County has in the past, pursuant to Article XIII A of the State Constitution, ordered blanket reductions of assessed property values and corresponding property tax bills on single family residential properties when the value of the property has declined below the current assessed value as calculated by the County.

No assurance can be given that property tax appeals and/or blanket reductions of assessed property values will not significantly reduce the assessed valuation of property within the District in the future.

See APPENDIX A – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET – CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Limitations on Revenues” for a discussion of other limitations on the valuation of real property with respect to *ad valorem* taxes.

**Bonding Capacity.** As an elementary school district, the District may issue bonds in an amount up to 1.25% of the assessed valuation of taxable property within its boundaries. The District’s fiscal year 2019-20 gross bonding capacity (also commonly referred to as the “bonding limit” or “debt limit”) is approximately \$[ ] million and its net bonding capacity is approximately \$[ ] million (taking into account current outstanding debt before issuance of the Series 2019 Bonds). Refunding bonds may be issued without regard to this limitation; however, once issued, the outstanding principal of any refunding bonds is included when calculating the District’s bonding capacity.

**Assessed Valuation by Jurisdiction.** The following table describes the percentage and value of the total assessed valuation of the property within the District’s boundaries that reside in the cities of Hayward and Pleasanton and unincorporated portions of the County for fiscal year 2019-20.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
2019-20 Assessed Valuation by Jurisdiction**

*[To be updated with FY 19-20 data when available.]*

Jurisdiction	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of El Cajon				
City of San Diego				
City of Santee				
Unincorporated San Diego County				
Total District				
San Diego County				

**Assessed Valuation by Land Use.** The following table sets forth a distribution of taxable property located in the District on the fiscal year 2019-20 tax roll by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
2019-20 Assessed Valuation and Parcels by Land Use**

*[To be updated with FY 19-20 data when available.]*

Type of Property	2019-20 Assessed Valuation <sup>(1)</sup>	% of Total	No. of Parcels	% of Total
Non-Residential:				
Agricultural/Rural				
Commercial				
Vacant Commercial				
Industrial				
Vacant Industrial				
Recreational/Golf				
Government/Social/Institutional				
Subtotal Non-Residential				
Residential:				
Single Family Residence				
Condominium/Townhouse				
Mobile Home				
Mobile Home Park				
2-4 Residential Units				
5+ Residential Units/Apartments				
Miscellaneous Residential				
Vacant Residential				
Subtotal Residential				
Total				

<sup>(1)</sup> Local secured assessed valuation, excluding tax-exempt property.  
Source: California Municipal Statistics, Inc.

**Assessed Valuation of Single-Family Homes.** The following table sets forth the assessed valuation of single-family homes and the median and average assessed valuation per single family parcel in the District's boundaries for fiscal year 2019-20.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
2019-20 Per Parcel Assessed Valuation of Single Family Homes**

*[To be updated with FY 19-20 data when available.]*

Single Family Residential	Number of Parcels		Assessed Valuation	Average Assessed Valuation		Median Assessed Valuation
	2019-20 Assessed Valuation	No. of Parcels <sup>(1)</sup>	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$49,999						
\$50,000 - \$99,999						
\$100,000 - \$149,999						
\$150,000 - \$199,999						
\$200,000 - \$249,999						
\$250,000 - \$299,999						
\$300,000 - \$349,999						
\$350,000 - \$399,999						
\$400,000 - \$449,999						
\$450,000 - \$499,999						
\$500,000 - \$549,999						
\$550,000 - \$599,999						
\$600,000 - \$649,999						
\$650,000 - \$699,999						
\$700,000 - \$749,999						
\$750,000 - \$799,999						
\$800,000 - \$849,999						
\$850,000 - \$899,999						
\$900,000 - \$949,999						
\$950,000 - \$999,999						
\$1,000,000 and greater						
Total						

<sup>(1)</sup> Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.  
Source: California Municipal Statistics, Inc.

**Largest Taxpayers in District.** The following table sets forth the 20 taxpayers with the greatest combined ownership of taxable property in the District on the fiscal year 2019-20 tax roll, and the assessed valuation of all property owned by those taxpayers in all taxing jurisdictions within the District, are set forth below.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
Largest 2019-20 Local Secured Taxpayers**

*[To be updated with FY 19-20 data when available.]*

Property Owner	Primary Land Use	2019-20 Assessed Valuation	Percent of Total <sup>(1)</sup>
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			
17.			
18.			
19.			
20.			

<sup>(1)</sup> 2019-20 local secured assessed valuation: \$[\_\_\_\_\_].  
Source: California Municipal Statistics, Inc.

The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness, if any, in such taxpayer’s financial situation and ability or willingness to pay property taxes in a timely manner. Furthermore, assessments may be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District’s control. See “–*Appeals of Assessed Valuation: Blanket Reductions of Assessed Values*” above.

**Tax Rates**

The State Constitution permits the levy of an *ad valorem* tax on taxable property not to exceed 1% of the full cash value of the property, and State law requires the full 1% tax to be levied. The levy of special *ad valorem* property taxes in excess of the 1% levy is permitted as necessary to provide for debt service payments on school bonds and other voter-approved indebtedness.

The rate of tax necessary to pay fixed debt service on the Series 2019 Bonds in a given year depends on the assessed value of taxable property in that year. (The rate of tax imposed on unsecured property for repayment of the Series 2019 Bonds is based on the prior year’s secured property tax rate.) Economic and other factors beyond the District’s control, such as a general market decline in property values,



reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, fire, toxic dumping, etc., could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Series 2019 Bonds. Issuance of additional authorized bonds in the future might also cause the tax rate to increase.

**Typical Tax Rate Area** The following table sets forth *ad valorem* property tax rates for the last five fiscal years in typical Tax Rate Areas of the District: TRA 16-007 and TRA 86-013. TRA 16-007 comprises approximately [ ]% of the total fiscal year 2019-20 assessed value of the District. TRA 86-013 comprises approximately [ ]% of the total fiscal year 2019-20 assessed value of the District.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
Typical Total Tax Rates as Percentage of Assessed Valuation  
Fiscal Years 2015-16 through 2019-20**

*[To be updated with FY 19-20 data when available.]*

**Within the City of Santee: TRA 16-007 – 2019-20 Assessed Valuation: \$** (1)

	2015-16	2016-17	2017-18	2018-19	2019-20
General	1.00000%	1.00000%	1.00000%	1.00000%	
Santee School District	.03277	.03964	.03705	.03473	
Grossmont Union High School District	.06053	.05717	.06613	.06482	
Grossmont-Cuyamaca Community College	.04539	.04005	.04671	.04225	
Grossmont Healthcare District	.02352	.02352	.02352	.02352	
Metropolitan Water District	.00350	.00350	.00350	.00350	
Total	1.16571%	1.16388%	1.17691%	1.16882%	

**Within Unincorporated San Diego County: TRA 86-013 - 2019-20 Assessed Valuation: \$** (2)

	2015-16	2016-17	2017-18	2018-19	2019-20
General	1.00000%	1.00000%	1.00000%	1.00000%	
Santee School District	.03277	.03964	.03705	.03473	
Grossmont Union High School District	.06053	.05717	.06613	.06482	
Grossmont-Cuyamaca Community College	.04539	.04005	.04671	.04225	
Grossmont Healthcare District	.02352	.02352	.02352	.02352	
Metropolitan Water District	.00350	.00350	.00350	.00350	
Total	1.16571%	1.16388%	1.17691%	1.16882%	

(1) [ ]% of assessed valuation of district for 2019-20.

(2) [ ]% of assessed valuation of district for 2019-20.

Source: California Municipal Statistics, Inc.

In accordance with the California Constitution and the Education Code, bonds approved pursuant to the 2018 Authorization may not be issued unless the District projects that repayment of all outstanding bonds approved under the 2018 Authorization 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 Series 2019 Bonds, the District projects that the maximum tax rate required to repay the Series 2019 Bonds and all other outstanding bonds approved at the 2018 Authorization will be within that legal limit.

The tax rate limitation applies only when new bonds are issued and does not restrict the authority of the County Board of Supervisors to levy taxes at such rate as may be necessary to pay debt service on the Series 2019 Bonds and any other series of bonds issued under the 2018 Authorization in each year.

### **Tax Charges and Delinquencies**

A school district's share of the 1% countywide tax is based on the actual allocation of property tax revenues to each taxing jurisdiction in the county in fiscal year 1978-79, as adjusted according to a complicated statutory process enacted since that time. Revenues derived from special *ad valorem* taxes for voter-approved indebtedness, including the Series 2019 Bonds, are reserved to the taxing jurisdiction that approved and issued the debt, and may only be used to repay that debt.

The county treasurer-tax collector prepares the property tax bills. Property taxes on the regular secured assessment roll are due in two equal installments: the first installment is due on November 1, and becomes delinquent after December 10. The second installment is due on February 1 and becomes delinquent after April 10. If taxes are not paid by the delinquent date, a 10% penalty attaches and a \$30 cost is added to unpaid second installments. If taxes remain unpaid by June 30, the tax is deemed to be in default, and a \$15 state redemption fee applies. Interest then begins to accrue at the rate of 1.5% per month. The property owner has the right to redeem the property by paying the taxes, accrued penalties, and costs within five years of the date the property went into default. If the property is not redeemed within five years, it is subject to sale at a public auction by the county treasurer-tax collector

Property taxes on the unsecured roll are due in one payment on the lien date, January 1, and become delinquent after August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue on November 1. To collect unpaid taxes, the county treasurer-tax collector may obtain a judgment lien upon and cause the sale of all property owned by the taxpayer in the county, and may seize and sell personal property, improvements and possessory interests of the taxpayer. The county treasurer-tax collector may also bring a civil suit against the taxpayer for payment.

The date on which taxes on supplemental assessments are due depends on when the supplemental tax bill is mailed.

The following table sets forth the secured property tax charges with respect to the 1% general fund apportionment on property located in the County for fiscal years 2014-15 through 2018-19. The County utilizes the Teeter Plan for assessment levy and distribution. This method guarantees distribution of 100% of the assessments levied to the taxing entity, with the County retaining all penalties and interest, and the County does not provide a breakdown of the delinquencies with respect to property located in the District. See “–Teeter Plan” below.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
Secured Tax Charges and Delinquencies  
Fiscal Years 2013-14 through 2018-19**

*[To be updated with FY 19-20 data when available.]*

Fiscal Year	Secured Tax Charge <sup>(2)</sup>	Amount Delinquent June 30	Percent Delinquent June 30
2014-15	10,692,259	_ (2)	_ (2)
2015-16	11,222,664	_ (2)	_ (2)
2016-17	11,702,913	_ (2)	_ (2)
2017-18	12,462,545	_ (2)	_ (2)
2018-19			

<sup>(1)</sup> General Fund apportionment.

<sup>(2)</sup> The County utilizes the Teeter Plan for assessment levy and distribution. This method guarantees distribution of 100% of the assessments levied to the taxing entity, with the County retaining all penalties and interest.

Source: California Municipal Statistics, Inc.

**Teeter Plan.** The Board of Supervisors of the County has adopted 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 Revenue and Taxation Code of the State. Under the Teeter Plan, the County distributes to each participating local tax levying agency, including school districts, the amount levied on the secured and supplemental tax rolls, instead of the amount actually collected. In return, the County receives and retains delinquent payments, penalties and interest as collected that would have been due the local agency in the absence of the Teeter Plan.

The County’s policy is that any new taxing entity that includes its levy on the County’s secured and supplemental tax rolls is qualified to be included in the Teeter Plan. The Teeter Plan is to remain in effect unless the County Board of Supervisors 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 from two-thirds of the participating revenue districts in the County. The Board of Supervisors may also, after holding a public hearing on the matter, discontinue the procedures with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls in that agency. The County applies the Teeter Plan to taxes levied on the secured roll for repayment of school district general obligation bonds.

**Direct and Overlapping Debt**

Set forth [on the following page] is a schedule of direct and overlapping debt prepared by California Municipal Statistics Inc. effective July 19, 2019 for debt outstanding as of August 1, 2019. The table is included for general information purposes only. The District has not reviewed this table for completeness or accuracy and makes no representations in connection therewith. The first column in the table names each public agency which has outstanding debt as of the date of the schedule and whose territory overlaps the District in whole or in part. Column two sets forth the percentage of each overlapping agency’s assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not set forth in the table) produces the amount set forth in column three, which is the apportionment of each overlapping agency’s outstanding debt to taxable property in the District.

The schedule generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
Statement of Direct and Overlapping Bonded Debt**

July 19, 2019

*[To be updated with FY 19-20 data when available.]*

2019-20 Assessed Valuation: \$6,771,664,191

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 8/1/19</u>
Metropolitan Water District	0.230%	\$ 110,515
Grossmont-Cuyamaca Community College District	13.246	40,842,766
Grossmont Union High School District	13.641	76,014,188
Santee School District	100.000	50,493,262 <sup>(1)</sup>
Grossmont Healthcare District	12.517	31,874,331
City of Santee Community Facilities District No. 2017-1	100.000	8,665,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$208,000,062

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
San Diego County General Fund Obligations	1.287%	\$ 3,286,548
San Diego County Pension Obligation Bonds	1.287	6,547,806
San Diego County Superintendent of Schools	1.287	129,794
Grossmont-Cuyamaca Community College District General Fund Obligations	13.246	55,633
Santee School District Certificates of Participation	100.000	29,359,849
City of San Diego General Fund Obligations	0.021	109,970
Lakeside Fire District Certificates of Participation	0.009	425
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$ 39,490,025

OVERLAPPING TAX INCREMENT DEBT (Successor Agencies): \$ 45,721,273

COMBINED TOTAL DEBT \$293,211,360<sup>(2)</sup>

Ratios to 2019-20 Assessed Valuation:

Direct Debt (\$50,493,262).....	0.75%
Total Direct and Overlapping Tax and Assessment Debt.....	3.07%
Combined Direct Debt (\$79,853,111).....	1.18%
Combined Total Debt.....	4.33%

Ratios to Redevelopment Incremental Valuation (\$1,492,636,483):

Total Overlapping Tax Increment Debt.....3.06%

<sup>(1)</sup> Excludes the Series 2019 Bonds.

<sup>(2)</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Source: California Municipal Statistics, Inc.

## TAX MATTERS

[In the opinion of Orrick, Herrington & Sutcliffe LLP, bond counsel to the District (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2019 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 Series 2019 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. 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 Series 2019 Bonds is less than the amount to be paid at maturity of such Series 2019 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2019 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 Series 2019 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 Series 2019 Bonds is the first price at which a substantial amount of such maturity of the Series 2019 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 Series 2019 Bonds accrues daily over the term to maturity of such Series 2019 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 Series 2019 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2019 Bonds. Beneficial Owners of the Series 2019 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2019 Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Series 2019 Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2019 Bonds is sold to the public.

Series 2019 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2019 Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2019 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 Series 2019 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2019 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 Series 2019 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2019 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 Series 2019 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 Series 2019 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 Series 2019 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. 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 Series 2019 Bonds. Prospective purchasers of the Series 2019 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 Series 2019 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 Series 2019 Bonds ends with the issuance of the Series 2019 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 Series 2019 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 Series 2019 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 Series 2019 Bonds, and may cause the District or the Beneficial Owners to incur significant expense.]

## **OTHER LEGAL MATTERS**

### **Legal Opinion**

The validity of the Series 2019 Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District. Bond Counsel expects to deliver an opinion with respect to the Series 2019 Bonds at the time of issuance substantially in the form set forth in Appendix D hereto. Bond Counsel, as such, undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the District.

## **Legality for Investment in California**

Under the provisions of the California Financial Code, the Series 2019 Bonds are legal investments for commercial banks in California to the extent that the Series 2019 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, the Series 2019 Bonds are eligible securities for deposit of public moneys in the State.

## **Continuing Disclosure**

The District has covenanted for the benefit of the holders and Beneficial Owners of the Series 2019 Bonds to provide, or to cause to be provided, to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system or such other electronic system designated by the Municipal Securities Rulemaking Board (the “EMMA System”) certain annual financial information and operating data relating to the District (the “Annual Report”) by not later than nine months following the end of the District’s fiscal year (currently ending June 30), commencing with the report for the 2018-19 fiscal year (which is due no later than March 31, 2020) and notice of the occurrence of certain enumerated events (“Notice Events”) in a timely manner not in excess of ten business days after the occurrence of such a Notice Event. The specific nature of the information to be contained in the Annual Report and the notices of Notice Events is set forth in APPENDIX E – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) (the “Rule”) of the Securities and Exchange Commission (the “SEC”).

*[To be updated with CD report provided by UW.]*

The District has engaged Dale Scott & Company to serve as dissemination agent with respect to its prior continuing disclosure undertakings and the undertaking with respect to the Series 2019 Bonds.

## **Litigation**

No litigation is pending or threatened concerning or contesting the validity of the Series 2019 Bonds or the District’s ability to receive *ad valorem* taxes and to collect other revenues, or contesting the District’s ability to issue and retire the Series 2019 Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the title to their offices of District officers who will execute the Series 2019 Bonds or District officials who will sign certifications relating to the Series 2019 Bonds, or the powers of those offices. A certificate (or certificates) to that effect will be furnished to the Underwriter at the time of the original delivery of the Series 2019 Bonds.

The District is occasionally subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District.

## **MISCELLANEOUS**

### **Rating**

S&P Global Ratings (“S&P”) has assigned its rating of “[ ]” to the Series 2019 Bonds. A rating agency generally bases its rating on its own investigations, studies and assumptions as well as information and materials furnished to it (which may include information and materials from the District, which are not included in this Official Statement). The rating reflects only the view of the rating agency furnishing the same, and any explanation of the significance of such rating should be obtained only from the rating agency providing the same. Such rating is not a recommendation to buy, sell or hold the Series 2019 Bonds. There

is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency providing the same, if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Series 2019 Bonds. Neither the Underwriter (defined herein) nor the District have undertaken any responsibility after the offering of the Series 2019 Bonds to assure the maintenance of the rating or to oppose any such revision or withdrawal.

### **Professionals Involved in the Offering**

Orrick, Herrington & Sutcliffe LLP is acting as Bond Counsel and Disclosure Counsel with respect to the Series 2019 Bonds, and will receive compensation from the District contingent upon the sale and delivery of the Series 2019 Bonds. Dale Scott & Company is acting as the District's municipal advisor with respect to the Series 2019 Bonds. Stradling Yocca Carlson & Rauth, a Professional Corporation, is acting as counsel to the Underwriter with respect to the Series 2019 Bonds. Payment of the fees and expenses of the District's municipal advisor and counsel to the Underwriter are also contingent upon the sale and delivery of the Series 2019 Bonds.

### **Underwriting**

The Series 2019 Bonds are being purchased for reoffering to the public by RBC Capital Markets, LLC (the "Underwriter"), pursuant to the terms of a bond purchase agreement executed on \_\_\_\_\_, 2019 (the "Purchase Agreement"), by and between the Underwriter and the District. The Underwriter has agreed to purchase the Series 2019 Bonds at a price of \$ \_\_\_\_\_ (which represents the aggregate principal amount of the Series 2019 Bonds, [plus/less] [net] original issue [premium/discount] of \$ \_\_\_\_\_, and less an Underwriter's discount in the amount of \$ \_\_\_\_\_). The Purchase Agreement provides that the Underwriter will purchase all of the Series 2019 Bonds, subject to certain terms and conditions set forth in the Purchase Agreement, including the approval of certain legal matters by counsel.

The Underwriter may offer and sell the Series 2019 Bonds to certain dealers and others at prices lower than the public offering prices shown on the inside front cover page of this Official Statement. The offering prices may be changed from time to time by the Underwriter.

[Remainder of page left intentionally blank]



**ADDITIONAL INFORMATION**

The purpose of this Official Statement is to supply information to purchasers of the Series 2019 Bonds. Quotations from and summaries and explanations of the Series 2019 Bonds and of the statutes and documents contained herein do not purport to be complete, and reference is made to such documents and statutes for full and complete statements of their provisions.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners of any of the Series 2019 Bonds.

The District has duly authorized the delivery of this Official Statement.

**SANTEE SCHOOL DISTRICT**

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

## APPENDIX A

### INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET

*The information in this appendix concerning the operations of the Santee School District (the "District"), the District's finances, and State of California (the "State") funding of education, is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Series 2019 Bonds are payable from the general fund of the District or from State revenues. The Series 2019 Bonds are payable from the proceeds of an ad valorem tax approved by the voters of the District pursuant to all applicable laws and State Constitutional requirements, and required to be levied by the County of San Diego on property within the District in an amount sufficient for the timely payment of principal of and interest on the Series 2019 Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2019 BONDS" in the front portion of this Official Statement.*

### THE DISTRICT

#### Introduction

The District, established in 1893, encompasses approximately 16.56 square miles in the eastern portion of the County of San Diego (the "County"). The District is located in the City of Santee, and it serves portions of the Cities of Santee, El Cajon, and San Diego, and an unincorporated area of San Diego County. The District provides public education services for grades pre-kindergarten through eight. The District operates one elementary school serving grades kindergarten through six, eight elementary schools serving grades kindergarten through eight, an alternative home school program and three preschool programs. Enrollment in the District for fiscal year 2018-19 was 6,826, and for fiscal year 2019-20 is estimated to be 6,864 students. The District operates under the jurisdiction of the San Diego County Superintendent of Schools.

#### Board of Education

The District is governed by a five-member Board of Education (the "District Board"), each voting member of which is elected by voters within the District to serve alternating four-year terms. The voting members are elected to four-year terms in alternate slates of two and three and elections are held every two years. Each December the District Board elects a President, Vice President and Clerk to serve one year terms. Current voting members of the District Board, together with their office and the date their term expires, are listed below

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
Board of Education**

Name	Office	Term Expires
Ken Fox	President	December 2022
Dustin Burns	Vice President	December 2022
Barbara Ryan	Clerk	December 2022
Dianne El-Hajj	Member	December 2020
Elana Levens-Craig	Member	December 2020

## Superintendent and Key Personnel

The Superintendent of the District is appointed by the District Board and reports to the District Board. The Superintendent is responsible for management of the District's day-to-day operations and supervises the work of other key District administrators. Information concerning the Superintendent and certain other key administrative personnel is set forth below.

**Dr. Kristin Baranski, Superintendent.** Superintendent Baranski became the District's eighth Superintendent on February 1, 2017. She has been serving the District as a school or district administrator since 1998; eleven years in district administration and eight years as a site administrator. Her district and site positions include Vice Principal, Curriculum Coordinator, Principal, Director of Curriculum and Assessment, Director of Special Projects and Assessment, and Director of Educational Services. For four years, Dr. Baranski also served as a university supervisor for preliminary administrative credential candidates at the University of San Diego. She completed her doctoral studies in organizational leadership at Brandman University, San Diego.

**Karl Christensen, MBA, Assistant Superintendent, Business Services.** Mr. Christensen joined the District in June 2009. Prior to that, Mr. Christensen served as the Internal Auditor for La Mesa-Spring Valley School District ("LSVSD") in the County for six years, as Director, Information Systems for LSVSD for eight years, and as Chief Business Officer for San Ysidro School District for five years. Mr. Christensen earned his bachelor's degree in Financial Accounting and his master's degree in Business Administration from National University

## DISTRICT FINANCIAL MATTERS

### State Funding of Education; State Budget Process

**General.** As is true for all school districts in California, the District's operating income consists primarily of two components: a State portion funded from the State's general fund in accordance with the Local Control Funding Formula (the "Local Control Funding Formula" or "LCFF") (see "-- Allocation of State Funding to School Districts; Local Control Funding Formula" herein) and a local portion derived from the District's share of the 1% local *ad valorem* tax authorized by the State Constitution (see "-- Local Sources of Education Funding" herein). In addition, school districts may be eligible for other special categorical funding from State and federal government programs. The District has budgeted to receive approximately 66.38% of its general fund revenues from State funds (not including the local portion derived from the District's share of the local *ad valorem* tax), budgeted at approximately \$47.00 million in fiscal year 2019-20. Such amount includes both the State funding provided under the LCFF as well as other State revenues (see "--Allocation of State Funding to School Districts; Local Control Funding Formula" and "-- Attendance and LCFF" and "Other District Revenues – Other State Revenues" below). As a result, decreases or deferrals in State revenues, or in State legislative appropriations made to fund education, may significantly affect the District's revenues and operations.

Under Proposition 98, a constitutional and statutory amendment adopted by the State's voters in 1988 and amended by Proposition 111 in 1990 (now found at Article XVI, Sections 8 and 8.5 of the Constitution), a minimum level of funding is guaranteed to school districts, community college districts, and other State agencies that provide direct elementary and secondary instructional programs. Recent years have seen frequent disruptions in State personal income taxes, sales and use taxes, and corporate taxes, making it increasingly difficult for the State to meet its Proposition 98 funding mandate, which normally commands about 45% of all State general fund revenues, while providing for other fixed State costs and priority programs and services. Because education funding constitutes such a large part of the State's general fund expenditures, it is generally at the center of annual budget negotiations and adjustments.

In connection with the State Budget Act for fiscal year 2013-14, the State and local education agencies therein implemented the LCFF. Funding from the LCFF replaced the revenue limit funding system and most categorical programs. See “– Allocation of State Funding to School Districts; Local Control Funding Formula” herein for more information.

**State Budget Process.** According to the State Constitution, the Governor must propose a budget to the State Legislature no later than January 10 of each year, and a final budget must be adopted no later than June 15. The budget requires a simple majority vote of each house of the State Legislature for passage. The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. A two-thirds vote of the State Legislature is required to override any veto by the Governor. School district budgets must generally be adopted by July 1, and revised by the school board within 45 days after the Governor signs the budget act to reflect any changes in budgeted revenues and expenditures made necessary by the adopted State budget. The Governor signed the fiscal year 2019-20 State budget (as defined herein) on June 27, 2019.

When the State budget is not adopted on time, basic appropriations and the categorical funding portion of each school district’s State funding are affected differently. Under the rule of *White v. Davis* (also referred to as *Jarvis v. Connell*), a State Court of Appeal decision reached in 2002, there is no constitutional mandate for appropriations to school districts without an adopted budget or emergency appropriation, and funds for State programs cannot be disbursed by the State Controller until that time, unless the expenditure is (i) authorized by a continuing appropriation found in statute, (ii) mandated by the State Constitution (such as appropriations for salaries of elected State officers), or (iii) mandated by federal law (such as payments to State workers at no more than minimum wage). The State Controller has consistently stated that basic State funding for schools is continuously appropriated by statute, but that special and categorical funds may not be appropriated without an adopted budget. Should the State Legislature fail to pass a budget or emergency appropriation before the start of any fiscal year, the District might experience delays in receiving certain expected revenues. The District is authorized to borrow temporary funds to cover its annual cash flow deficits, and as a result of the *White v. Davis* decision, the District might find it necessary to increase the size or frequency of its cash flow borrowings, or to borrow earlier in the fiscal year. The District does not expect the *White v. Davis* decision to have any long-term effect on its operating budgets.

**Aggregate State Education Funding.** The Proposition 98 guaranteed amount for education is based on prior-year funding, as adjusted through various formulas and tests that take into account State proceeds of taxes, local property tax proceeds, school enrollment, per-capita personal income, and other factors. The State’s share of the guaranteed amount is based on State general fund tax proceeds and is not based on the general fund in total or on the State budget. The local share of the guaranteed amount is funded from local property taxes. The total guaranteed amount varies from year to year and throughout the stages of any given fiscal year’s budget, from the Governor’s initial budget proposal to actual expenditures to post-year-end revisions, as better information regarding the various factors becomes available. Over the long run, the guaranteed amount will increase as enrollment and per capita personal income grow.

If, at year-end, the guaranteed amount is calculated to be higher than the amount actually appropriated in that year, the difference becomes an additional education funding obligation, referred to as “settle-up.” If the amount appropriated is higher than the guaranteed amount in any year, that higher funding level permanently increases the base guaranteed amount in future years. The Proposition 98 guaranteed amount is reduced in years when general fund revenue growth lags personal income growth, and may be suspended for one year at a time by enactment of an urgency statute. In either case, in subsequent years when State general fund revenues grow faster than personal income (or sooner, as the Legislature may determine), the funding level must be restored to the guaranteed amount, the obligation to do so being referred to as “maintenance factor.”

Although the California Constitution requires the State to approve a balanced State Budget Act each fiscal year, the State's response to fiscal difficulties in some years has had a significant impact upon the Proposition 98 minimum guarantee and the treatment of settle-up payments with respect to years in which the Proposition 98 minimum guarantee was suspended. The State has sought to avoid or delay paying settle-up amounts when funding has lagged the guaranteed amount. In response, teachers' unions, the State Superintendent and others sued the State or Governor in 1995, 2005, 2009 and 2011 to force them to fund schools in the full amount required. The settlement of the 1995 and 2005 lawsuits has so far resulted in over \$4 billion in accrued State settle-up obligations. However, legislation enacted to pay down the obligations through additional education funding over time, including the Quality Education Investment Act of 2006, have also become part of annual budget negotiations, resulting in repeated adjustments and deferrals of the settle-up amounts.

The State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years' Proposition 98 minimum funding levels rather than current year increases; by temporarily deferring apportionments of Proposition 98 funds from one fiscal year to the next; by permanently deferring apportionments of Proposition 98 funds from one fiscal year to the next; by suspending Proposition 98, as the State did in fiscal year 2004-05, fiscal year 2010-11, fiscal year 2011-12 and fiscal year 2012-13; and by proposing to amend the State Constitution's definition of the guaranteed amount and settle-up requirement under certain circumstances.

The District cannot predict how State income or State education funding will vary over the term to maturity of the Series 2019 Bonds, and the District takes no responsibility for informing owners of the Series 2019 Bonds as to actions the State Legislature or Governor may take affecting the current year's budget after its adoption. Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the Department of Finance, [www.dof.ca.gov](http://www.dof.ca.gov), under the heading "California Budget." An impartial analysis of the budget is posted by the Office of the Legislative Analyst at [www.lao.ca.gov](http://www.lao.ca.gov). In addition, various State of California official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on school districts in the State, may be found at the website of the State Treasurer, [www.treasurer.ca.gov](http://www.treasurer.ca.gov). The information referred to is prepared by the respective State agency maintaining each website and not by the District, and the District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

**2019-20 State Budget.** The Governor signed the fiscal year 2019-20 State Budget (the "2019-20 State Budget") on June 27, 2019. The 2019-20 State Budget sets forth a balanced budget for fiscal year 2019-20 that projects approximately \$143.8 billion in revenues, and \$91.9 billion in non-Proposition 98 expenditures and \$55.9 billion in Proposition 98 expenditures. The 2019-20 State Budget includes a \$1.4 billion reserve in the Special Fund for Economic Uncertainties. To provide immediate and long-term relief to school districts facing rising pension costs, the 2019-20 State Budget includes a \$3.15 billion non-Proposition 98 General Fund payment to the California State Teachers' Retirement System ("CalSTRS") and the California Public Employees' Retirement System ("CalPERS") Schools Pool. Of this amount, an estimated \$850 million will buy down the employer contribution rates in fiscal years 2019-20 and 2020-21. The 2019-20 State Budget includes total funding of \$103.4 billion (\$58.8 billion General Fund and \$44.6 billion other funds) for all K-12 education programs. The 2019-20 State Budget provides \$1.9 billion in new Proposition 98 funding for the LCFF, reflecting a 3.26% cost of living adjustment.

Certain budgeted adjustments for K-12 education set forth in the 2019-20 State Budget include the following:

- Special Education. The 2019-20 State Budget includes \$645.3 million ongoing Proposition 98 General Fund resources for special education, including \$152.6 million to provide for all Special Education Local Plan Areas with at least the statewide target rate for base special education funding, and \$492.7 million allocated based on the number of children ages 3 to 5 years with exceptional needs that the school district is serving.
- After School Education and Safety Program. The 2019-20 State Budget includes \$50 million ongoing Proposition 98 General Fund resources to provide an increase of approximately 8.3% to the per-pupil daily rate for the After School Education and Safety Program.
- Longitudinal Data System. The 2019-20 State Budget includes \$10 million one-time non-Proposition 98 General Fund resources to plan and develop a longitudinal data system to improve coordination across data systems and better track the impacts of State investments on achieving educational goals.
- Retaining and Supporting Well-Prepared Educators. The 2019-20 State Budget includes \$89.8 million one-time non-Proposition 98 General Fund resources to provide up to 4,487 grants of \$20,000 for students enrolled in a professional teacher preparation program who commit to working in a high-need field at a priority school for at least four years. The 2019-20 State Budget also includes \$43.8 million one-time non-Proposition 98 General Fund resources to provide training and resources for classroom educators, including teachers and paraprofessionals, to build capacity around key state priorities. Finally, the 2019-20 State Budget includes \$13.8 million ongoing federal funds to establish the 21st Century California Leadership Academy, to provide professional learning opportunities for public K-12 administrators and school leaders to acquire the knowledge, skills, and competencies necessary to successfully support the diverse student population served in California public schools.
- Broadband Infrastructure. The 2019-20 State Budget includes \$7.5 million one-time non-Proposition 98 General Fund resources to assist school districts in need of infrastructure and updates to meet the growing bandwidth needs of digital learning.
- School Facilities Bond Funds. The 2019-20 State Budget assumes \$1.5 billion Proposition 51 bond funds, an increase of \$906 million over the prior year, to support school construction projects.
- Full-Day Kindergarten. The 2019-20 State Budget includes \$300 million one-time non-Proposition 98 General Fund resources to construct new or retrofit existing facilities to support full-day kindergarten programs, which will increase participation in kindergarten by addressing barriers to access.
- Proposition 98 Settle-Up. The 2019-20 State Budget includes an increase of \$686.6 million for K-12 schools and community colleges to pay the balance of past year Proposition 98 funding owed through fiscal year 2017-18.
- Classified School Employees Summer Assistance Program. The 2019-20 State Budget includes an increase of \$36 million one-time Proposition 98 General Fund resources to provide an additional year of funding for the Classified School Employees Summer Assistance Program, which provides a State match for classified employee savings used to provide income during summer months.
- Wildfire-Related Cost Adjustments. The 2019-20 State Budget includes an increase of \$2 million one-time Proposition 98 General Fund resources to reflect adjustments in the estimate for property tax backfill for basic aid school districts impacted by 2017 and 2018 wildfires. Additionally, the

2019-20 State Budget includes an increase of \$727,000 one-time Proposition 98 General Fund resources to reflect adjustments to the State's student nutrition programs resulting from wildfire-related losses. Further, the 2019-20 State Budget holds both school districts and charter schools impacted by the wildfires harmless for State funding for two years.

The complete 2019-20 State Budget is available from the California Department of Finance website at [www.dof.ca.gov](http://www.dof.ca.gov). The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

***Future Budgets and Budgetary Actions.*** The District cannot predict what future actions will be taken by the State Legislature and the Governor to address changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors beyond the District's ability to predict or control. Certain actions could result in a significant shortfall of revenue and cash, and could impair the State's ability to fund schools during fiscal year 2019-20 and in future fiscal years. Certain factors, like an economic recession, could result in State budget shortfalls in any fiscal year and could have a material adverse financial impact on the District. As the Series 2019 Bonds are payable from *ad valorem* property taxes, the State budget is not expected to have an impact on the payment of the Series 2019 Bonds.

***Prohibitions on Diverting Local Revenues for State Purposes.*** Beginning in 1992-93, the State satisfied a portion of its Proposition 98 obligations by shifting part of the property tax revenues otherwise belonging to cities, counties, special districts, and redevelopment agencies, to school and community college districts through a local Educational Revenue Augmentation Fund ("ERAF") in each county. Local agencies, objecting to invasions of their local revenues by the State, sponsored a statewide ballot initiative intended to eliminate the practice. In response, the State Legislature proposed an amendment to the State Constitution, which the State's voters approved as Proposition 1A at the November 2004 election. That measure was generally superseded by the passage of an initiative constitutional amendment at the November 2010 election, known as "Proposition 22."

The effect of Proposition 22 is to prohibit the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services. It prevents the State from redirecting redevelopment agency property tax increment to any other local government, including school districts, or from temporarily shifting property taxes from cities, counties and special districts to schools, as in the ERAF program. This is intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. One effect of this amendment has been to deprive the State of fuel tax revenues to pay debt service on most State bonds for transportation projects, reducing the amount of State general fund resources available for other purposes, including education.

Prior to the passage of Proposition 22, the State invoked Proposition 1A to divert \$1.935 billion in local property tax revenues in 2009-10 from cities, counties, and special districts to the State to offset State general fund spending for education and other programs, and included another diversion in the adopted 2009-10 State budget of \$1.7 billion in local property tax revenues from local redevelopment agencies, which local redevelopment agencies have now been dissolved (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Assembly Bill No. 26 & *California Redevelopment Association v. Matosantos*" herein). Redevelopment agencies had sued the State over this latter diversion. However, the lawsuit was decided against the California Redevelopment Association on May 1, 2010. Because Proposition 22 reduces the State's authority to use or shift certain revenue sources, fees and taxes for State general fund purposes, the State

will have to take other actions to balance its budget in some years—such as reducing State spending or increasing State taxes, and school and community college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State’s general fund.

***Allocation of State Funding to School Districts; Local Control Funding Formula.*** Prior to the implementation of the Local Control Funding Formula in fiscal year 2013-14, under California Education Code Section 42238 and following, each school district was determined to have a target funding level: a “base revenue limit” per student multiplied by the district’s student enrollment measured in units of average daily attendance. The base revenue limit was calculated from the district’s prior-year funding level, as adjusted for a number of factors, such as inflation, special or increased instructional needs and costs, employee retirement costs, especially low enrollment, increased pupil transportation costs, etc. Generally, the amount of State funding allocated to each school district was the amount needed to reach that district’s base revenue limit after taking into account certain other revenues, in particular, locally generated property taxes. This is referred to as State “equalization aid.” To the extent local tax revenues increased due to growth in local property assessed valuation, the additional revenue was offset by a decline in the State’s contribution; ultimately, a school district whose local property tax revenues exceeded its base revenue limit was entitled to receive no State equalization aid, and received only its special categorical aid, which is deemed to include the “basic aid” of \$120 per student per year guaranteed by Article IX, Section 6 of the Constitution. Such districts were known as “basic aid districts,” which are now referred to as “community funded districts.” School districts that received some equalization aid were commonly referred to as “revenue limit districts,” which are now referred to as “LCFF districts.” The District is an LCFF district.

Beginning in fiscal year 2013-14, the LCFF replaced the revenue limit funding system and most categorical programs, and distributes combined resources to school districts through a base grant (“Base Grant”) per unit of average daily attendance (“A.D.A.”) with additional supplemental funding (the “Supplemental Grant”) allocated to local educational agencies based on their proportion of English language learners, students from low-income families and foster youth. The LCFF was projected to have an eight-year implementation program to incrementally close the gap between actual funding and the target level of funding, as described below, but achieved full implementation ahead of schedule in fiscal year 2018-19. The LCFF includes the following components:

- A Base Grant for each local education agency (“LEA”). The Base Grants are based on four uniform, grade-span base rates. For fiscal year 2019-20, the LCFF provided to school districts and charter schools: (a) a Target Base Grant for each LEA equivalent to \$8,503 per A.D.A. for kindergarten through grade 3; (b) a Target Base Grant for each LEA equivalent to \$7,818 per A.D.A. for grades 4 through 6; (c) a Target Base Grant for each LEA equivalent to \$8,050 per A.D.A. for grades 7 and 8; (d) a Target Base Grant for each LEA equivalent to \$9,572 per A.D.A. for grades 9 through 12. However, the amount of actual funding allocated to the Base Grant, Supplemental Grants and Concentration Grants will be subject to the discretion of the State. This amount includes an adjustment of 10.4% to the Base Grant to support lowering class sizes in grades K-3, and an adjustment of 2.6% to reflect the cost of operating career technical education programs in grades 9-12. Further, this amount also includes the costs-of-living adjustment of 3.26% authorized by the 2019-20 State Budget.
- A 20% Supplemental Grant for the unduplicated number of English language learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.
- An additional Concentration Grant of up to 50% of a LEA’s Base Grant, based on the number of English language learners, students from low-income families and foster youth served by the LEA that comprise more than 55% of enrollment.



- An Economic Recovery Target (the “ERT”) that is intended to ensure that almost every LEA receives at least their pre-recession funding level (i.e., the fiscal year 2007-08 revenue limit per unit of A.D.A.), adjusted for inflation, at full implementation of the LCFF in fiscal year 2018-19. Upon full implementation in fiscal year 2018-19, LEAs now receive the greater of the Base Grant or the ERT.

Under LCFF, for community funded districts, local property tax revenues would be used to offset up to the entire allocation under the new formula. However, community funded districts would continue to receive the same level of State aid as allocated in fiscal year 2012-13.

***Local Control Accountability Plans.*** A feature of the LCFF is a system of support and intervention for local educational agencies. School districts, county offices of education and charter schools are required to develop, implement and annually update a three-year LCAP. Each LCAP must be developed with input from teachers, parents and the community, and should describe local goals as they pertain to eight areas identified as state priorities, including student achievement, parent engagement and school climate, as well as detail a course of action to attain those goals. Moreover, the LCAPs must be designed to align with the district’s budget to ensure adequate funding is allocated for the planned actions.

Each school district must submit its LCAP annually on or before July 1 for approval by its county superintendent. The county superintendent then has until August 15 to seek clarification regarding the contents of the LCAP, and the school district must respond in writing. The county superintendent can submit recommendations for amending the LCAP, and such recommendations must be considered, but are not mandatory. A school district’s LCAP must be approved by its county superintendent by October 8 of each year if such superintendent finds (i) the LCAP adheres to the State template, and (ii) the district’s budgeted expenditures are sufficient to implement the strategies outlined in the LCAP.

Performance evaluations are to be conducted to assess progress toward goals and guide future actions. County superintendents are expected to review and provide support to the school districts under their jurisdiction, while the State Superintendent of Public Instruction performs a corresponding role for county offices of education. The California Collaborative for Education Excellence (the “Collaborative”), a newly established body of educational specialists, was created to advise and assist local education agencies in achieving the goals identified in their LCAPs. For local education agencies that continue to struggle in meeting their goals, and when the Collaborative indicates that additional intervention is needed, the State Superintendent of Public Instruction would have authority to make changes to a local education agency’s LCAP.

**Attendance and LCFF.** The following table sets forth the District’s actual and budgeted A.D.A., enrollment (including percentage of students who are English language learners, from low-income families and/or foster youth (collectively, “EL/LI Students”), and targeted Base Grant per unit of A.D.A. for fiscal years 2014-15 through 2018-19, respectively. The A.D.A. and enrollment numbers reflected in the following table include special education students.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
Average Daily Attendance, Enrollment and Targeted Base Grant  
Fiscal Years 2014-15 through 2019-20**

Fiscal Year		A.D.A./Base Grant			Total A.D.A.	Enrollment <sup>(10)</sup>	Unduplicated Percentage of EL/LI Students
		K-3	4-6	7-8			
2014-15	A.D.A. <sup>(1)</sup> :	2,032	2,050	1,296	6,278	6,472	40.99%
	Targeted Base Grant <sup>(2)(3)</sup> :	\$7,740	\$7,116	\$7,328	--	--	--
2015-16	A.D.A. <sup>(1)</sup> :	3,046	2,098	1,313	6,457	6,695	42.91%
	Targeted Base Grant <sup>(2)(4)</sup> :	\$7,083	\$7,189	\$7,403	--	--	--
2016-17	A.D.A. <sup>(1)</sup> :	3,101.60	2,135.13	1,294.10	6,530.83	6,761	42.35%
	Targeted Base Grant <sup>(2)(5)</sup> :	\$7,820	\$7,189	\$7,403	--	--	--
2017-18	A.D.A. <sup>(1)</sup> :	3,085.18	2,147.86	1,317.65	6,550.69	6,788	43.18%
	Targeted Base Grant <sup>(2)(6)</sup> :	\$7,941	\$7,301	\$7,518	--	--	--
2018-19	A.D.A. <sup>(1)</sup> :	3,095.23	2,157.18	1,340.70	6,593.11	6,826	43.27%
	Targeted Base Grant <sup>(2)(7)</sup> :	\$8,235	\$7,571	\$7,796	--	--	--
2019-20 <sup>(8)</sup>	A.D.A. <sup>(8)</sup> :	3,095.23	2,157.18	1,340.70	6,593.11	6,864	43.49%
	Targeted Base Grant <sup>(2)(9)</sup> :	\$8,503	\$7,818	\$8,050	--	--	--

<sup>(1)</sup> A.D.A. for the second period of attendance, typically in mid-April of each school year.  
<sup>(2)</sup> Such amounts represent the targeted amount of Base Grant per unit of A.D.A., and include the grade span adjustment, but do not include any supplemental and concentration grants under the LCFF. The LCFF was fully implemented as of fiscal year 2018-19 – two years ahead of its anticipated implementation.  
<sup>(3)</sup> Targeted fiscal year 2014-15 Base Grant amount reflects a 0.85% cost-of-living adjustment from targeted fiscal year 2013-14 Base Grant amounts.  
<sup>(4)</sup> Targeted fiscal year 2015-16 Base Grant amount reflects a 1.02% cost-of-living adjustment from targeted fiscal year 2014-15 Base Grant amounts.  
<sup>(5)</sup> Targeted fiscal year 2016-17 Base Grant amount reflects a 0.00% cost-of-living adjustment from targeted fiscal year 2015-16 Base Grant amounts.  
<sup>(6)</sup> Targeted fiscal year 2017-18 Base Grant amount reflects a 1.56% cost-of-living adjustment from targeted fiscal year 2016-17 Base Grant amounts.  
<sup>(7)</sup> Targeted fiscal year 2018-19 Base Grant amount reflects a 3.70% cost-of-living adjustment from targeted fiscal year 2017-18 Base Grant amounts. This “super COLA” amount was authorized by the 2018-19 State Budget and exceeds the statutory 2.71% cost-of-living adjustment.  
<sup>(8)</sup> Figures are estimates.  
<sup>(9)</sup> Targeted fiscal year 2019-20 Base Grant amount reflects a 3.26% cost-of-living adjustment from targeted fiscal year 2018-19 Base Grant amounts.  
<sup>(10)</sup> Reflects enrollment as of October report submitted to the California Department of Education through CBEDS for the 2013-14 and 2014-15 school years and California Longitudinal Pupil Achievement Data System (“CALPADS”) for the 2015-16 through 2017-18 school year. For purposes of calculating Supplemental and Concentration Grants, a school district’s fiscal year 2013-14 percentage of unduplicated EL/LI Students was expressed solely as a percentage of its fiscal year 2013-14 total enrollment. For fiscal year 2014-15, the percentage of unduplicated EL/LI Students enrollment was based on the two-year average of EL/LI Students enrollment in fiscal years 2013-14 and 2014-15. Beginning in fiscal year 2015-16, a school district’s percentage of unduplicated EL/LI Students was based on a rolling average of such school district’s EL/LI Students enrollment for the then-current fiscal year and the two immediately preceding fiscal years.

Source: Santee School District.

The District received approximately \$[ ] million (unaudited) in aggregate revenues reported under LCFF sources in fiscal year 2018-19 and has budgeted to receive approximately \$59.94 million in aggregate revenues under the LCFF in fiscal year 2019-20 (or approximately 84.67% of its general fund revenues in fiscal year 2019-20). Such amount includes supplemental grants projected to be approximately \$4.69 million in fiscal year 2019-20. The District does not expect to receive concentration grants in fiscal year 2019-20.

### **Local Sources of Education Funding**

The principal component of local revenues is a school district's property tax revenues, i.e., each district's share of the local 1% property tax, received pursuant to Sections 75 and following and Sections 95 and following of the California Revenue and Taxation Code. California Education Code Section 42238(h) itemizes the local revenues that are counted towards the amount allocated under the LCFF (and formerly, the base revenue limit) before calculating how much the State must provide in State aid. The more local property taxes a district receives, the less State aid it is entitled to receive. Prior to the implementation of the LCFF, a school district whose local property tax revenues exceeded its base revenue limit was entitled to receive no State aid, and received only its special categorical aid which is deemed to include the "basic aid" of \$120 per student per year guaranteed by Article IX, Section 6 of the Constitution. Such districts were known as "basic aid districts," which are now referred to as "community funded districts." School districts that received some State equalization aid were commonly referred to as "revenue limit districts." The District was a revenue limit district and is now referred to as an LCFF district.

Under the LCFF, local property tax revenues are used to offset up to the entire State aid collection under the new formula; however, community funded districts would continue to receive, at a minimum, the same level of State aid as allotted in fiscal year 2012-13. See "State Funding of Education; State Budget Process –*Allocation of State Funding to School Districts; Local Control Funding Formula*" herein for more information about the LCFF.

Local property tax revenues account for approximately 28.85% of the District's aggregate revenues reported under LCFF sources and are budgeted to be approximately \$17.30 million, or 24.43% of total general fund revenues in fiscal year 2019-20.

For information about the property taxation system in California and the District's property tax base, see the sections titled "– Property Taxation System," "–Assessed Valuation of Property Within the District," and "–Tax Charges and Delinquencies," under the caption "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2019 BONDS" in the front portion of the Official Statement.

For a discussion of legal limitations on the ability of the District to raise revenues through local property taxes, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" below.

***Effect of Changes in Enrollment.*** Changes in local property tax income and A.D.A. affect LCFF districts and community funded districts differently.

In an LCFF district, such as the District, increasing enrollment increases the total amount distributed under the LCFF and thus generally increases a district's entitlement to State equalization aid, while increases in property taxes do nothing to increase district revenues, but only offset the State funding requirement of equalization aid. Operating costs increase disproportionately slowly to enrollment growth; and only at the point where additional teachers and classroom facilities are needed. Declining enrollment has the reverse effect on LCFF districts, generally resulting in a loss of State equalization aid, while

operating costs decrease slowly and only when, for example, the district decides to lay off teachers or close schools.

In community funded districts, the opposite is generally true: increasing enrollment increases the amount to which the district would be entitled were it an LCFF district, but since all LCFF income (and more) is already generated by local property taxes, there is no increase in State income. Meanwhile, as new students impose increased operating costs, property tax income is stretched further. Declining enrollment does not reduce property tax income, and has a negligible impact on State aid, but eventually reduces operating costs, and thus can be financially beneficial to a community funded district.

### **Other District Revenues**

**Federal Revenues.** The federal government provides funding for several District programs, including special education programs. Federal revenues, most of which are restricted, comprise approximately 3.45% (or approximately \$2.44 million) of the District's general fund budgeted revenues for fiscal year 2019-20.

**Other State Revenues.** In addition to State apportionments for Proposition 98 funding through the Local Control Funding Formula, the District receives other State revenues, consisting primarily of restricted revenues designed to implement State mandated programs. Beginning in fiscal year 2013-14, categorical spending restrictions associated with a majority of State mandated programs were eliminated, and funding for these programs was folded into LCFF. Categorical funding for certain programs was excluded from LCFF, and school districts will continue to receive restricted State revenues to fund these programs. Other State revenues comprise approximately 6.14% (or approximately \$4.35 million) of the District's general fund budgeted revenues for fiscal year 2019-20.

A portion of such other State revenues are amounts the District expects to receive from State lottery funds, a portion of which may not be used for non-instructional purposes, such as the acquisition of real property, the construction of facilities, or the financing of research. School districts receive lottery funds proportional to their total A.D.A. The District's State lottery revenue is budgeted at approximately \$1,406,544 for fiscal year 2019-20.

**Other Local Revenues.** In addition to *ad valorem* property taxes, the District receives additional local revenues from sources such as interest income, leases and rentals, educational foundations, donations and sales of property. Other local revenues comprise approximately 5.75% (or approximately \$4.07 million) of the District's general fund budgeted revenues for fiscal year 2019-20.

### **Significant Accounting Policies and Audited Financial Reports**

The State Department of Education imposes by law uniform financial reporting and budgeting requirements for K-12 districts. Financial transactions are accounted for in accordance with the Department of Education's California School Accounting Manual. This manual, according to Section 41010 of the Education Code, is to be followed by all California school districts, including the District. Significant accounting policies followed by the District are explained in Note 1 to the District's audited financial statements for the fiscal year ended June 30, 2018, which are included as Appendix B.

Independently audited financial reports are prepared annually in conformity with generally accepted accounting principles for educational institutions. The annual audit report is generally available about six months after the June 30 close of each fiscal year. The following tables contain data abstracted from financial statements prepared by the District's independent auditor, Vavrinek, Trine, Day & Co., LLP, Certified Public Accountants, Rancho Cucamonga, California, for fiscal years 2013-14 through 2017-18.

Vavrinek, Trine, Day & Co., LLP has not been requested to consent to the use or to the inclusion of its reports in this Official Statement, and it has not audited or reviewed this Official Statement. The District is required by law to adopt its audited financial statements after a public meeting to be conducted no later than January 31 following the close of each fiscal year.

The following table sets forth the statement of revenues, expenditures and changes in fund balances for the District's general fund for the fiscal years 2013-14 through 2017-18.

**SANTEE SCHOOL DISTRICT**  
**(San Diego County, California)**  
**Statement of General Fund Revenues, Expenditures and Changes in Fund Balance**  
**Fiscal Years 2013-14 through 2017-18**

	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18
<b>REVENUES</b>					
Revenue Limit/LCFF Sources	\$38,776,160	\$42,420,345	\$48,673,856	\$51,891,986	\$53,430,363
Federal sources	2,304,997	2,488,273	2,515,599	2,305,223	2,896,435
Other State sources	4,302,120	2,397,052	7,355,158	5,872,502	5,958,430
Other local sources	4,279,533	4,988,514	5,168,164	5,738,967	5,185,900
<b>Total Revenues</b>	<u>49,662,810</u>	<u>52,294,184</u>	<u>63,712,777</u>	<u>65,808,678</u>	<u>67,471,128</u>
<b>EXPENDITURES</b>					
Current					
Instruction	32,457,679	36,271,988	39,803,743	42,134,934	43,276,552
Instruction-related Services:					
Supervision of instruction	765,384	837,700	836,418	813,658	944,290
Instructional library, media and technology	819,087	1,043,391	1,151,502	1,237,695	1,270,521
School site administration	2,726,108	2,859,402	3,140,052	3,513,172	3,412,092
Pupil services:					
Home-to-school transportation	867,346	1,076,038	977,822	1,072,652	1,353,535
All other pupil services	1,940,275	2,027,409	2,345,379	2,873,711	3,155,522
Administration:					
Data processing	427,999	722,318	877,616	957,191	425,524
All other administration	2,338,366	2,651,242	2,973,644	3,206,545	3,006,476
Plant services	3,902,684	4,333,237	4,675,160	5,087,604	5,126,833
Community services	239,228	257,950	287,854	258,390	244,664
Other outgoing	-	-	43,044	-	-
Enterprise services	-	-	500	7,628	8,581
Facility acquisition and construction	131,644	239,892	126,322	1,005,163	95,626
<b>Total Expenditures</b>	<u>46,615,800</u>	<u>52,320,959</u>	<u>57,239,056</u>	<u>62,168,343</u>	<u>62,320,216</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>3,047,010</u>	<u>(26,775)</u>	<u>6,473,721</u>	<u>3,640,335</u>	<u>5,150,912</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	111,883	33,561	29,143	22,271	20,170
Transfers out <sup>(1)</sup>	(1,575,395)	(1,151,348)	(3,502,811)	(2,500,079)	(2,862,748)
Other uses	-	-	-	(48,898)	(43,385)
<b>Net Financing Sources (Uses)</b>	<u>(1,463,512)</u>	<u>(1,117,787)</u>	<u>(3,473,668)</u>	<u>(2,526,706)</u>	<u>(2,885,963)</u>
<b>NET CHANGE IN FUND BALANCES</b>					
<b>Fund Balances, Beginning</b>	13,095,434	14,678,932	13,534,370	16,534,423	17,648,052
<b>Fund Balance, Ending</b>	<u>\$14,678,932</u>	<u>\$13,534,370</u>	<u>\$16,534,423</u>	<u>\$17,648,052</u>	<u>\$19,913,001</u>

<sup>(1)</sup> In fiscal year 2015-16, the District initiated several new or increased transfers to Fund 40 for future capital outlay purchases, including funds for a technology reserve, facilities enhancement and improvement, and bus replacement reserve.  
Source: Santee School District Audited Financial Report for fiscal years 2013-14 through 2017-18.

The following table sets forth the audited general fund balance sheet of the District for fiscal years 2013-14 through 2017-18.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
Summary of General Fund Balance Sheet  
Fiscal Years 2013-14 through 2017-18**

	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18
<b>ASSETS</b>					
Deposits and investments	\$8,869,870	\$11,297,166	\$15,098,189	\$17,453,019	\$18,484,695
Receivables	5,541,719	2,488,630	2,085,635	1,670,426	2,216,846
Due from other funds	444,918	297,192	287,787	503,472	429,290
Prepaid expenditures	375,869	375,869	375,869	375,869	88,850
Stores inventories	53,344	46,850	54,828	71,132	375,869
<b>Total Assets</b>	<b>\$15,285,720</b>	<b>\$14,505,707</b>	<b>\$17,902,308</b>	<b>\$20,073,918</b>	<b>\$21,595,550</b>
<b>LIABILITIES AND FUND BALANCE:</b>					
<b>Liabilities:</b>					
Accounts payable	\$505,618	\$463,771	\$969,918	\$2,263,641	\$1,266,123
Due to other funds	-	131,358	4,175	12,088	242,183
Deferred/Unearned Revenue	101,170	267,256	288,331	150,137	174,243
Current loans	-	108,952	105,461	-	-
<b>Total Liabilities</b>	<b>\$606,788</b>	<b>\$971,337</b>	<b>\$1,367,885</b>	<b>\$2,425,866</b>	<b>\$1,682,549</b>
<b>Fund Balances:</b>					
Nonspendable	444,213	437,719	445,697	467,001	484,719
Restricted	1,350,410	684,398	966,446	390,515	394,089
Assigned	3,548,085	3,959,407	823,550	1,823,947	724,766
Unassigned	9,336,224	8,452,846	14,298,730	14,966,589	18,309,427
<b>Total Fund Balances</b>	<b>\$14,678,932</b>	<b>\$13,534,370</b>	<b>\$16,534,423</b>	<b>\$17,648,052</b>	<b>\$19,913,001</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$15,285,720</b>	<b>\$14,505,707</b>	<b>\$17,902,308</b>	<b>\$20,073,918</b>	<b>\$21,595,550</b>

Source: Santee School District Audited Financial Report for fiscal years 2013-14 through 2017-18.

### **District Budget Process and County Review**

State law requires school districts to maintain a balanced budget in each fiscal year. The State Department of Education imposes a uniform budgeting and accounting format for school districts.

Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the County of San Diego Superintendent of Schools.

The county superintendent must review and approve, conditionally approve or disapprove the budget no later than September 15. The county superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. In the event that the county superintendent conditionally approves or disapproves the school district's budget, the county superintendent will submit to the governing board of the school district no later than September 15 of such year written recommendations regarding revisions of the budget and the reasons for the recommendations, including, but not limited to, the amounts of any budget adjustments needed before the county superintendent can approve that budget.

The governing board of the school district, together with the county superintendent, must review and respond to the recommendations of the county superintendent on or before October 8 at a regular meeting of the governing board of the school district. The county superintendent will examine and approve or disapprove of the revised budget by November 8 of such year. If the county superintendent disapproves a revised budget, the county superintendent will call for the formation of a budget review committee. By December 31 of each year, every school district must have an adopted budget, or the Superintendent of Public Instruction (the "State Superintendent") may impose a budget and will report such school district to the State Legislature and the Department of Finance.

Subsequent to approval, the county superintendent will monitor each school district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the school district can meet its current or subsequent year financial obligations.

If, after taking various remedial actions, the county superintendent determines that a school district cannot meet its current or the subsequent year's obligations, the county superintendent will notify the school district's governing board, the State Superintendent and the president of the State board (or the president's designee) of the determination and take at least one of the following actions, and all actions that are necessary to ensure that the school district meets its financial obligations: (a) develop and impose, after also consulting with the State Superintendent and the school district's governing board, revisions to the budget that will enable the school district to meet its financial obligations in the current fiscal year, (b) stay or rescind any action inconsistent with the ability of the school district to meet its obligations for the current or subsequent fiscal year, (c) assist in developing, in consultation with the school district's governing board, a financial plan that will enable the school district to meet its future obligations, (d) assist in developing, in consultation with the school district's governing board, a budget for the subsequent fiscal year, and (e) as necessary, appoint a fiscal advisor to perform the aforementioned duties. The county superintendent will also make a report to the State Superintendent and the president of the State board or the president's designee about the financial condition of the school district and the remedial actions proposed by the county superintendent. However, the county superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the county superintendent assumed authority.

A State law adopted in 1991 (known as "A.B. 1200") imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200 and the Education Code (Section 42100 *et seq.*), each school district is required to file two interim certifications with the county superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The county superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that, based on then current projections, will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that, based on then current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that, based on then current projections, will not meet its financial obligations for the current fiscal year or the two subsequent fiscal years. A certification may be revised to a negative or qualified certification by the county superintendent, as appropriate. A school district that receives a qualified or negative certification for its second interim report must provide to the county superintendent, the State Controller and the State Superintendent no later than June 1, financial statement projections of the school district's fund and cash balances through June 30 for the period ending April 30.



Any school district that receives a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax and revenue anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the school district, unless the county superintendent determines that the school district's repayment of indebtedness is probable. In the last five years, the District has not received a negative or qualified certification for an interim financial report.

For school districts under fiscal distress, the county superintendent is authorized to take a number of actions to ensure that the school district meets its financial obligations, including budget revisions. However, the county superintendent is not authorized to approve any diversion of revenue from *ad valorem* property taxes levied to pay debt service on district general obligation bonds. A school district that becomes insolvent may, upon the approval of a fiscal plan by the county superintendent, request an emergency appropriation from the State, in which case the county superintendent, the State Superintendent and the president of the State board or the president's designee will appoint a trustee to serve the school district until it has adequate fiscal systems and controls in place. The acceptance by a school district of an emergency apportionment exceeding 200% of the reserve recommended for that school district constitutes an agreement that the county superintendent will assume control of the school district in order to ensure the school district's return to fiscal solvency.

In the event the State elects to provide an emergency apportionment to a school district, such apportionment will constitute an advance payment of apportionments owed to the school district from the State School Fund and the Education Protection Account. The emergency apportionment may be accomplished in two ways. First, a school district may participate in a two-part financing in which the school district receives an interim loan from the State general fund, with the agreement that the school district will subsequently enter into a lease financing with the California Infrastructure and Economic Development Bank for purposes of financing the emergency apportionment, including repaying such amounts advanced to the State general fund. State law provides that so long as bonds from such lease financing are outstanding, the recipient school district (via its administrator) cannot file for bankruptcy. As an alternative, a school district may receive an emergency apportionment from the State general fund that must be repaid in 20 years. Each year, the State Superintendent will withhold from the apportionments to be made to the school district from the State School Fund and the Education Protection Account an amount equal to the emergency apportionment repayment that becomes due that year. The determination as to whether the emergency apportionment will take the form of a lease financing or an emergency apportionment from the State general fund will be based upon the availability of funds within the State general fund.

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The following table sets forth the District's adopted general fund budgets for fiscal years 2016-17 through 2019-20, unaudited actuals for fiscal years 2016-17 through 2018-19.

**SANTEE SCHOOL DISTRICT**  
**(San Diego County, California)**  
**General Fund Budgets for Fiscal Years 2016-17 through 2019-20**  
**and Unaudited Actuals for Fiscal Years 2016-17 through 2018-19**

	2016-17 Original Adopted Budget	2016-17 Unaudited Actuals <sup>(1)</sup>	2017-18 Original Adopted Budget	2017-18 Unaudited Actuals <sup>(1)</sup>	2018-19 Original Adopted Budget	[2018-19 Unaudited Actuals] <sup>(1)</sup>	2019-20 Original Adopted Budget
<b>REVENUES</b>							
LCFF Sources	\$51,222,046.00	\$51,891,985.27	\$53,200,068.00	\$53,430,364.47	\$57,285,435.00		\$59,943,835.00
Federal Revenue	2,185,644.00	2,370,018.47	2,253,523.00	2,896,434.90	2,368,159.00		2,439,769.00
Other State Revenue	3,450,123.00	5,872,501.94	4,377,632.00	5,958,429.59	6,658,522.00		4,348,641.00
Other Local Revenue	3,714,137.00	5,644,356.28	3,896,199.00	5,141,365.75	4,126,336.00		4,067,677.00
<b>TOTAL REVENUES</b>	<u>60,571,950.00</u>	<u>65,778,861.96</u>	<u>63,727,422.00</u>	<u>67,426,594.71</u>	<u>70,438,452.00</u>		<u>70,799,922.00</u>
<b>EXPENDITURES</b>							
Certificated Salaries	30,400,593.00	30,857,031.49	30,841,110.00	30,482,212.78	31,619,739.00		32,658,135.00
Classified Salaries	8,960,421.00	8,845,285.28	9,349,227.00	9,396,966.58	9,951,410.00		10,638,566.00
Employee Benefits	10,757,555.00	12,705,684.08	14,010,296.00	13,905,334.18	15,699,543.00		16,805,555.00
Books and Supplies	5,116,142.00	3,650,118.19	3,557,987.00	3,349,850.21	3,863,275.00		2,817,614.00
Services, Other Operating Expenses	4,242,903.00	4,809,336.59	4,691,878.00	4,922,089.96	4,909,543.00		5,743,119.00
Capital Outlay	955,847.00	1,431,300.64	353,938.00	380,892.26	198,000.00		234,908.00
Other Outgo (excluding Direct Support/Indirect Costs)	969,205.00	949,146.28	1,089,629.00	997,645.24	994,348.00		942,408.00
Other Outgo - Transfers of Indirect Costs	(137,580.00)	(130,414.04)	(147,128.00)	(137,298.49)	(147,060.00)		(122,072.00)
<b>TOTAL EXPENDITURES</b>	<u>61,265,086.00</u>	<u>63,117,488.51</u>	<u>63,746,937.00</u>	<u>63,297,692.72</u>	<u>67,088,798.00</u>		<u>69,718,233.00</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(693,136.00)</u>	<u>2,661,373.45</u>	<u>(19,515.00)</u>	<u>4,128,901.99</u>	<u>3,349,654.00</u>		<u>1,081,689.00</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Inter-fund Transfers In	20,170.00	22,270.74	20,170.00	20,169.78	-		-
Inter-fund Transfers Out	(1,111,405.00)	1,599,831.00	(1,729,781.00)	(1,928,658.36)	(5,428,373.00)		(2,281,187.00)
<b>TOTAL, OTHER FINANCING SOURCES (USES)</b>	<u>(1,091,235.00)</u>	<u>(1,577,560.26)</u>	<u>(1,709,611.00)</u>	<u>(1,908,488.58)</u>	<u>(5,428,373.00)</u>		<u>(2,281,187.00)</u>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>	<u>(1,784,371.00)</u>	<u>1,083,813.19</u>	<u>(1,729,126.00)</u>	<u>2,220,413.41</u>	<u>(2,078,719.00)</u>		<u>(1,199,498.00)</u>
<b>BEGINNING BALANCE, as of July 1 – Unaudited Audit Adjustments</b>	<u>11,267,592.56</u>	<u>13,632,400.68</u>	<u>11,038,096.68</u>	<u>14,716,213.87</u>	<u>14,989,312.87</u>		<u>14,149,016.28</u>
<b>As of July 1 – Audited Other Restatements</b>	<u>11,267,592.56</u>	<u>13,632,400.68</u>	<u>11,038,096.68</u>	<u>14,716,213.87</u>	<u>14,989,312.87</u>		<u>14,149,016.28</u>
<b>Adjusted Beginning Balance</b>	<u>11,267,592.56</u>	<u>13,632,400.68</u>	<u>11,038,096.68</u>	<u>14,716,213.87</u>	<u>14,989,312.87</u>		<u>14,149,016.28</u>
<b>ENDING BALANCE</b>	<u>\$9,483,221.56</u>	<u>\$14,716,213.87</u>	<u>\$9,308,970.68</u>	<u>\$16,936,627.28</u>	<u>\$12,910,593.87</u>		<u>\$12,949,518.28</u>
<b>Unrestricted Ending Balance</b>	<u>\$9,257,301.77</u>	<u>\$14,325,699.31</u>	<u>\$9,200,433.66</u>	<u>\$16,542,538.18</u>	<u>\$12,501,448.31</u>		<u>\$12,373,462.18</u>
<b>Restricted Ending Balance</b>	<u>\$225,919.79</u>	<u>\$390,514.56</u>	<u>\$108,537.02</u>	<u>\$394,089.10</u>	<u>\$409,145.56</u>		<u>\$576,056.10</u>

<sup>(1)</sup> The revenues, expenditures, and ending balance in the unaudited actuals differ from the District's audited financial reports due to inclusion of Fund 17: Special Reserve for Capital Outlay Fund with the General Fund in the audited financial statements

Source: Santee School District adopted general fund budgets for fiscal years 2016-17 through 2019-20; unaudited actuals for fiscal years 2016-17 through 2018-19.

## District Debt Structure

**Long-Term Debt Summary.** A schedule of changes in the District’s long-term obligations for the year ended June 30, 2018, consisted of the following:

Long-Term Debt	Balance, July 1, 2017	Additions	Deductions	Balance, June 30, 2018	Amounts Due Within One Year
<b>Governmental Activities</b>					
General Obligation Bonds	\$61,136,155	\$12,539,469	\$12,795,976	\$60,879,648	\$1,483,677
Premium on issuance	2,248,915	1,429,450	327,020	3,351,345	-
Certificates of Participation	26,051,548	89,039	530,000	25,610,587	570,000
Premium on issuance	701,792	-	26,992	674,800	-
Accumulated vacation – net	238,200	56,837	-	295,037	-
Capital Leases	317,012	344,296	131,070	530,238	122,604
Qualified Zone Academy Bond	5,000,000	-	-	5,000,000	-
Net other postemployment benefits (OPEB) liability	11,045,483	1,033,080	641,516	11,437,047	-
	<u>\$106,739,105</u>	<u>\$15,492,171</u>	<u>\$14,452,574</u>	<u>\$107,778,702</u>	<u>\$2,176,281</u>
<b>Business-Type Activities</b>					
Net other postemployment benefits (OPEB) liability	\$769,721	\$75,159	\$44,724	\$800,156	\$-

Source: Santee School District Audited Financial Report for fiscal year 2017-18.

**General Obligation Bonds.** In addition to the Series 2019 Bonds, the District has outstanding six series of general obligation bonds, each of which is secured by *ad valorem* taxes levied upon all property subject to taxation by the District on a parity with the Series 2019 Bonds.

See “THE SERIES 2019 BONDS – Outstanding Bonds” and “– Aggregate Debt Service” in the front portion of this Official Statement for more information about such outstanding bonds.

**Certificates of Participation.** On October 7, 2008, the District executed and delivered \$23,699,849.35 initial aggregate principal amount of its Certificates of Participation (2008 Capital Improvement Project) (the “2008 Certificates”) pursuant to a lease agreement with the Public Property Financing Corporation of California for the purpose of financing the acquisition, construction, installation, modernization, and equipping of improvements to various District facilities. The 2008 Certificates were sold bearing interest rates ranging from 3.25% to 5.75%. The outstanding principal balance at June 30, 2018 was \$1,705,587.

On June 16, 2010, the District executed and delivered \$2,260,000 aggregate principal amount of its Certificates of Participation (2010 Solar Energy Facilities Project) (the “2010 Certificates”) pursuant to a lease agreement with the Santee School District School Facilities Corporation (the “SSDSFC”) for the purpose of constructing and installing certain solar energy improvements located at the District’s Hill Creek Elementary School. The 2010 Certificates were sold bearing stated interest rates ranging between 2.315% and 7.160%. The outstanding principal balance at June 30, 2018 was \$1,130,000.

On December 22, 2015, the District executed and delivered \$23,240,000 aggregate principal amount its 2015 Refunding Certificates of Participation (the “2015 Certificates”) pursuant to a lease agreement with SSDSFC for acquisition, construction, installation, modernization, and equipping of improvements to various District facilities. The proceeds of the 2015 Certificates were used to prepay a portion of the 2008 Certificates. The 2015 Certificates were sold bearing stated interest rates ranging from 3.00% to 5.00% and mature October 1, 2042. The outstanding principal balance at June 30, 2018 was \$22,775,000 and unamortized premium of \$674,800.

The annual requirements to amortize the 2008 Certificates, the 2010 Certificates and the 2015 Certificates are set forth below:

Fiscal Year	Principal Including Accreted Interest to Date	Accreted Interest to Maturity	Current Interest to Maturity	Total
2019	\$570,000	-	\$982,290	\$1,552,290
2020	610,000	-	952,050	1,562,050
2021	650,000	-	918,597	1,568,597
2022	705,000	-	882,585	1,587,585
2023	755,000	-	843,554	1,598,554
2024-2028	3,500,415	\$529,585	3,700,040	7,730,040
2029-2033	4,075,172	669,828	3,186,325	7,931,325
2034-2038	6,270,000	-	2,324,094	8,594,094
2039-2043	8,475,000	-	888,500	9,363,500
Total	\$25,610,587	\$1,199,413	\$14,678,035	\$41,488,035

Source: Santee School District Audited Financial Report for fiscal year 2017-18.

**Accumulated Unpaid Employee Vacation.** The long-term portion of accumulated unpaid employee vacation for the District at June 30, 2018 amounted to \$295,037.

**Qualified Zone Academy Bond.** In November 2005, the District issued \$5,000,000 aggregate principal amount of Qualified Zone Academy Bond Program (QZAB) Certificates of Participation (the “QZAB Certificates”). The QZAB Certificates represent interest-free financing for the District. Owners of the QZAB Certificates received a federal tax credit in lieu of charging the District interest on the QZAB Certificates. The QZAB Certificates mature on December 1, 2020. As of June 30, 2018, Chase Bank held \$4,708,996 for payment of principal of the QZAB Certificates.

**Capital Leases.** Beginning with fiscal year 2015-16, the District initiated a plan to replace 17 school buses over an eight year period by entering into a series of capital leases. In July 2016, the District entered into a 5-year lease for three buses in the aggregate principal amount of \$400,731, with annual lease payments of \$83,720. In June 2017, the District entered into a 7-year lease for three buses in the aggregate principal amount of \$344,296 after a \$95,000 down payment, with annual lease payments of \$54,419. In fiscal year 2018-19, the District changed its financing strategy for bus replacement purchases by making a one-time transfer to Fund 40 of \$1.7 million from the District’s General Fund in order to pay cash for future bus purchases. Consequently, the District has no plans, at this time, to enter into additional leases.

The capital leases have minimum lease payments as follows:

Year Ending June 30,	Lease Payment
2019	\$138,139
2020	138,139
2021	138,139
2022	54,419
2023	54,419
2024	54,419
Total	577,674
Less: Amount Representing Interest	47,436
Present Value of Minimum Lease Payments	\$530,238

***Other Post-Employment Benefits Administered by the District (OPEBs).*** In addition to the retirement plan benefits with CalSTRS and CalPERS (see “– Retirement Benefits” below), the District administers a single-employer healthcare plan (the “Plan”) that provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District Board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements. As of June 30, 2018, membership in the Plan consists of 605 active employees and 70 inactive employees or beneficiaries current receiving benefits.

For a description of the District’s Plan, see Note 9 to the District’s financial statements attached hereto as APPENDIX B – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2018.”

In June 2015, the Governmental Accounting Standards Board (“GASB”) issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (“Statement Number 75”). Other post-employment benefits (meaning other than pension benefits) (“OPEB”) generally include post-employment health benefits (medical, dental, vision, prescription drug and mental health), life insurance, disability benefits and long term care benefits. The objective of Statement Number 75 is to improve accounting and financial reporting by the State and local governments for OPEB by requiring the recognition of entire OPEB liability, a more comprehensive measure of OPEB expense, new note disclosures and certain required supplementary information. In addition, Statement Number 75 sets forth additional accounting methods to improve the usefulness of information about OPEB included in the general purpose external financial reports of State and local governmental OPEB plans for making decisions and assessing accountability. Statement Number 75 results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. Statement Number 75 replaces GASB Statements Number 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and Number 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. The District has implemented Statement 75 beginning with its audited financial statements for fiscal year 2017-18. As a result, the beginning net position decreased by \$8,077,469 (from \$28,915,877 to \$20,838,408) to reflect the District’s net OPEB liability.

Nyhart Actuary & Employee Benefits prepared an actuarial valuation (the “Actuarial Valuation”) covering the District’s retiree health benefits and reports that for the fiscal year ending June 30, 2019 (measured at June 30, 2018), the District had a total and net OPEB liability of \$12,177,925. The Actuarial Valuation assumes, among other things, 2.75% inflation rate, 3.50% discount rate, and 3.00% salary increase. The District has not established a trust that meets the requirements of Statement 75. Payments to the Plan are made on a pay-as-you-go basis and determined annually through labor agreements with the bargaining units. In fiscal year 2016-17 and 2017-18, the District contributed \$371,688 and 337,350, respectively. For more information about the District’s OPEB liability under the Plan, see Note 9 to the District’s financial statements attached hereto as APPENDIX B – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2018.”

***Other Post-Employment Benefits Administered by CalSTRS.*** The Medicare Premium Payment Program (the “MPP Program”) is administered by CalSTRS. The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers’ Health Benefits Fund (“THBF”).

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (“STRP”) Defined Benefit (“DB”) Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not

eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (“CMS”) on a monthly basis. The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District benefit payments. In accordance with California Education Code Section 25930, benefit payments that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

At June 30, 2018, the District reported a liability of \$438,687 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2016, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2017 and June 30, 2016, was 0.1043 and 0.0995 percent, respectively, resulting in a net increase in the proportionate share of 0.0048 percent. For the year ended June 30, 2018, the District recognized OPEB expense of \$(26,765).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2016 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>. For more information about the District's OPEB liability under the MPP Program, see Note 9 to the District's financial statements attached hereto as APPENDIX B – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2018.”

***Tax and Revenue Anticipation Notes.*** The most recent fiscal year in which the District issued tax and revenue anticipation notes (“TRANS”) was fiscal year 2011-12. The District does not expect to issue TRANS or borrow funds to supplement the District's cash flow in fiscal year 2019-20. The District may issue TRANS or borrow funds in future fiscal years as and if necessary to supplement cash flow.

## Employment

As of June 30, 2019, the District employed 370 full-time certificated employees and 98 full-time classified employees. In addition, the District employed 408 part-time faculty and staff. For fiscal year 2018-19, the total certificated and classified salaries for all funds were approximately \$[ ] million (unaudited) and \$[ ] million (unaudited), respectively, and are budgeted to be approximately \$32.66 million and \$10.64 million, respectively, in fiscal year 2019-20. These employees, except management and some part-time employees, are represented by the bargaining units as noted below.

Name of Bargaining Unit	Number of FTEs Represented	Current Contract Expiration Date
Santee Teachers Association	356.90	June 30, 2018*
California School Employees Association	289.23	June 30, 2019†

\* The District is currently in negotiations with the Santee Teachers Association. Agreement has been reached on several open articles, but four articles are still under negotiations, including salaries and benefits.

† Negotiations with the California School Employees Association are expected to begin in September 2019.

Source: Santee School District.

## Retirement Benefits

The District participates in retirement plans with CalSTRS, which covers all full-time certificated District employees, including teachers and administrators, and CalPERS, which covers certain classified employees. Classified school personnel who are employed four or more hours per day may participate in CalPERS.

**CalSTRS.** Contributions to CalSTRS are fixed in statute. For fiscal year 2013-14, covered employees contributed 8.00% of salary to CalSTRS, while school districts contributed 8.25%. In addition to the teacher and school contributions, the State contributed 4.517% of teacher payroll to CalSTRS (calculated on payroll data from two fiscal years ago). Prior to fiscal year 2014-15 and unlike typical defined benefit programs such as those administered by CalPERS, neither the CalSTRS employer nor the State contribution rate varied annually to make up funding shortfalls or assess credits for actuarial surpluses. The State does pay a surcharge when the member and school district contributions are not sufficient to fully fund the basic defined benefit pension (generally consisting of 2% of salary for each year of service at age 60 referred to herein as “pre-enhancement benefits”) within a 30-year period. However, this surcharge does not apply to system-wide unfunded liability resulting from recent benefit enhancements.

As part of the 2014-15 State Budget, the Governor signed Assembly Bill 1469 which implemented a new funding strategy for CalSTRS and increased the employer contribution rate in fiscal year 2014-15 from 8.25% to 8.88% of covered payroll. Such rate increased by 1.85% beginning in fiscal year 2015-16 until the employer contribution rate is 19.10% of covered payroll as further described below. AB 1469 increased member contributions, which were previously set at 8.00% of pay, to 10.25% of pay for members hired on or before December 31, 2012 and 9.205% of pay for members hired on or after January 1, 2013 effective July 1, 2016. However, on July 1, 2018, for members hired on or after January 1, 2013, the rate increased from 9.205% of pay to 10.250% of pay. The State’s total contribution also increased from approximately 3% in fiscal year 2013-14 to 6.828% of payroll in fiscal year 2017-18, plus the continued payment of 2.5% of payroll annual for a supplemental inflation protection program for a total of 9.328%. In addition, AB 1469 provides the State Teachers Retirement Board with authority to modify the percentages paid by employers and employees for fiscal year 2021-22 and each fiscal year thereafter to eliminate the CalSTRS unfunded liability by June 30, 2046. The State Teachers Retirement Board would also have authority to reduce employer and State contributions if they are no longer necessary.

On February 1, 2017, the State Teachers’ Retirement Board voted to adopt revised actuarial assumptions reflecting members’ increasing life expectancies and current economic trends. The revised assumptions include a decrease from 7.50% to a 7.25% investment rate of return for the June 30, 2016 actuarial valuation, a decrease from 7.25% to a 7.00% investment rate of return for the June 30, 2017 actuarial valuation, a decrease from 3.75% to a 3.50% projected wage growth, and a decrease from 3.00% to a 2.75% price inflation factor.

As of June 30, 2017, an actuarial valuation (the “2017 CalSTRS Actuarial Valuation”) for the entire CalSTRS defined benefit program showed an estimated unfunded actuarial liability of \$107.3 billion, an increase of approximately \$10.6 million from the June 30, 2016 valuation. The funded ratios of the actuarial value of valuation assets over the actuarial accrued liabilities as of June 30, 2017, June 30, 2016 and June 30, 2015, based on the actuarial assumptions, were approximately 62.6%, 63.7%, and 68.5%, respectively. Future estimates of the actuarial unfunded liability may change due to market performance, legislative actions and other experience that may differ from the actuarial assumptions. The following are certain of the actuarial assumptions set forth in the 2017 CalSTRS Actuarial Valuation: measurement of accruing costs by the “Entry Age Normal Actuarial Cost Method,” a 7.00% investment return assumption consistent with the State Teachers’ Retirement Board’s decision on February 1, 2017, 3.00% interest on member accounts, projected 3.50% wage growth, projected 2.75% inflation and demographic assumptions relating to mortality rates, length of service, rates of disability, rates of withdrawal, probability of refund, and merit salary increases. The 2017 CalSTRS Actuarial Valuation also assumes that all members hired on or after January 1, 2013 are subject to the provisions of PEPRA (as defined herein). See “–Governor’s Pension Reform” below for a discussion of the pension reform measure signed by the Governor in August 2012 expected to help reduce future pension obligations of public employers with respect to employees hired on or after January 1, 2013. Future estimates of the actuarial unfunded liability may change due to market performance, legislative actions, changes in actuarial assumptions and other experiences that may differ from the actuarial assumptions.

Pursuant to Assembly Bill 1469, school district’s contribution rates will increase in accordance with the following schedule:

Effective Date (July 1)	School District Contribution Rate
2014	8.88%
2015	10.73
2016	12.58
2017	14.43
2018	16.28
2019	17.10*
2020	18.40*

\* Pursuant to the 2019-20 State Budget. See “DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – 2019-20 State Budget.”  
Source: Assembly Bill 1469.



The following table sets forth the District's employer contributions to CalSTRS as well as the State's required non-employer contribution for fiscal years 2015-16 through 2018-19 and the budgeted contribution for fiscal year 2019-20.

**SANTEE SCHOOL DISTRICT**  
**(San Diego County, California)**  
**Contributions to CalSTRS for Fiscal Years 2015-16 through 2019-20**

Fiscal Year	District's Contribution	State's On-Behalf Contribution
2015-16	\$2,991,172	\$1,587,092
2016-17	3,871,061	2,488,799
2017-18	4,308,452	3,171,892
2018-19 <sup>(1)</sup>	[ ]	[ ]
2019-20 <sup>(2)</sup>	5,895,131	2,508,487

<sup>(1)</sup> Unaudited actuals for fiscal year 2018-19.

<sup>(2)</sup> Original adopted budget for fiscal year 2019-20.

Source: Santee School District

The District's total employer contributions to CalSTRS for fiscal years 2015-16 through 2018-19 were equal to 100% of the required contributions for each year. With the implementation of AB 1469, the District anticipates that its contributions to CalSTRS will increase in future fiscal years as compared to prior fiscal years.

The District, nonetheless, is unable to predict all factors or any changes in law that could affect its required contributions to CalSTRS in future fiscal years.

CalSTRS produces a comprehensive annual financial report and actuarial valuations which include financial statements and required supplementary information. Copies of the CalSTRS comprehensive annual financial report and actuarial valuations may be obtained from CalSTRS. The information presented in these reports is not incorporated by reference in this Official Statement.

**CalPERS.** All qualifying classified employees of K-12 school districts in the State are members in CalPERS, and all of such districts participate in the same plan. As such, all such school districts share the same contribution rate in each year. However, unlike school districts' participating in CalSTRS, the school districts' contributions to CalPERS fluctuate each year and include a normal cost component and a component equal to an amortized amount of the unfunded liability. Accordingly, the District cannot provide any assurances that the District's required contributions to CalPERS in future years will not significantly vary from any current projected levels of contributions to CalPERS.

School districts are currently required to contribute to CalPERS at an actuarially determined rate, which was 11.847%, 13.888% and 15.531% of eligible salary expenditures for fiscal years 2015-16, 2016-17, and 2017-18, respectively, and 18.062% of eligible salary expenditures for fiscal year 2018-19. Plan participants enrolled in CalPERS 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 was 6% of their respective salaries in fiscal years 2015-16 and 2016-17, 6.50% in fiscal year 2017-18 and 7.00% in fiscal year 2018-19.

Since the June 30, 2015 valuation, CalPERS has employed an amortization and smoothing policy that apportions all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a five-year period. In contrast, the previous policy spread investment returns over a

15-year period with experience gains and losses spread over a rolling 30-year period. On December 21, 2016, the CalPERS Board of Administration lowered the discount rate from 7.50 percent to 7.00 percent using a three-year phase-in beginning with the CalPERS Schools Pool Actuarial Valuation as of June 30, 2017 (the “2017 CalPERS Schools Pool Actuarial Valuation”). The amounts of the pension/award benefit obligation or UAAL will vary from time to time depending upon actuarial assumptions, and actual rates of return on investments, salary scales, and levels of contribution.

The actuarial funding method used in the 2017 CalPERS Schools Pool Actuarial Valuation is the “Entry Age Normal Cost Method”. The 2017 CalPERS Schools Pool Actuarial Valuation assumes, among other things, 2.75% inflation and payroll growth of 3.00% compounded annually. The 2017 CalPERS Schools Pool Actuarial Valuation reflects a discount rate of 7.375% compounded annually (net of administrative expenses) as of June 30, 2017, 7.25% compounded annually (net of administrative expenses) as of June 30, 2018, and 7.0% compounded annually (net of administrative expenses) as of June 30, 2019. The first reduction in the investment rate of return will impact the District’s employer contribution rates beginning in fiscal year 2018-19. The CalPERS Board also adopted new demographic assumptions on December 19, 2017, including a reduction in the inflation assumption from 2.75% as of June 30, 2017, to 2.625% as of June 30, 2018, and finally to 2.50% as of June 30, 2019. The reduction in the inflation assumption results in decreases in both the normal cost and the accrued liabilities in the future. The overall payroll growth will be reduced from 3.0% annually as of June 30, 2017, to 2.875% as of June 30, 2018, and finally to 2.75% as of June 30, 2019.

On April 16, 2019, the CalPERS Board established the employer contribution rates for fiscal year 2019-20 and released certain information from the CalPERS Schools Pool Actuarial Valuation as of June 30, 2018, ahead of its summer 2019 release date. Based on the changes in the discount rate, inflation rate, payroll growth rate and demographic assumptions, along with expected reductions in normal cost due to the continuing transition of active members from those employees hired prior to the Implementation Date, to those hired after such date, the projected contribution for fiscal year 2020-21 is projected to be 23.6%, with annual increases and decreases thereafter, resulting in a projected 26.5% employer contribution rate for fiscal year 2025-26.

The following table sets forth the District’s total employer contributions to CalPERS for fiscal years 2015-16 through 2018-19 and the budgeted contribution for fiscal year 2019-20.

**SANTEE SCHOOL DISTRICT  
(San Diego County, California)  
Contributions to CalPERS for Fiscal Years 2015-16 through 2019-20**

Fiscal Year	Contribution
2015-16	\$1,099,091
2016-17	1,311,594
2017-18	1,611,122
2018-19 <sup>(1)</sup>	[            ]
2019-20 <sup>(2)</sup>	2,383,430

<sup>(1)</sup> Unaudited actuals for fiscal year 2018-19.  
<sup>(2)</sup> Original adopted budget for fiscal year 2019-20.  
Source: Santee School District

The District’s total employer contributions to CalPERS for fiscal years 2015-16 through 2018-19 were equal to 100% of the required contributions for each year. With the change in actuarial assumptions described above, the District anticipates that its contributions to CalPERS will increase in future fiscal years as the increased costs are phased in. The implementation of PEPR (see “–Governor’s Pension Reform”

below), however, is expected to help reduce certain future pension obligations of public employers with respect to employees hired on or after January 1, 2013. The District cannot predict the impact these changes will have on its contributions to CalPERS in future years.

CalPERS produces a comprehensive annual financial report and actuarial valuations that include financial statements and required supplementary information. Copies of the CalPERS comprehensive annual financial report and actuarial valuations may be obtained from CalPERS Financial Services Division. The information presented in these reports is not incorporated by reference in this Official Statement.

***Governor's Pension Reform.*** On August 28, 2012, Governor Brown and the State Legislature reached agreement on a new law that reforms pensions for State and local government employees. AB 340, which was signed into law on September 12, 2012, established the California Public Employees' Pension Reform Act of 2012 ("PEPRA") which governs pensions for public employers and public pension plans on and after January 1, 2013. For new employees, PEPRA, among other things, caps pensionable salaries at the Social Security contribution and wage base, which is \$127,200 for 2017, or 120% of that amount for employees not covered by Social Security, increases the retirement age by two years or more for all new public employees while adjusting the retirement formulas, requires state employees to pay at least half of their pension costs, and also requires the calculation of benefits on regular, recurring pay to stop income spiking. For all employees, changes required by PEPRA include the prohibition of retroactive pension increases, pension holidays and purchases of service credit. PEPRA applies to all State and local public retirement systems, including county and district retirement systems. PEPRA only exempts the University of California system and charter cities and counties whose pension plans are not governed by State law. Although the District anticipates that PEPRA would not increase the District's future pension obligations, the District is unable to determine the extent of any impact PEPRA would have on the District's pension obligations at this time. Additionally, the District cannot predict if PEPRA will be challenged in court and, if so, whether any challenge would be successful.

The District is unable to predict what the amount of State pension liabilities will be in the future, or the amount of the contributions which the District may be required to make. CalSTRS and CalPERS are more fully described in Note 12 to the District's financial statements attached hereto as APPENDIX B – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2018."

***GASB 67 and 68.*** In June 2012, the Governmental Accounting Standards Board approved a pair of related statements, Statement Number 67, Financial Reporting for Pension Plans ("Statement Number 67"), which addresses financial reporting for pension plans, and Statement Number 68, Accounting and Financial Reporting for Pensions ("Statement Number 68"), which establishes new accounting and financial reporting requirements for governments that provide their employees with pensions. The guidance contained in these statements will change how governments calculate and report the costs and obligations associated with pensions. Statement Number 67 replaces the current requirements of Statement Number 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, for most public employee pension plans, and Statement Number 27 replaces the current requirements of Statement Number 27, Accounting for Pensions by State and Local Governmental Employers, for most government employers. The new statements also replace the requirements of Statement Number 50, Pension Disclosures, for those governments and pension plans. Certain of the major changes include: (i) the inclusion of unfunded pension liabilities on the government's balance sheet (such unfunded liabilities were typically included as notes to the government's financial statements); (ii) full pension costs are shown as expenses regardless of actual contribution levels; (iii) lower actuarial discount rates are required to be used for most plans for certain purposes of the financial statements, resulting in increased liabilities and pension expenses; and (iv) shorter amortization periods for unfunded liabilities are required to be used for certain purposes of the financial statements, which generally increases pension expenses. Statement Number 67

became effective beginning in fiscal year 2013-14, and Statement Number 68 became effective beginning in fiscal year 2014-15.

### **Insurance, Risk Pooling and Joint Powers Agreements and Joint Ventures**

The District participates in joint powers agreements (“JPA”) with the San Diego County Office of Education (“SDCOE”) and California School Employees Benefits Association (“CSEBA”). The District pays an annual premium to each entity for its workers’ compensation coverage, property liability, and health and welfare coverage. The relationship between the District and the JPAs are such that it is not component units of the District for its financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and its financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these statements. Audited financial statements are generally available from the respective entities. See Note 14 to the District’s audited financial statements attached hereto as APPENDIX B— “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2018” for more information.

## **CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS**

### **Limitations on Revenues**

On June 6, 1978, California voters approved Proposition 13 (“Proposition 13”), which added Article XIII A to the State Constitution (“Article XIII A”). Article XIII A limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness, and (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Article XIII A defines full cash value to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment.” This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

*County of Orange v. Orange County Assessment Appeals Board No. 3.* Section 51 of the Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently “recapture” such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor’s measure of the restoration of value of the damaged property. The constitutionality of this procedure was challenged in a lawsuit brought in 2001 in the Orange County Superior Court, and in similar lawsuits brought in other counties, on the basis that the decrease in assessed value creates a new “base year value” for purposes of Proposition 13 and that subsequent increases in the assessed value of a property by more than 2% in a single year violate Article XIII A. On appeal, the California Court of Appeal upheld the

recapture practice in 2004, and the State Supreme Court declined to review the ruling, leaving the recapture law in place.

**Legislation Implementing Article XIII A.** Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

The tax rate is expressed as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

### **Article XIII B of the California Constitution**

An initiative to amend the State Constitution entitled “Limitation of Government Appropriations” was approved on September 6, 1979, thereby adding Article XIII B to the State Constitution (“Article XIII B”). Under Article XIII B state and local governmental entities have an annual “appropriations limit” and are not permitted to spend certain moneys which are called “appropriations subject to limitation” (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the “appropriations limit.” Article XIII B does not affect the appropriation of moneys which are excluded from the definition of “appropriations subject to limitation,” including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the “appropriations limit” is to be based on certain 1978-79 expenditures, and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIII B, if these entities’ revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years. Any proceeds of taxes received by the District in excess of the allowable limit are absorbed into the State’s allowable limit.

### **Article XIII C and Article XIII D of the California Constitution**

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the “Right to Vote on Taxes Act.” Proposition 218 added to the California Constitution Articles XIII C and XIII D (“Article XIII C” and “Article XIII D,” respectively), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the “Title and Summary” of Proposition 218 prepared by the California Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article XIII C establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIII C further

provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4. Article XIII D deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIII C or XIII D will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIII A of the California Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

### **Statutory Limitations**

On November 4, 1986, State voters approved Proposition 62, an initiative statute limiting the imposition of new or higher taxes by local agencies. The statute (a) requires new or higher general taxes to be approved by two-thirds of the local agency's governing body and a majority of its voters; (b) requires the inclusion of specific information in all local ordinances or resolutions proposing new or higher general or special taxes; (c) penalizes local agencies that fail to comply with the foregoing; and (d) required local agencies to stop collecting any new or higher general tax adopted after July 31, 1985, unless a majority of the voters approved the tax by November 1, 1988.

Appellate court decisions following the approval of Proposition 62 determined that certain provisions of Proposition 62 were unconstitutional. However, the California Supreme Court upheld Proposition 62 in its decision on September 28, 1995 in *Santa Clara County Transportation Authority v. Guardino*. This decision reaffirmed the constitutionality of Proposition 62. Certain matters regarding Proposition 62 were not addressed in the Supreme Court's decision, such as whether the decision applies retroactively, what remedies exist for taxpayers subject to a tax not in compliance with Proposition 62, and whether the decision applies to charter cities.

### **Proposition 98 and Proposition 111**

On November 8, 1988, voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). The Accountability Act changed State funding of public education below the university level, and the operation of the State's Appropriations Limit. The Accountability Act guarantees State funding for K-12 districts and community college districts (collectively, "K-14 districts") at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, which percentage is equal to 40.9%, or (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for growth in enrollment and inflation.

Since the Accountability Act is unclear in some details, there can be no assurance that the Legislature or a court might not interpret the Accountability Act to require a different percentage of general fund revenues to be allocated to K-14 districts than the 40.9%, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's Budget. In any event, the Governor and other fiscal observers expect the Accountability Act to place increasing pressure on the State's budget over future years, potentially reducing resources available for other State programs, especially to the extent

the Article XIII B spending limit would restrain the State's ability to fund such other programs by raising taxes.

The Accountability Act also changes how tax revenues in excess of the State Appropriations Limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 districts. Such transfer would be excluded from the Appropriations Limit for K-14 districts and the K-14 districts Appropriations Limits for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIII B surplus. The maximum amount of excess tax revenues which could be transferred to schools is 4% of the minimum State spending for education mandated by the Accountability Act, as described above.

On June 5, 1990, California voters approved Proposition 111 (Senate Constitutional Amendment 1), which further modified the Constitution to alter the spending limit and education funding provisions of Proposition 98. Most significantly, Proposition 111 (1) liberalized the annual adjustments to the spending limit by measuring the "change in the cost of living" by the change in State per capita personal income rather than the Consumer Price Index, and specified that a portion of the State's spending limit would be adjusted to reflect changes in school attendance; (2) provided that 50% of the "excess" tax revenues, determined based on a two-year cycle, would be transferred to K-14 districts with the balance returned to taxpayers (rather than the previous 100% but only up to a cap of 4% of the districts' minimum funding level), and that any such transfer to K-14 districts would not be built into the school districts' base expenditures for calculating their entitlement for State aid in the following year and would not increase the State's appropriations limit; (3) excluded from the calculation of appropriations that are subject to the limit appropriations for certain "qualified capital outlay projects" and certain increases in gasoline taxes, sales and use taxes, and receipts from vehicle weight fees; (4) provided that the Appropriations Limit for each unit of government, including the State, would be recalculated beginning in the 1990-91 fiscal year, based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Senate Constitutional Amendment 1 had been in effect; and (5) adjusted the Proposition 98 formula that guarantees K-14 districts a certain amount of general fund revenues, as described below.

Under prior law, K-14 districts were guaranteed the greater of (a) 40.9% of general fund revenues (the "first test") or (b) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment (the "second test"). Under Proposition 111, school districts would receive the greater of (a) the first test, (b) the second test or (c) a third test, which would replace the second test in any year when growth in per capita general fund revenues from the prior year was less than the annual growth in State per capita personal income. Under the third test, school districts would receive the amount appropriated in the prior year adjusted for change in enrollment and per capita general fund revenues, plus an additional small adjustment factor. If the third test were used in any year, the difference between the third test and the second test would become a "credit" to be paid in future years when general fund revenue growth exceeds personal income growth.

#### ***Assembly Bill No. 26 & California Redevelopment Association v. Matosantos***

On February 1, 2012, pursuant to the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*, Assembly Bill No. 26 (First Extraordinary Session) ("AB1X 26") dissolved all redevelopment agencies in existence and designated "successor agencies" and "oversight boards" to satisfy "enforceable obligations" of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies. With limited exceptions, all assets, properties, contracts, leases, records, buildings and equipment, including cash and cash equivalents of a former redevelopment agency were transferred to the control of its successor agency and, unless otherwise

required pursuant to the terms of an enforceable obligation, distributed to various related taxing agencies pursuant to AB1X 26.

It is possible that there will be additional legislation proposed and/or enacted to clarify various inconsistencies contained in AB1X 26 and there may be additional legislation proposed and/or enacted in the future affecting the current scheme of dissolution and winding up of redevelopment agencies currently contemplated by AB1X 26. For example, AB 1484 was signed by the Governor on June 27, 2012, to clarify and amend certain aspects of AB1X 26. AB 1484, among other things, attempts to clarify the role and requirements of successor agencies, provides successor agencies with more control over agency bond proceeds and properties previously owned by redevelopment agencies and adds other new and modified requirements and deadlines. AB 1484 also provides for a “tax claw back” provision, wherein the State is authorized to withhold sales and use tax revenue allocations to local successor agencies to offset payment of property taxes owed and not paid by such local successor agencies to other local taxing agencies. This “tax claw back” provision has been challenged in court by certain cities and successor agencies. The District cannot predict the outcome of such litigation and what effect, if any, it will have on the District. Additionally, no assurances can be given as to the effect of any such future proposed and/or enacted legislation on the District.

### **Proposition 30 and Proposition 55**

On November 6, 2012, voters approved Proposition 30, also referred to as the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment. Proposition 30 temporarily (a) increased the personal income tax on certain of the State’s income taxpayers by one to three percent for a period of seven years beginning with the 2012 tax year and ending with the 2019 tax year, and (b) increased the sales and use tax by one-quarter percent for a period of four years beginning on January 1, 2013 and ending with the 2016 tax year. The revenues generated from such tax increases are included in the calculation of the Proposition 98 minimum funding guarantee (see “– Proposition 98 and Proposition 111” above). The revenues generated from such temporary tax increases are deposited into a State account created pursuant to Proposition 30 (the Education Protection Account), and 89% of the amounts therein are allocated to school districts and 11% of the amounts therein are allocated to community college districts.

The Proposition 30 sales and use tax increases expired at the end of the 2016 tax year. Under Proposition 30, the personal income tax increases were set to expire at the end of the 2018 tax year. However, the California Tax Extension to Fund Education and Healthcare Initiative (“Proposition 55”), approved by the voters on November 8, 2016, extends by 12 years the temporary personal income tax increases on incomes over \$250,000 that was first enacted by Proposition 30; Proposition 55 did not extend the sales and use tax increases imposed by Proposition 30. Revenues from the income tax increase under Proposition 55 will be allocated to school districts and community colleges in the State.

### **Applications of Constitutional and Statutory Provisions**

The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. For a discussion of how the provisions of Proposition 98 have been applied to school funding see “DISTRICT FINANCIAL MATTERS — State Funding of Education; State Budget Process.”

### **Proposition 2**

*General.* Proposition 2, which included certain constitutional amendments to the Rainy Day Fund and, upon its approval, triggered the implementation of certain provisions which could limit the amount of



reserves that may be maintained by a school district, was approved by the voters in the November 2014 election.

**Rainy Day Fund.** The Proposition 2 constitutional amendments related to the Rainy Day Fund (i) require deposits into the Rainy Day Fund whenever capital gains revenues rise to more than 8% of general fund tax revenues; (ii) set the maximum size of the Rainy Day Fund at 10% of general fund revenues; (iii) for the next 15 years, require half of each year's deposit to be used for supplemental payments to pay down the budgetary debts or other long-term liabilities and, thereafter, require at least half of each year's deposit to be saved and the remainder used for supplemental debt payments or savings; (iv) allow the withdrawal of funds only for a disaster or if spending remains at or below the highest level of spending from the past three years; (v) require the State to provide a multiyear budget forecast; and (vi) create a Proposition 98 reserve (the "Public School System Stabilization Account") to set aside funds in good years to minimize future cuts and smooth school spending. The State may deposit amounts into such account only after it has paid all amounts owing to school districts relating to the Proposition 98 maintenance factor for fiscal years prior to fiscal year 2014-15. The State, in addition, may not transfer funds to the Public School System Stabilization Account unless the State is in a Test 1 year under Proposition 98 or in any year in which a maintenance factor is created.

**SB 858.** Senate Bill 858 ("SB 858") became effective upon the passage of Proposition 2. SB 858 includes provisions which could limit the amount of reserves that may be maintained by a school district in certain circumstances. Under SB 858, in any fiscal year immediately following a fiscal year in which the State has made a transfer into the Public School System Stabilization Account, any adopted or revised budget by a school district would need to contain a combined unassigned and assigned ending fund balance that (a) for school districts with an A.D.A. of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the Education Code, or (b) for school districts with an A.D.A. that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the Education Code. In certain cases, the county superintendent of schools may grant a school district a waiver from this limitation on reserves for up to two consecutive years within a three-year period if there are certain extraordinary fiscal circumstances.

The District, which has an A.D.A. of less than 400,000, is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its general fund expenditures and other financing uses.

**SB 751.** Senate Bill 751 ("SB 751"), enacted on October 11, 2017, alters the reserve requirements imposed by SB 858. Under SB 751, in a fiscal year immediate after a fiscal year in which the amount of moneys in the Public School System Stabilization Account is equal to or exceeds 3% of the combined total general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised cannot have an assigned or unassigned ending fund balance that exceeds 10% of those funds. SB 751 excludes from the requirements of those provisions basic aid school districts (also known as community funded districts) and small school districts having fewer than 2,501 units of average daily attendance.

The Series 2019 Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the California Constitution and other State law. Accordingly, the District does not expect SB 858 or SB 751 to adversely affect its ability to pay the principal of and interest on the Series 2019 Bonds as and when due.

## **Future Initiatives**

Article XIII A, Article XIII B, Article XIII C, Article XIII D, as well as Propositions 2, 30, 55, 62, 98, 111 and 218, were each adopted as measures that qualified for the ballot pursuant to the State's initiative

process. From time to time other initiative measures could be adopted, further affecting District revenues or the District's ability to expend revenues.

**APPENDIX B**

**FINANCIAL STATEMENTS OF THE DISTRICT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

## APPENDIX C

### PROPOSED FORM OF OPINION OF BOND COUNSEL

*Upon the delivery of the Series 2019 Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, proposes to render its final approving opinion with respect to the Series 2019 Bonds in substantially the following form:*

**APPENDIX D**  
**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

## APPENDIX E

### COUNTY OF SAN DIEGO INVESTMENT POOL

*The following information concerning the Treasury Pool of San Diego County (the “Treasury Pool”) has been provided by the Treasurer and has not been confirmed or verified by the District or the Underwriter. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date.*

County of San Diego Investment Pool general information and portfolio statistics can be found at <https://www.sdttc.com/content/ttc/en/treasury/financial-reports.html>.

In accordance with Section 53600 et seq. of the Government Code of the State of California (the “Government Code”), the Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with Section 53635 et seq. of the Government Code. In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the Government Code.

All investments in the Treasurer’s investment portfolio conform to the statutory requirements of Section 53635 et seq. of the Government Code, authorities delegated by the County Board of Supervisors and the Treasurer’s investment policy.

#### **General**

Pursuant to a resolution adopted July 8, 1958, the Board of Supervisors delegated to the County Treasurer the authority to invest and reinvest funds of the County. Applicable law limits this delegation of authority to a one-year period and must be renewed annually by action of the Board of Supervisors. In addition to funds of the County, funds of certain local agencies within the County, including school districts in the County, are required under state law to be deposited into County Treasury (“Involuntary Depositors”). In addition, certain agencies, such as cities and special districts, invest certain of their funds in the County Treasury on a voluntary basis (“Voluntary Depositors” and together with the Involuntary Depositors, the “Depositors”). Deposits made by the County and the various local agencies are commingled in a pooled investment fund (the “Treasury Pool” or the “Pool”). No particular deposits are segregated for separate investment.

Under State law, Depositors in the Pool are permitted to withdraw funds which they have deposited on 30 days’ notice. The County does not expect that the Pool will encounter liquidity shortfalls based on its current portfolio and investment guidelines or realize any losses that may be required to be allocated among all Depositors in the Pool.

The County has established an Oversight Committee pursuant to State law. The members of the Oversight Committee include the County Treasurer, the County Auditor–Controller, the County Superintendent of Schools or designee, a representative from special districts, a representative from school districts and community college districts in the County, and members of the public. The role of the Oversight Committee is to review and approve the Investment Policy that is prepared by the County Treasurer.

## **The Treasury Pool's Portfolio**

As of April 30, 2019, the securities in the Treasury Pool had a market value of \$11,199,667,684 and a book value of \$11,214,199,774, for a net unrealized loss of \$14,532,089 of the book value of the Treasury Pool.

The effective duration for the Treasury Pool was 0.87 years as of April 30, 2019. "Duration" is a measure of the price volatility of the portfolio and reflects an estimate of the projected increase or decrease in the value of the portfolio based upon a decrease or increase in interest rates. A duration of 0.87 means that for every one percent increase in interest rates the market value of the portfolio would decrease by 0.87%.

As of April 30, 2019, approximately 6.47% of the total funds in the Pool were deposited by Voluntary Depositors, such as cities and fire districts, 9.37% by community colleges, 40.47% by the County, 1.06% by Non-County and 42.63% by K-12 school districts.]

Fitch Ratings maintains ratings of "AAAF" (highest underlying credit quality) and "S-1" (very low sensitivity to market risk) on the Pool. The ratings reflect only the view of the rating agency and any explanation of the significance of such ratings may be obtained from such rating agency as follows: Fitch Ratings, Inc., 33 Whitehall Street, New York, New York 10004.

## **Investments of the Treasury Pool**

Authorized Investments: Investments of the Pool are placed in those securities authorized by various sections of the Government Code, which include obligations of the United States Treasury, Agencies of the United States Government, local and State bond issues, bankers acceptances, commercial paper of prime quality, certificates of deposit (both collateralized and negotiable), repurchase and reverse repurchase agreements, medium term corporate notes, shares of beneficial interest in diversified management companies (mutual funds), asset backed (including mortgage related), pass-through securities, and specific Supranational debt securities.

Legislation which would modify the currently authorized investments and place restrictions on the ability of municipalities to invest in various securities is considered from time to time by the California State Legislature. At all times, the Pool's investments will comply with Government Code and the County's Investment Policy (the "Investment Policy").

The Investment Policy currently states the primary goals of the County Treasurer when investing public funds to be as follows: the primary objective is to safeguard the principal of the funds under the County Treasurer's control, the secondary objective is to meet the liquidity needs of the Pool Participants, and the third objective is to achieve an investment return on the funds under the control of the County Treasurer within the parameters of prudent risk management. The Investment Policy contains a requirement that at least 35% of the Pool should be invested in securities maturing in one year or less, with the remainder of the portfolio being invested in debt securities with maturities spread over more than one year to five years. Furthermore, at least 15% of the securities must mature within 90 days. The maximum effective duration for the Pool shall be 2.0 years.

## **Certain Information Relating to Pool**

The following table reflects information with respect to the Pool as of the close of business on April 30, 2019. As described above, a wide range of investments is authorized by state law. Therefore, there can be no assurances that the investments in the Pool will not vary significantly from the investments described

below. In addition, the value of the various investments in the Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Therefore, there can be no assurance that the values of the various investments in the Pool will not vary significantly from the values described below. In addition, the values specified in the following table were based upon estimates of market values provided to the County by a third party. Accordingly, there can be no assurance that if these securities had been sold on April 30, 2019, the Pool necessarily would have received the values specified.



SUMMARY PORTFOLIO STATISTICS  
County of San Diego Pooled Money Fund

As of April 30, 2019

Investment Type	Par Value	Book Value	Market Value	% of Portfolio	Market Price	WAM	YTM	Accrued Interest	Unrealized Gain/Loss
Asset Backed Securities	600,251,624	598,697,684	600,913,342	5.34	100.110	1184	2.54	727,875	2,215,658
Bank Deposit	5,281,092	5,281,092	5,281,092	0.05	100.000	1	2.25	24,449	-
Commercial Paper Disc	3,615,000,000	3,599,446,040	3,600,817,400	32.10	99.609	57	2.72	-	1,371,360
Federal Agency	2,643,547,000	2,643,289,363	2,628,338,919	23.57	99.425	799	1.95	10,380,249	(14,950,444)
Medium-Term Notes	474,688,000	473,431,308	474,099,069	4.22	99.878	901	2.75	979,236	667,761
Money Market Accounts	67,300,000	67,300,000	67,300,000	0.60	100.000	1	2.35	185,885	-
Negotiable CDs	2,382,000,000	2,382,001,509	2,384,371,930	21.24	100.100	128	2.83	29,107,360	2,370,421
Supranationals	923,500,000	924,483,173	921,624,020	8.24	99.797	979	2.10	1,937,859	(2,859,153)
Sweep Fund	11,058,302	11,058,302	11,058,302	0.10	100.000	1	2.02	20,355	-
Treasury Coupon Securities	510,000,000	509,211,303	505,863,610	4.54	99.191	516	1.52	1,987,030	(3,347,693)
<b>Totals for April 2019</b>	<b>11,232,626,018</b>	<b>11,214,199,774</b>	<b>11,199,667,684</b>	<b>100.00</b>	<b>99.708</b>	<b>439</b>	<b>2.44</b>	<b>45,350,300</b>	<b>(14,532,089)</b>
<b>Totals for March 2019</b>	<b>9,708,535,819</b>	<b>9,689,523,453</b>	<b>9,673,900,081</b>	<b>100.00</b>	<b>99.644</b>	<b>409</b>	<b>2.42</b>	<b>44,560,766</b>	<b>(15,623,372)</b>
<b>Change From Prior Month</b>	<b>1,524,090,199</b>	<b>1,524,676,321</b>	<b>1,525,767,603</b>		<b>0.064</b>	<b>30</b>	<b>0.02</b>	<b>789,534</b>	<b>1,091,283</b>
<b>Portfolio Effective Duration</b>	<b>0.87 years</b>								

Return Information	Monthly Return	Annualized	Fiscal Year To Date Return	Annualized	Calendar Year To Date Return	Annualized
Book Value	0.200%	2.439%	1.857%	2.230%	0.795%	2.420%

**Notes**

Yield to maturity (YTM) is the estimated rate of return on a bond given its purchase price, assuming all coupon payments are made on a timely basis and reinvested at this same rate to the maturity date.

Weighted Average Maturity (WAM) is average time it takes for securities in a portfolio to mature, weighted in proportion to the dollar amount that is invested in the portfolio.

Yields for the portfolio are aggregate based on the book value of each security.

Monthly Investment Returns are reported gross of fees. Administration fees since fiscal year 17-18 have averaged approximately 7 basis points per annum.

\*All Investments held during the month of April 2019 were in compliance with the Investment Policy dated January 1, 2019.

Source: County of San Diego, Treasurer-Tax Collector.

**APPENDIX F**  
**COUNTY OF SAN DIEGO INVESTMENT POLICY**

## APPENDIX G

### BOOK-ENTRY ONLY SYSTEM

*The information in this appendix has been provided by DTC for use in securities offering documents, and the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute the Beneficial Owners either (a) payments of interest, principal or premium, if any, with respect to the Series 2019 Bonds or (b) certificates representing ownership interest in or other confirmation of ownership interest in the Series 2019 Bonds, or that they will so do on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this Official Statement.*

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2019 Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of

Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the

event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

**BACKGROUND:**

State Law requires the Board of Education to submit its annual financial results to the County Office of Education (COE) by September 15 of each year. The financial results for the fiscal year ending June 30, 2019 are summarized in the District’s 2018-19 Unaudited Actuals Report. This report includes all required State forms and schedules.

The District’s 2018-19 Unaudited Actuals are submitted and reviewed by the County Office of Education (“COE”) in accordance with State law. The District expects an opinion letter on the District’s Unaudited Actuals Report from the COE sometime in September. Additionally, the Unaudited Actuals are subject to audit by the District’s independent auditor. The auditor’s opinion is due in December.

Administration will provide a brief report highlighting financial results for the 2018-19 fiscal year and the updated Multi-Year Projection.

**RECOMMENDATION:**

It is recommended that the Board of Education approve the 2018-19 Unaudited Actuals with all required State forms.

This recommendation supports the following District goal(s):

:

<b>SUPPORTED</b>	<b>STRATEGIC OBJECTIVE</b>	<b>DESCRIPTION</b>
✓	Fiscal Accountability	Financially support the vision, mission, and goals of the District by maximizing resources, controlling expenses, and managing assets to ensure fiscal solvency and flexibility

**FISCAL IMPACT:**

Financial results for the 2018-19 fiscal year and revised projections for the two subsequent years will be provided at the Board meeting.

**STUDENT ACHIEVEMENT IMPACT:**

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

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

Agenda Item E.1.3.

**Item F. BOARD POLICIES AND BYLAWS**

Agenda Item F.

**BACKGROUND:**

The Governing Board recognizes its responsibility to monitor the district's fiscal practices to ensure accountability regarding the expenditure of public funds and compliance with legal requirements.

The total amount budgeted by the district for each major classification of expenditures, as listed in the California Department of Education's budget forms, shall be the maximum amount which the district may expend for that classification for the school year. (Education Code 42600)

However, when it is in the best interest of the district, the Board may need to authorize the transfer of funds from one fund to another. Board Policy 3110 pertains to transferring of funds and is the latest version of the California School Boards' Association's suggested policy.

**RECOMMENDATION:**

It is recommended that the Board of Education review, approve, and adopt Board Policy 3110, Transfer of Funds, in a second reading as presented.

The following district goal(s) is/are supported by this item:

<b>SUPPORTED</b>	<b>STRATEGIC OBJECTIVE</b>	<b>DESCRIPTION</b>
✓	Fiscal Accountability	Financially support the vision, mission, and goals of the District by maximizing resources, controlling expenses, and managing assets to ensure fiscal solvency and flexibility

**FISCAL IMPACT:**

This is a policy item. There is no fiscal impact.

**STUDENT ACHIEVEMENT IMPACT:**

Effective governance has a positive impact on student achievement.

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

Agenda Item F.1.1.



**TRANSFERRING OF FUNDS**

The Governing Board recognizes its responsibility to monitor the district's fiscal practices to ensure accountability regarding the expenditure of public funds and compliance with legal requirements.

The total amount budgeted by the district for each major classification of expenditures, as listed in the California Department of Education's budget forms, shall be the maximum amount which the district may expend for that classification for the school year. (Education Code 42600)

However, when it is in the best interest of the district, the Board may:

1. At any time, adopt a written resolution providing for transfers from the designated fund balance or the unappropriated fund balance to any expenditure classification or between classifications. The resolution shall be filed with the County Superintendent of Schools and the county auditor. (Education Code 42600)
2. Direct the temporary transfer of monies held in any district fund or account to another fund or account as necessary for the payment of obligations. Such borrowing shall occur only when the fund or account receiving the money will earn sufficient income during the current fiscal year to repay the amount transferred. No more than 75 percent of the maximum amount held in any fund or account during the current fiscal year may be transferred. Amounts transferred shall be repaid in the same fiscal year, or in the following fiscal year if the transfer takes place within the final 120 calendar days of a fiscal year. (Education Code 42603)
3. At the close of a school year, request that the County Superintendent make transfers between the designated fund balance or the unappropriated fund balance and any expenditure classification(s), or balance any expenditure classifications of the district budget as necessary for the payment of obligations incurred during that school year. (Education Code 42601)
4. Specify amounts to be transferred by the county auditor and treasurer from the district's general fund to the special reserve fund during the fiscal year. If any special reserve funds are maintained for purposes other than capital outlay or if monies in the special reserve fund are not actually encumbered for ongoing expenses, the Board may transfer those monies into the general fund for the general operating purposes of the district. If any monies remain in the special reserve fund at the conclusion of a project, the Board may, by written request to the County Superintendent, auditor, and treasurer, transfer those monies to the district's general fund. (Education Code 42841-42843)
5. Transfer monies between other funds or accounts when authorized by law.

*(Legal Reference on next page)*

Legal Reference:

EDUCATION CODE

78 Definition, governing board

5200 Districts governed by boards of education

16095 Transfer of district funds to district state school building fund

41301 Section A state school fund allocation schedule

42125 Designated and unappropriated fund balances

42238-42251 Apportionments to districts, especially:

42238.01-42238.07 Local control funding formula

42600 District budget limitation on expenditure

42601 Transfers between funds to permit payment of obligations at close of year

42603 Transfer of monies held in any fund or account to another fund; repayment

42840-42843 Special reserve fund

52616.4 Expenditures from adult education fund

Management Resources:

WEB SITES

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

California Department of Education: <http://www.cde.ca.gov>

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

Policy  
Adopted:

SANTEE SCHOOL DISTRICT  
Santee, California

Board Policies and Bylaws F.1.2.  
Prepared by Karl Christensen  
September 3, 2019

First Reading: Revised Board Policy 3580,  
District Records

**BACKGROUND:**

Board Policy 3580 was last updated in 2012. Since then, the proliferation of electronic records has accelerated. The revision to this Board policy incorporates changes to make it consistent with the version promulgated by the California School Boards Association (CSBA). In addition, a section has been added at the end for Retention of Electronic Records at the recommendation of Lozano Smith, a prominent attorney firm in California specializing in school district law. This section directs staff to retain emails consistent with the categorizing of other District records and notifying staff that District business communications on personal devices are also subject to public records requests.

**RECOMMENDATION:**

Revisions to Board Policy 3580, District Records, is presented for a First Reading. Action, if any, is at the discretion of the Board of Education.

**FISCAL IMPACT:**

None.

**STUDENT ACHIEVEMENT IMPACT:**

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

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

Agenda Item F.1.2.

**DISTRICT RECORDS**

The Governing Board recognizes the importance of securing and retaining district documents. The Superintendent or designee shall ensure that district records are developed, maintained, and disposed of in accordance with law, Board policy, and administrative regulation.

~~District records shall be developed, maintained, and disposed of in accordance with law and California Department of Education regulations.~~

The Superintendent or designee shall consult with district legal counsel, site administrators, district information technology staff, personnel department staff, and others as necessary to develop a secure document management system that provides for the storage, retrieval, archiving, and destruction of district documents, including electronically stored information such as email. This document management system shall be designed to comply with state and federal laws regarding security of records, record retention and destruction, response to "litigation hold" discovery requests, and the recovery of records in the event of a disaster or emergency.

~~The Superintendent or designee shall establish regulations that define records which are permanent, optional, and disposable and specify how each type of record is to be maintained or destroyed. Any photographic, microfilm, or electronic copies of original records shall be permanently retained.~~

~~Electronic mail records shall be considered disposable and be subject to deletion/purging after one (1) year has elapsed from the date created.~~

The Superintendent or designee shall ensure the confidentiality of records as required by law and shall establish regulations to safeguard data against damage, ~~or~~ loss, or theft.

The Superintendent or designee shall ensure that employees receive information about the district's document management system, including retention and confidentiality requirements and an employee's obligations in the event of a litigation hold established on the advice of legal counsel.

If the district discovers or is notified that a breach of security of district records containing unencrypted personal information has occurred, the Superintendent or designee shall notify every individual whose personal information was, or is reasonably believed to have been, acquired by an unauthorized person. Personal information includes, but is not limited to, a social security number, driver's license or identification card number, medical information, health insurance information, or an account number in combination with an access code or password that would permit access to a financial account. (Civil Code 1798.29)

The Superintendent or designee shall provide the notice in a timely manner either in writing or electronically, unless otherwise provided in law. The notice shall include the material specified in Civil Code 1798.29, be formatted as required, and be distributed in a timely manner, consistent with the legitimate needs of law enforcement to conduct an

uncompromised investigation or any measures necessary to determine the scope of the breach and restore reasonable integrity of the data system. (Civil Code 1798.29)

### **Safe at Home Program**

District public records shall not include the actual addresses of students, parents/guardians, or employees when a substitute address is designated by the Secretary of State pursuant to the Safe at Home program. (Government Code 6206, 6207)

When a substitute address card is provided pursuant to this program, the confidential, actual address may be used only to establish district residency requirements for enrollment and for school emergency purposes.

### **Retention of Electronic Records**

The Board recognizes that the use of email and other electronic communication in the workplace has increased tremendously, raising issues with respect to communication, creation of information and systems, and retrieval and storage of electronic records. The Board further acknowledges the District's responsibility to make records available to the public, with certain exceptions. Accordingly, the Board directs that all electronic records of this District be maintained, safeguarded, and disclosed in full compliance with the requirements of law. This includes records created, sent, or received using District computers and communications systems or using the *personal* electronic devices or accounts of District employees and officials, if substantive District business issues are discussed.

Access to the District's computers and the District's information and communications systems and equipment is controlled and administered by the District's information technology department. The District has the right to disclose, as permitted or required by applicable law, any communications or records, or copies of communications or records, stored for any period of time in or by the District's information and communications system or equipment, and all communications constituting District-related business in the personal accounts of District employees and officials. Communications constituting District-related business are those communications that relate in a substantive way to the conduct of the District's business. Communications that are primarily personal in nature or that contain no more than incidental mentions of the District's business may not constitute District-related business communications. The District may monitor or access employee communications made using the District's information and communication systems and equipment, and employees should have no expectation of privacy when using the District's information and communication systems and equipment. When passwords are used, they must be known to the Superintendent or designee that he/she may have system access.

*Legal Reference (next page):*

*Legal Reference:*

EDUCATION CODE

35145 *Public meetings*

35163 *Official actions, minutes and journal*

35250-35255 *Records and reports*

44031 *Personnel file contents and inspection*

49065 *Reasonable charge for transcripts*

49069 *Absolute right to access*

CIVIL CODE

1798.29 *Breach of security involving personal information*

CODE OF CIVIL PROCEDURE

1985.8 *Electronic Discovery Act*

2031.010-2031.060 *Civil Discovery Act, scope of discovery demand*

2031.210-2031.320 *Civil Discovery Act, response to inspection demand*

GOVERNMENT CODE

6205-6211 *Confidentiality of addresses for victims of domestic violence, sexual assault or stalking*

6252-6265 *Inspection of public records*

12946 *Retention of employment applications and records for two years*

PENAL CODE

11170 *Retention of child abuse reports*

CODE OF REGULATIONS, TITLE 5

430 *Individual student records; definition*

432 *Varieties of pupil records*

16020-16022 *Records-general provisions*

16023-16027 *Retention of records*

UNITED STATES CODE, TITLE 20

1232g *Family Educational Rights and Privacy Act*

CODE OF FEDERAL REGULATIONS, TITLE 34

99.1-99.8 *Family Educational Rights and Privacy Act*

*Management Resources:*

SECRETARY OF STATE PUBLICATIONS

*Letter re: California Confidential Address Program Implementation (SB 489), August 27, 1999*

WEB SITES

*California Secretary of State: <http://www.ss.ca.gov/safeathome>*

Policy adopted: March 3, 2009

Policy amended: March 6, 2012, September \_\_, 2019

**SANTEE SCHOOL DISTRICT**

Santee, California

**Item G. EMPLOYEE ASSOCIATION COMMUNICATION**

**Item H. BOARD COMMUNICATION AND ORGANIZATIONAL BUSINESS**

**Item I. CLOSED SESSION**

*Citizens wishing to address the Board about a Closed Session item are requested to submit a Request to Speak card in advance. The Board invites citizens at this time to address the Board about any of the items listed under Closed Session*

*The Board will go into Closed Session to discuss:*

1. **Conference with Legal Counsel – Existing Litigation** (Gov't. Code § 54956.9)  
*OAH #'s: 2019040473 and 2019041073 (consolidated)*
  
2. **Conference with Real Property Negotiators** (Gov't. Code § 54956.8)  
*Property: Chet F. Harritt School and Santee City Properties  
(8120 Arlette Street, Santee, CA 92071)*  
*Agency Negotiator: Karl Christensen, Assistant Superintendent*
  
3. **Conference with Labor Negotiator** (Gov't. Code § 54957.6)  
*Purpose: Negotiations*  
*Agency Negotiators: Tim Larson, Assistant Superintendent*  
*Employee Organizations: Santee Teachers Association (STA); and  
Classified School Employees Association  
(CSEA)*
  
4. **Public Employee Performance Evaluation** (Gov't. Code § 54957)  
*Superintendent*

**Item J. RECONVENE TO PUBLIC SESSION**

**Item K. ADJOURNMENT**

Agenda Items G, H, I, J, and K.