

**SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT
BOARD OF EDUCATION**

**Special Meeting
March 7, 2011**

**Support Services Center
2560 Skyway Drive, Santa Maria, California 93455**

5:00 p.m. Closed Session; 6:00 p.m. General Session

The Santa Maria Joint Union High School District mission is to provide all students with an enriching high school experience that strives to enhance students' natural abilities, to promote the development of new capabilities, and to encourage the lifelong pursuit of wisdom and harmony as productive individuals in their community.

Any materials required by law to be made available to the public prior to a meeting of the Board of Education of the District can be inspected at the above address during normal business hours.

Individuals who require special accommodation including, but not limited to, American Sign Language interpreter, accessible seating or documentation in accessible formats should contact the superintendent or designee within a reasonable amount of time before the meeting date.

I. Open Session

Call to Order/Flag Salute

II. Closed Session Public Comments

This section of the agenda is intended for members of the public to address the Board of Education on items involving the school district that are being considered in Closed Session. Such testimony shall be limited to three minutes each person and fifteen minutes each topic. If an answer to a specific question is requested, the Board President will, if appropriate, direct administration to respond in writing.

III. Adjourn to Closed Session

- A. Pending Litigation Special Education
- B. Update on District Serving as Fiscal Agent for Non-Profit
- C. Property Information and Update with Realtor, Tom Ross
- D. Certificated and Classified Personnel Actions. The Board will be asked to review and approve hiring, transfers, promotions, evaluations, terminations, and resignations as reported by the Assistant Superintendent, Human Resources.
- E. Conference with Labor Negotiators. The Board will be provided a review of negotiations with the Faculty Association (California Teachers Association)

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and the California School Employees Association (CSEA).

- F. Conference with Legal Counsel – Pending Litigation

Pursuant to Government Code Section Subdivision (a) of Section 94956.9, conference with legal counsel regarding Lyon Developer Fee protest.

IV. Reconvene in Open Session

Call to Order/Flag Salute

V. Announce Closed Session Actions

- A. Pending Litigation Special Education

- B. Update on District Serving as Fiscal Agent for Non-Profit

- C. Property Information and Update with Realtor, Tom Ross

- D. Certificated and Classified Personnel Actions. The Board will be asked to review and approve hiring, transfers, promotions, evaluations, terminations, and resignations as reported by the Assistant Superintendent, Human Resources.

- E. Conference with Labor Negotiators. The Board will be provided a review of negotiations with the Faculty Association (California Teachers Association) and the California School Employees Association (CSEA).

- F. Conference with Legal Counsel – Pending Litigation

Pursuant to Government Code Section Subdivision (a) of Section 94956.9, conference with legal counsel regarding Lyon Developer Fee protest.

VI. Items Scheduled for Action

Facilities Update

Administration will provide a Facilities Update focused on the following areas:

1. History and projected enrollment by district and sites
2. Financial Update for Facility Projects
3. Facilities Projects Status Review
4. Next Decisions
5. Energy Retrofits and Solar Project

Appendix A is attached to the agenda with more detailed information in each of these areas, including numerous attachments showing enrollment, project specific data, and status of projects.

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IT IS RECOMMENDED THAT the Board of Education approve the following list of future projects:

	<u>Projects</u>	<u>Cost</u>	<u>Available Funding Source</u>	<u>Estimated Timeline</u>
1.	New Small High School CTE Component	\$15,000,000	C2004 GO Bond – Issue B plus State Matching Funds	2011-2014
2.	PVHS Performing Arts Center	8,000,000	Mitigation/Remediation Funds plus C2004 Bonds Issue B	2011-2014
3.	SMHS Classrooms	8,000,000	C2004 GO Bond – Issue B plus State Matching Funds	2011-2014
4.	Various deferred maintenance at all sites	7,300,000	Deferred Maintenance, Facilities, C-2000, State Matching Funds, SMHS Williams, C2004 GO Bond – Issue B	2011-2016
Phase 1 Total		\$38,300,000		
5.	RHS Classrooms	\$8,000,000	C2004 GO Bond – Issue C plus State Matching Funds	2016-2018
6.	Ethel Pope Auditorium	8,800,000	C2004 GO Bond – Issue C plus State Matching Funds	2016-2018
Phase 2 Total		\$16,800,00		
Moved	_____	Second	_____	Vote _____

VII. Open Session Public Comments

The public may address the Board on any matter (except personnel) concerning the District and not on the agenda. Note: The time limit to address the Board may not exceed three minutes. The Board is not required to respond to the Public Comment. The public may also address the Board on each item on the Agenda as the Board takes up those items. Persons wishing to speak should complete a blue request form and hand it to the Board secretary.

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VIII. Items Not on the Agenda

Note: The law generally prohibits the Board from discussing items not on the agenda. Under limited circumstances, the Board may discuss and act on items not on the agenda if they involve an emergency affecting safety of persons or property, or a work stoppage, or if the need to act came to the attention of the District too late to include on the posted agenda.

IX. Next Meeting Date

Unless otherwise announced, the next regular meeting will be held on March 9, 2011, with a closed session at 5:30 p.m. and open session at 6:30 p.m. at the Santa Maria Joint Union High School District Support Services Center at 2560 Skyway Drive, Santa Maria, CA 93455.

X. Adjourn

Date of Service Notice to Board Members	March 4, 2011
Date of Service Notice to Public	March 4, 2011
Date of Service Notice to Santa Maria Times	March 4, 2011

Appendix A

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT

Facilities Update

March 7, 2011



1. **History and Projections of Enrollment** by district and school sites

- History & projections (2000/01 -- 2020/21)
These charts and graphs will reflect changes due to the increased capacity at Delta.

2. **Financial Update for Facilities Projects:**

• C-2004 Original Authorization:	\$79.0 Million
• Initial Issuance -- Feb. 2005:	<u>\$35.0 Million</u>
• Balance Authorized to Issue:	\$44.0 Million
• C-2004 Initial Issuance – Feb. 2005:	\$ 35.0 Million
• Interest Earned/Investment Gains to Date:	\$ 3.9 Million
• Williams, City or other reimbursements to Date:	\$ 1.8 Million
• State Match for RHS 2 classrooms/portable moves	\$ 1.3 Million
• State Match for New Delta (\$3. 2 million-not yet available)**	<u>\$ -----</u>
Total Funds	\$ 42.0 Million
• Completed & Under Construction	(\$34.6 Million)
• Projects “Next up” but not yet bid (SMHS Pool)	<u>(\$ 4.4 Million)</u>
• Current Balance of C-2004 Issue “A”	\$ 3.0 Million
• C-2004 Issue “B” ****	\$ 27.0 Million
• Deferred Maintenance/Facilities Funds	\$ 1.4 Million
• C-2000, State Match for PVHS & litigation proceeds	\$ 9.7 Million
• SMHS Modernization/Williams Settlement Funds	<u>\$.3 Million</u>
Total Current Funding Available	<u>\$41.4 Million</u>

** State Match for Delta New Construction has been approved in an “unfunded” mode, therefore it is anticipated when State Bond Funds are available—these funds will be awarded to the District (similar to the RHS 2 classroom/portable moves funds—which were received in Sept. 2010 for the project completed in 2009).

**** Current Bonding Capacity is \$27 million due to maximum tax rate allowed under Prop 39 of \$30 per \$100,000 Assessed Valuation. However, please note that if this full amount is issued at this time, the balance of \$17 Million remaining in the Authorization for Issue “C” will not be available until Property Tax Assessed Valuations grow substantially, approximately 2016, and if issued then it will be at a substantially higher interest rate.

Funding Available in the Future (2016 forward):

• State Match for Delta High School Expansion	\$ 3.2 Million
• Issue "C" of C-2004	\$ 17.0 Million
• State Match for Next School	\$ 7.5 Million
• State Match for SMHS Classrooms	\$ 5.0 Million
• State Match for RHS Classrooms	<u>\$ 3.8 Million</u>
Total Funding Available in the Future	\$ 36.5 Million

3. **Facilities projects status review** (Funding includes: C-2000 Bond, C-2004 Bond, State Matching Funds for New Construction and Modernizations, Developer Fees and Deferred Maintenance Funds)

A. Completed: **Projects of more than \$142 million over the last 13 years**
(refer to Pie Chart)

1. Alternative Education: Delta High School complete replacement and expansion, Morrison Street Gate Installation and improvements at Lincoln Street/Learning Center
2. RHS: Modernization of all permanent buildings including teaching walls, Parking lot and electrical upgrades, synthetic track & field systems, Industrial Arts Building renovation, New Swimming Pool and 2 classrooms for PE & wrestling, Admin building re-roof, HVAC installation and complete building renovations, miscellaneous other projects
3. PVHS: Construction of Entire Campus, Stadium bleachers and concession stand, Stadium Lights, New Swimming Pool, Lunch Shelter, Remediation of Windows and ceilings in 3 buildings, miscellaneous other projects
4. SMHS: Modernization of all permanent buildings including teaching walls, Admin Building Window and Roofing Replacement, 6 New Business classrooms, New Cafeteria and 2 classrooms, Stadium Replacement and Renovations including synthetic track & field, Library Renovation, 12 portable classrooms for the QEIA program, miscellaneous other projects
5. SSC: Re-roof entire building, re-asphalt front parking lot and bus parking lot repair
6. District-wide: Expand infrastructure for technology, purchase student computers

B. Underway: **Projects total \$6.4 million**

- SMHS Swimming Pool
- PVHS Remediation of Windows, Doors and Roofing
- Learning Center Purchase and Installation of six portable Classrooms
- SMHS Band/Choir Acoustical Upgrades
- SMHS relocation of portables (to accommodate pool)
- All sites: Miscellaneous classrooms carpet replacement and roofing repairs
- All sites: Miscellaneous painting, fencing, grounds and site improvements

4. Next Decisions:

	<u>Projects</u>	<u>Cost</u>	<u>Available Funding Source</u>	<u>Estimated Timeline</u>
1.	New Small High School CTE Component	\$15,000,000	C2004 GO Bond – Issue B plus State Matching Funds	2011-2014
2.	PVHS Performing Arts Center	8,000,000	Mitigation/Remediation Funds plus C2004 Bonds Issue B	2011-2014
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4.	Various deferred maintenance and upgrades at all sites	7,300,000	Deferred Maintenance, Facilities, C-2000, State Matching Funds, SMHS Williams, C2004 GO Bond – Issue B	2011-2016
Phase 1 Total		\$38,300,000		
5.	RHS Classrooms	\$8,000,000	C2004 GO Bond – Issue C plus State Matching Funds	2016-2018
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Phase 2 Total		\$16,800,000		

5. Energy retrofits and Solar project (Funding outside existing resources) \$19.2 Million

The district has been working with Johnson Contols Inc. to develop a comprehensive Energy Retrofit and Solar Program with the goal to make the district “grid neutral” for the use of electricity wherever possible. Attachments: 5-A, 5-B, 5-C, 5-D and 5-E are the summary, project components, financial plan, professional development agreement and maps of possible site locations for the solar panels which describe the types of projects to be considered.

District staff, including Energy Manager, Gene Overton and Director of Facilities, Reese Thompson, along with a representative from Johnson Controls, Inc. will be at the meeting to discuss the proposed projects more thoroughly.

Additionally, photos of the types of systems being considered will be shown at the meeting to enhance the discussion.

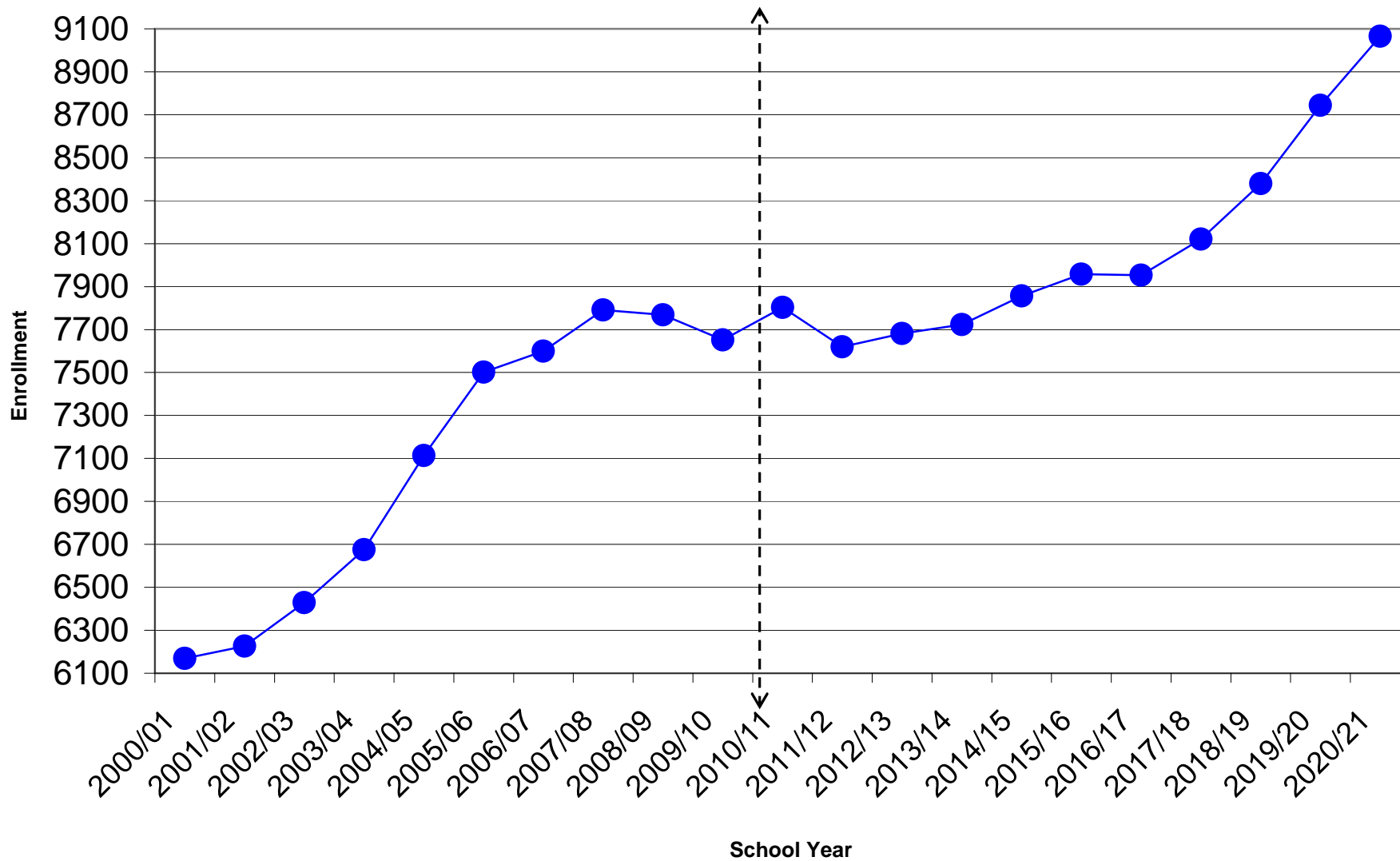
March 7, 2011

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT
10-Year Enrollment History & 10-Year Projections
(Includes open enrollment & intra-district transfers)

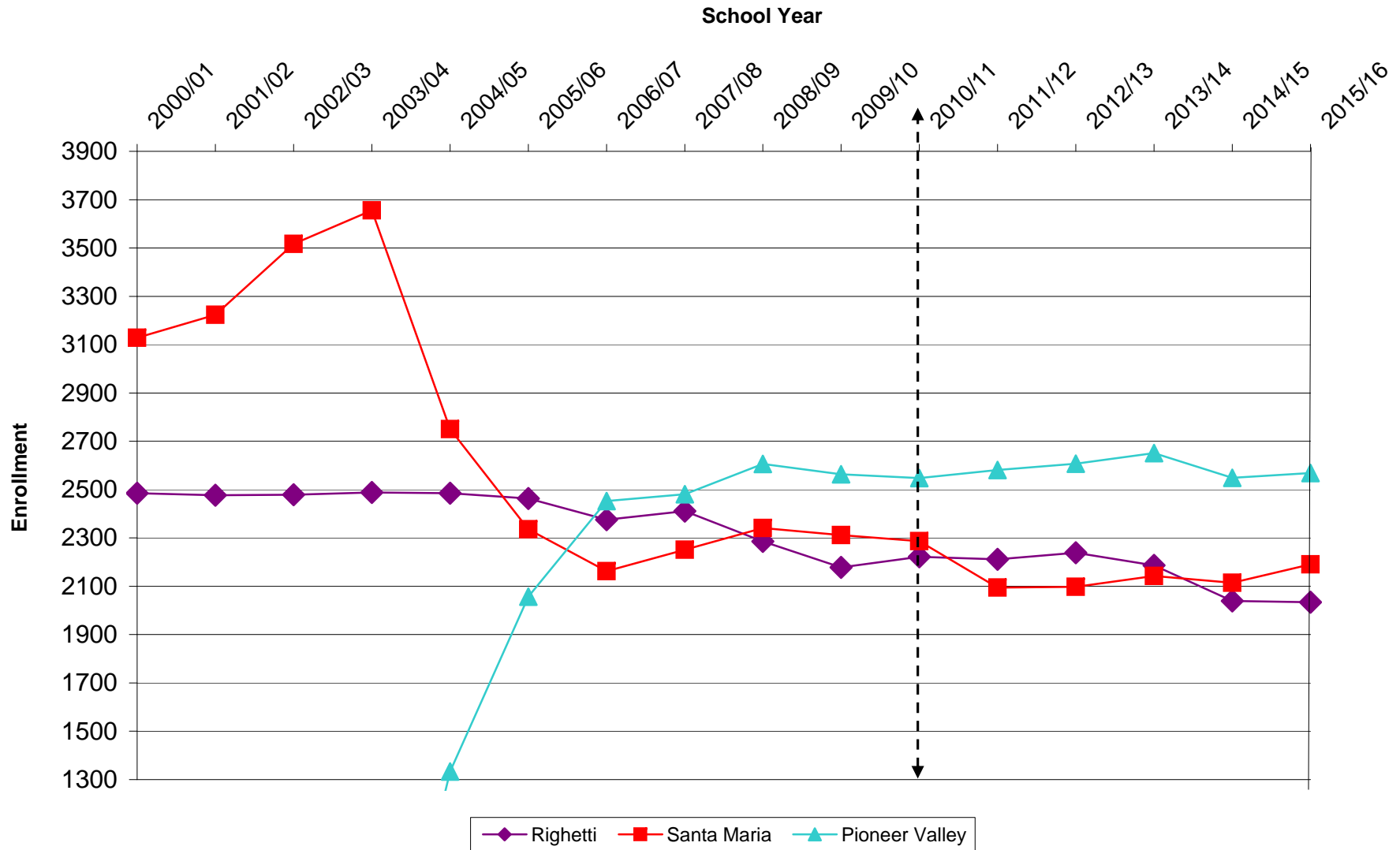
Year	Righetti	Santa Maria	Pioneer Valley	Alt Ed.	Total	Accum. Growth
2000/01	2485	3128	0	556	6169	
2001/02	2477	3223	0	526	6226	
2002/03	2479	3517	0	433	6429	
2003/04	2488	3656	0	531	6675	
2004/05	2485	2750	1333	546	7114	
2005/06	2463	2336	2057	646	7502	
2006/07	2376	2162	2453	609	7600	
2007/08	2411	2251	2481	648	7791	
2008/09	2286	2341	2606	536	7769	
2009/10	2178	2312	2563	599	7652	
2010/11	2222	2287	2548	746	7803	1634
2011/12	2212	2095	2581	732	7620	
2012/13	2239	2098	2607	738	7682	
2013/14	2187	2143	2651	742	7723	
2014/15	2039	2114	2549	1155	7857	
2015/16	2034	2191	2569	1164	7958	
2016/17	1970	2245	2574	1164	7953	
2017/18	2008	2345	2588	1180	8121	
2018/19	2022	2494	2658	1205	8379	
2019/20	2059	2643	2802	1240	8744	
2020/21	2121	2758	2915	1271	9065	1262

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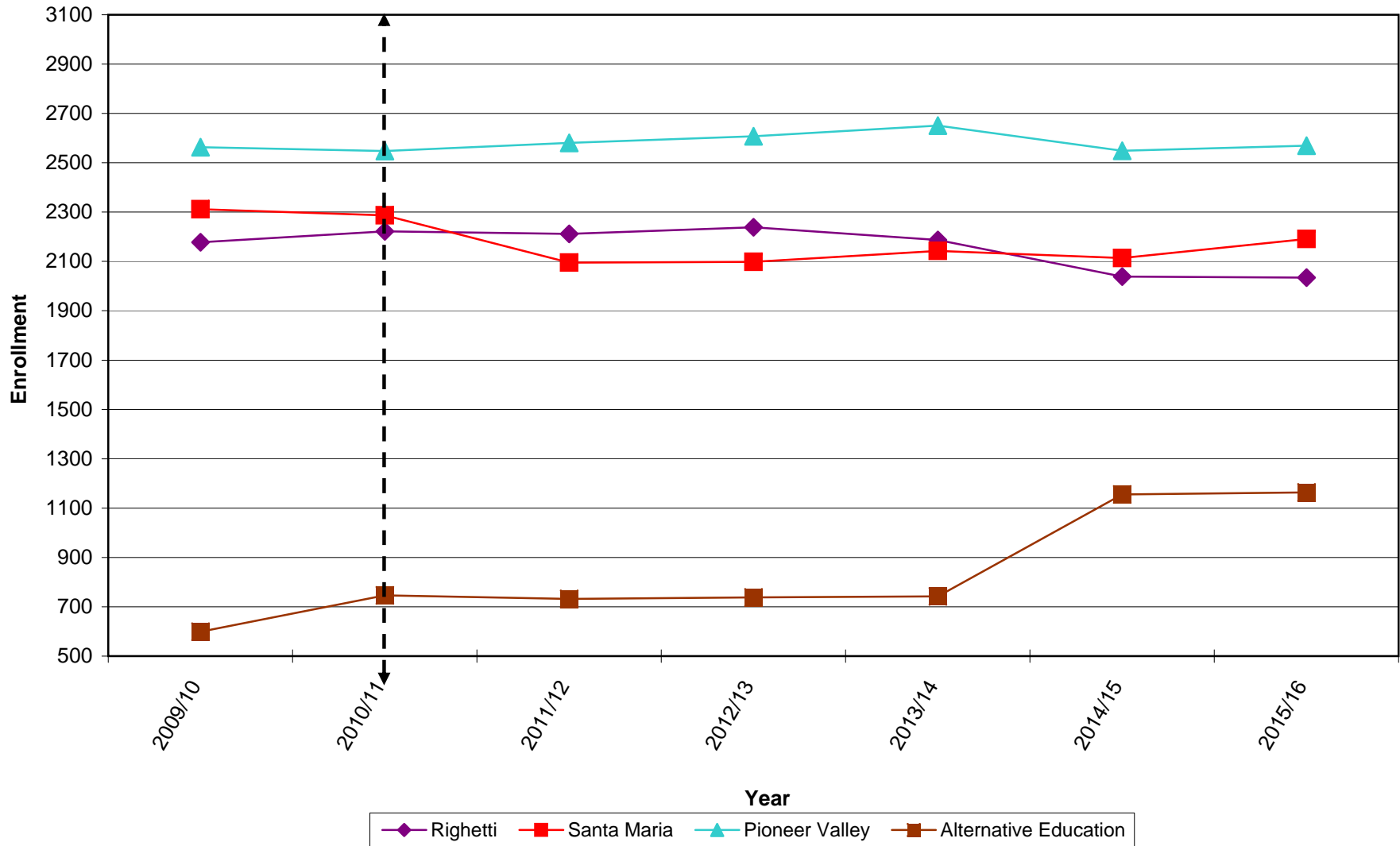
SMJUHSD - Total Enrollment History & Projections



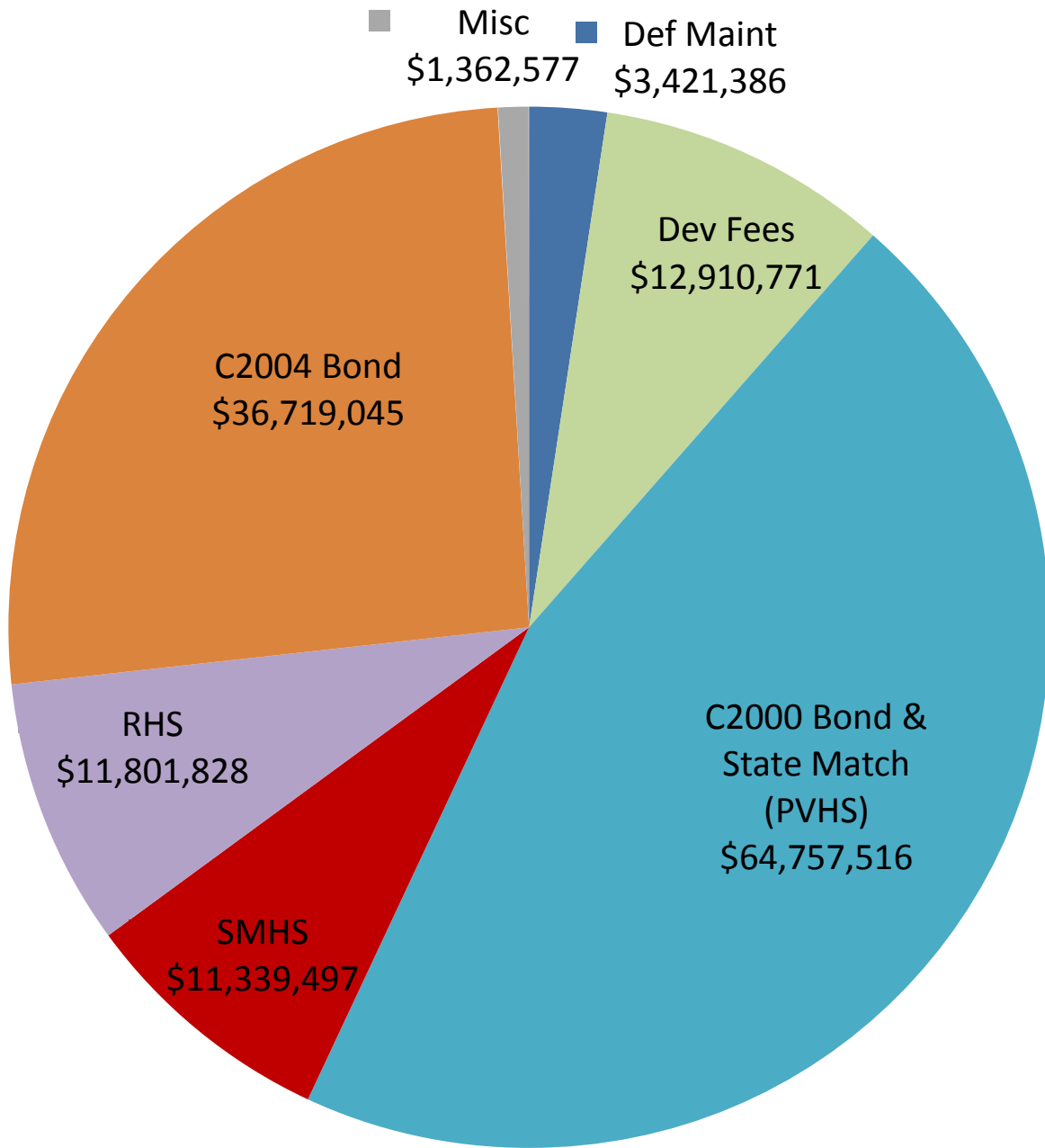
SMJUHSD - Comprehensive School Sites Enrollment & Projections



SMJUHSD - Projections by Site



Completed Facilities Projects 1998-2010



- \$3,421,386 - Deferred Maintenance
- \$12,910,771 - Developer Fees
- \$64,757,516 - C2000 Bond & State Match (PVHS)
- \$11,339,497 - SMHS Modernization
- \$11,801,828 - RHS Modernization
- \$36,719,045 - C2004 Bond
- \$1,362,577 - Miscellaneous

Total Dollars Expended \$142,312,620

March 7, 2011



March 1, 2011

Diane Bennett
Assistant Superintendent of Business
Santa Maria Joint Union High School District
2560 Skyway Drive
Santa Maria, CA 93455

Dear Diane:

Johnson Controls is pleased to submit this Preliminary Proposal for your review. We believe that this proposal reflects the targeted scope of work and financial results that will yield a very successful Energy Services project while meeting related District energy conservation and needed facility upgrade objectives and requirements. It has been a pleasure working through this process with the District's staff.

The District has done an outstanding job in implementing Energy Conservation Measures (ECMs) under the direction of Gene Overton and Reese Thompson; however, there are tremendous energy efficiency and related cost saving opportunities that remain. In fact, we estimate a combined energy savings, from proposed upgrades, can generate **annual energy/water cost savings** of in the area of **\$940,000.00**. Combined, these savings can support the cost of many of the identified upgrade needs, such as HVAC and boiler replacements.

Also, significant to the success of this project are the rebates that are currently available for most recommended ECMs. **Today, the California Solar Initiative (CSI) rebates for the PV systems along with ECM rebates are estimated at \$2,672,383.00.** We are committed to securing these rebates and incentives at the highest possible level.

While these results are preliminary, we believe that our initial findings warrant the District's thorough evaluation under a Project Development Agreement (PDA), which is attached for your review. A PDA will ultimately provide Santa Maria JUHSD with a comprehensive plan that the District can implement and thus demonstrate to the District the real savings from the Energy Service Program. Further, this program is designed to improve the learning environment in terms of comfort conditions, classroom visual acuity and safety. It is valuable (from a public relations standpoint) and critical from a budgetary view to understand that proposed upgrades will significantly reduce the District's annual budget and the savings generated from the reduction in utilities and operating costs associated with Deferred Maintenance are ongoing.

Thank you for the opportunity in allowing Johnson Controls to provide the Santa Maria Joint Union High School District with a Preliminary Energy Proposal. We look forward to working closely with District' staff to design and implement a very successful Energy Service Program and facility upgrade project.

Regards,

Alicia McKnight
K-12 Solutions Group
Johnson Controls
103 Woodmere Rd, Ste 110
Folsom, CA
(661) 343-1702 (cell phone)
alicia.mcknight@jci.com (e-mail address)

Appendix A - Attachment 5 - C

March 7, 2011



SANTA MARIA JOINT UNION SCHOOL DISTRICT
Energy Services Project 25 Year Financial Analysis



Total Project Budget: \$ 19,219,000

Year #	Revenues					Expenses						Annual Cash Flow	Cumulative Cash Flow
	Energy Savings	Utility Rebates	Renewable Energy Credits	Deferred Maintenance Savings	Total Revenues	Solar Lease Program	PG&E Off Bill Financing	CEC Financing	Tax Exempt Municipal Lease	Planned Service Agreement	Total Expenses		
1	\$940,368	\$623,974	\$35,937	\$61,602	\$1,661,881	\$1,056,070	\$150,000	\$200,000	\$60,195	\$91,727	\$1,557,992	\$103,889	\$103,889
2	\$977,983	\$512,102	\$35,667	\$38,852	\$1,564,605	\$1,076,155	\$150,000	\$200,000	\$60,195	\$94,479	\$1,580,829	(\$16,224)	\$87,666
3	\$1,017,102	\$512,102	\$35,400	\$38,852	\$1,603,457	\$1,097,317	\$150,000	\$200,000	\$60,195	\$97,313	\$1,604,825	(\$1,368)	\$86,297
4	\$1,057,787	\$512,102	\$35,135	\$38,852	\$1,643,876	\$1,119,601	\$150,000	\$200,000	\$60,195	\$100,233	\$1,630,029	\$13,847	\$100,144
5	\$1,100,098	\$512,102	\$34,871	\$38,852	\$1,685,923	\$1,143,054	\$150,000	\$200,000	\$60,195	\$103,240	\$1,656,489	\$29,435	\$129,579
6	\$1,144,102		\$34,610		\$1,178,711	\$674,537	\$150,000	\$200,000	\$60,195	\$106,337	\$1,191,069	(\$12,357)	\$117,222
7	\$1,189,866		\$34,350		\$1,224,216	\$704,174	\$150,000	\$200,000	\$60,195	\$109,527	\$1,223,896	\$320	\$117,542
8	\$1,237,461		\$34,092		\$1,271,553	\$735,104	\$150,000	\$200,000	\$60,195	\$112,813	\$1,258,112	\$13,441	\$130,984
9	\$1,286,959		\$33,837		\$1,320,796	\$767,382	\$150,000	\$200,000	\$60,195	\$116,197	\$1,293,774	\$27,022	\$158,005
10	\$1,338,437		\$33,583		\$1,372,020	\$801,066	\$150,000	\$200,000	\$60,195	\$119,683	\$1,330,944	\$41,076	\$199,082
11	\$1,391,975		\$33,331		\$1,425,306	\$836,217		\$200,000	\$60,195	\$123,273	\$1,219,685	\$205,621	\$404,702
12	\$1,447,654		\$33,081		\$1,480,735	\$872,896		\$200,000	\$60,195	\$126,972	\$1,260,063	\$220,672	\$625,375
13	\$1,505,560		\$32,833		\$1,538,393	\$911,169		\$200,000	\$60,195	\$130,781	\$1,302,145	\$236,248	\$861,623
14	\$1,565,782		\$32,587		\$1,598,369	\$951,104		\$200,000	\$60,195	\$134,704	\$1,346,003	\$252,366	\$1,113,989
15	\$1,628,414		\$32,342		\$1,660,756	\$992,773		\$200,000	\$60,195	\$138,745	\$1,391,713	\$269,043	\$1,383,032
16	\$1,693,550		\$32,100		\$1,725,650						\$0	\$1,725,650	\$3,108,682
17	\$1,761,292		\$31,859		\$1,793,152						\$0	\$1,793,152	\$4,901,834
18	\$1,831,744		\$31,620		\$1,863,364						\$0	\$1,863,364	\$6,765,198
19	\$1,905,014		\$31,383		\$1,936,397						\$0	\$1,936,397	\$8,701,595
20	\$1,981,214		\$31,148		\$2,012,362						\$0	\$2,012,362	\$10,713,957
21	\$2,060,463		\$30,914		\$2,091,377						\$0	\$2,091,377	\$12,805,334
22	\$2,142,881		\$30,682		\$2,173,564						\$0	\$2,173,564	\$14,978,898
23	\$2,228,597		\$30,452		\$2,259,049						\$0	\$2,259,049	\$17,237,947
24	\$2,317,741		\$30,224		\$2,347,964						\$0	\$2,347,964	\$19,585,912
25	\$2,410,450		\$29,997		\$2,440,447						\$0	\$2,440,447	\$22,026,359
Totals:	\$39,162,496	\$2,672,383	\$822,036	\$217,011	\$42,873,926	\$13,738,619	\$1,500,000	\$3,000,000	\$902,925	\$1,706,023	\$20,847,567		\$22,026,359

- Notes**
1. Energy savings based on annual escalation of 4.0% and PG&E rate change to solar-friendly rate A-6.
 2. Renewable Energy Credit (REC) values are based on \$10.00 per MWh annually
 3. Rebate for PV based on California Solar Initiative step 8.
 4. Deferred maintenance savings for lighting materials (material cost only), Wall AC replacement and EMS labor savings.

March 7, 2011

**PROJECT DEVELOPMENT AGREEMENT
BETWEEN**

**Santa Maria Joint Union High School District
2569 Skyway Drive
Santa Maria, CA 93455**

AND

**Johnson Controls, Inc.
12393 Slauson Avenue
Whittier, CA 90606**

The purpose of this Project Development Agreement (PDA) is to confirm the intent of Santa Maria Joint Union High School District (District) and Johnson Controls, Inc. (JCI) to develop an Energy Savings Performance Contract (ESPC) and viable financing solutions that include but are not limited to Solar Lease Program (SLP). This Agreement will provide the basis of the scope of the PDA, the obligations of both Parties, the technical and financial requirements to be met and the intended outcome and timeline.

THIS PROJECT DEVELOPMENT AGREEMENT ("Agreement") is made and entered into in duplicate this ____ day of _____, 2011, by and between Santa Maria Joint Union High School District and Johnson Controls, Inc., a Wisconsin corporation ("JCI").

1. Scope of Work

It is the Parties' mutual understanding that this PDA is for the purpose of development of a Final Proposal, to be delivered to the Santa Maria Joint Union High School District, for review and consideration. Provided that JCI's Final Proposal meets or exceeds the requirements stipulated below, District staff will recommend that the Board of Education adopt a resolution to enter into the ESPC and Solar Lease Program pursuant to California Government Code section 4217.10 through 4217.18.

Technical Requirements:

From an overall perspective, this ESPC and SLP will support the Santa Maria Joint Union High School District's goal to demonstrate environmental stewardship and leadership in the local community. Cost-effective solutions will be evaluated and developed which will provide long-term, sustainable energy generation, energy savings and operational enhancements.

The specific Technical Requirements are listed in the Energy Services Preliminary Proposal, submitted on July 30, 2010 for the following sites:

- Santa Maria High School, 901 South Broadway, Santa Maria, CA 93454
- Righetti High School, 941 East Foster Road, Santa Maria, CA 93455
- Pioneer Valley High School, 675 Panther Drive, Santa Maria, CA 93454
- Delta Continuation High School, 4893 Bethany Drive, Santa Maria, CA 93455
- Lincoln Street Learning Center, South Lincoln & Morrison Avenue Santa Maria, CA 93454
- Support Services Center, 2560 Skyway Drive, Santa Maria, CA 93455

(Please note that some Energy Measures have been excluded at the District's request and are reflected in the revised list dated March 1, 2011)

2. Financial Goals

- Develop a project that will adhere to the financial requirements of California Government Code 4217.10 through 4217.18, which provide that the overall project costs must be repaid over the useful life of the equipment.
- JCI will immediately begin securing any and all available utility company rebates, incentives, and other available funding that might offset net project cost, on the District's behalf. This will include the California Solar Incentives (CSI) rebates.
- JCI will immediately work toward securing the SLP, as well as, submitting applications for the PG & E Off Bill Financing, Tax Exempt Municipal Lease and any other viable financing vehicles on the District's behalf.

3. Records and Data

During the development, the District will furnish to JCI upon its request, accurate and complete data concerning the most recent three years audited financial statements, the current year's budget, current utility costs, budgets, any energy audits/proposals, facility operating requirements, future projected loads. JCI will provide a separate document with the required information and District staff shall make every effort to provide that information within 10 days of request.

4. Preparation of Implementation Contract

Along with the other Scope of Work required under this Agreement, JCI will develop the framework of the subsequent ESPC and SLP and all other financing vehicles used. The Agreement shall be co-developed by JCI and the Santa Maria Joint Union High School District during the Project Development Agreement phase. These documents will vary dependent on the District's desired structure and legal counsel's review, but where possible shall be standardized JCI documents for most expedient delivery.

5. Price and Payment Terms

In the event JCI successfully develops a Final Proposal that meets or exceeds the stipulated requirements in Sections 1 and 2 above and the District enters into the ESPC and SLP, all development costs shall be absorbed within the Final Proposal and included in the ESPC and SLP. Both Parties agree to use their best efforts to find common ground on the ESPC and SLP terms and conditions to allow the project to move forward.

If JCI meets or exceeds the stipulated requirements in Sections 1 and 2 above and the District fails to enter into the ESPC and any appropriate financing for any reason, Santa Maria Joint Union High School District shall compensate JCI in the amount of \$67,000 plus all CSI rebate deposit amounts submitted on behalf of the District within sixty (60) days after the delivery of the documentation described within Sections 1 and 2 of this Agreement.

If JCI cannot meet the stipulated requirements in Sections 1 and 2 above, the Santa Maria Joint Union High School District shall not be obligated to move forward with the project or compensate JCI for project development.

6. Indemnity

To the fullest extent permitted by law, JCI shall indemnify and hold harmless the District, its employees, agents and officials, from liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, expenses or costs, including reasonable attorney fees incurred by the District, court costs, in relation to or arising out of the performance of this Agreement, but only to the extent caused by JCI. Without affecting the rights of the District under any provision of this Agreement or this section, JCI shall not be required to indemnify and hold harmless the District as set forth above for liability; to the extent such liability is attributable to the fault of Santa Maria Joint Union High School District or other third Parties.

7. Governing Law

The Parties agree that the law governing this Agreement shall be that of the State of California. Any suit brought by either party against the other arising out of the performance of this Agreement shall be filed and maintained in the Municipal or Superior Court of the County of Santa Barbara. If a dispute arises under this Agreement, the Parties shall promptly attempt in good faith to resolve the dispute by negotiation. All disputes not resolved by negotiation may be resolved in accordance with the Commercial Rules of the American Arbitration Association in effect at the time, except as modified herein, if the Parties elect to at the time the dispute arises. In that event, all disputes shall be decided by a single arbitrator. A decision shall be rendered by the arbitrator no later than nine months after the demand for arbitration is filed, and the arbitrator shall state in writing the factual and legal basis for the award. The arbitrator shall issue a scheduling order that shall not be modified except by the mutual agreement of the Parties. Judgment may be entered upon the award in the highest State or Federal court having jurisdiction over the matter. The prevailing party shall recover all costs, including attorney's fees, incurred as a result of this dispute.

8. Confidentiality

This agreement creates a confidential relationship between JCI and Santa Maria Joint Union High School District. Both Parties acknowledge that while performing this Agreement, each will have access to confidential information, including but not limited to systems, services or planned services, suppliers, data, financial information, computer software, processes, methods, knowledge, ideas, marketing promotions, current or planned activities, research, development, and other information relating to the other party ("Proprietary Information"). Except as authorized in writing, both Parties agree to keep all Proprietary Information confidential. JCI may only make copies of Proprietary Information necessary for performing its services. Upon cessation of services, termination, or expiration of this Agreement, or upon either party's request, whichever is earlier, both Parties will return all such information and all documents, data and other materials in their control that contain or relate to such Proprietary Information.

JCI shall coordinate its services only through the designated District Representative and shall provide information regarding this project to only those persons approved by the District. JCI will be notified in writing of any changes in the designated District Representative.

9. Timeline

It is the intent and commitment of all Parties identified in this Agreement, to work diligently and cause others under their direction, to work diligently toward meeting the following timeline:

- Approve Project Development Agreement: April 13, 2011
- Preliminary Project Review Meeting: May 31, 2011
- JCI delivery of Contracts: July 30, 2011
- Board Approval of Contracts: August 10, 2011

Both parties understand the CSI rebates are very time sensitive, require a reservation deposit at time of application submittal. Deposit amount will be known when actual PV system sizes have been determined. These timeframes may be modified by subsequent work plans approved by the Parties.

10. Miscellaneous Provisions

This Agreement cannot be assigned by either party without the prior written consent of the other party. This Agreement is the entire Agreement between JCI and the District and supersedes any prior oral understandings, written agreements, proposals, or other communications between JCI and the District. Any change or modification to this Agreement will not be effective unless made in writing. This written instrument must specifically indicate that it is an amendment, change, or modification to this Agreement.

This document represents the business intent of both Parties and should be executed by the Parties who would ultimately be signatory to a final agreement.

JOHNSON CONTROLS, INC.

By: Claudio Andreetta

Signature: _____

Title: West Region Vice President & General Manager

Date: _____

Santa Maria Joint Union High School District

By: Diane Bennett

Signature: _____

Title: Assistant Superintendent of Business

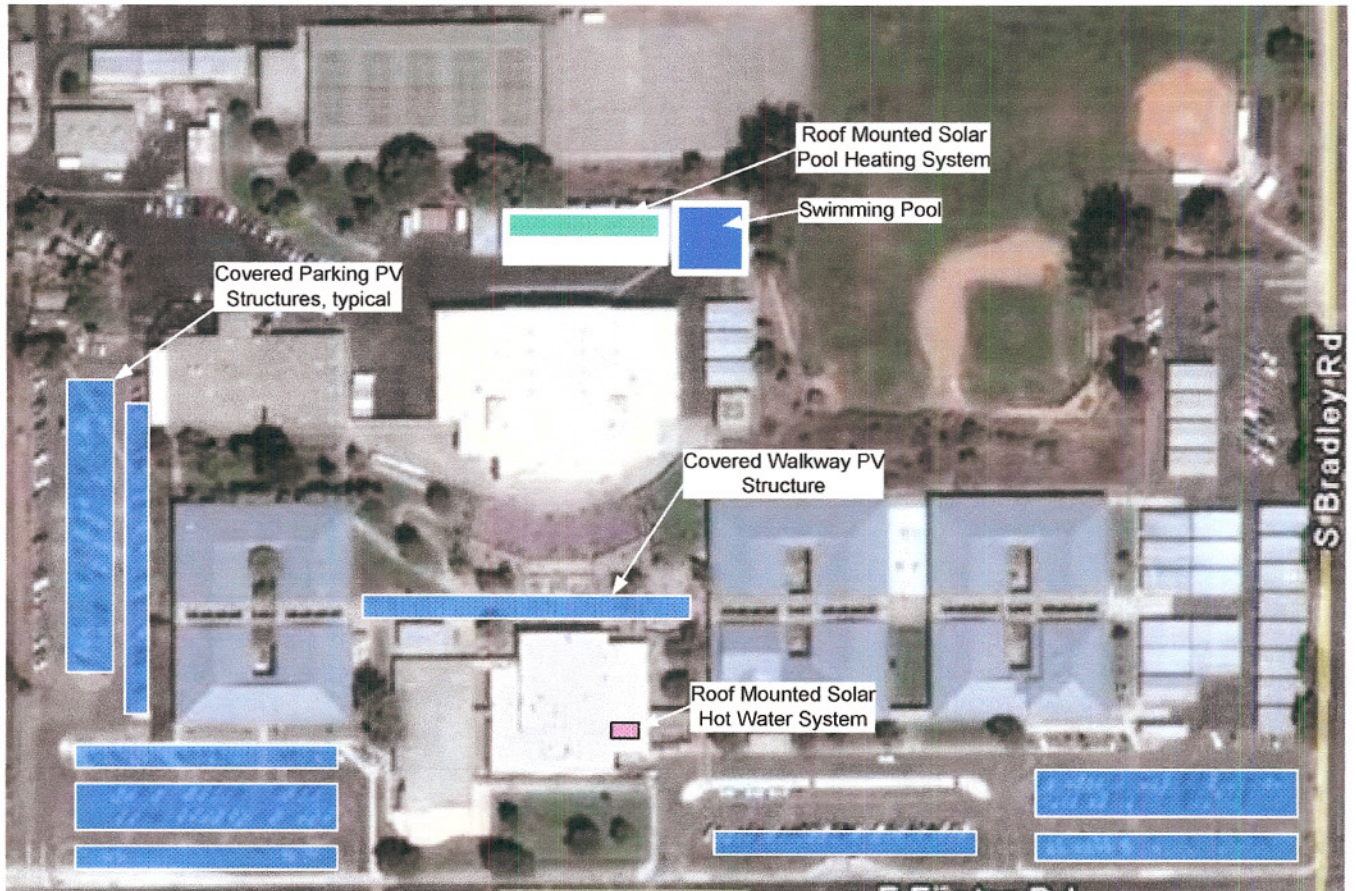
Date: _____

Appendix A - Attachment 5 - E
March 7, 2011



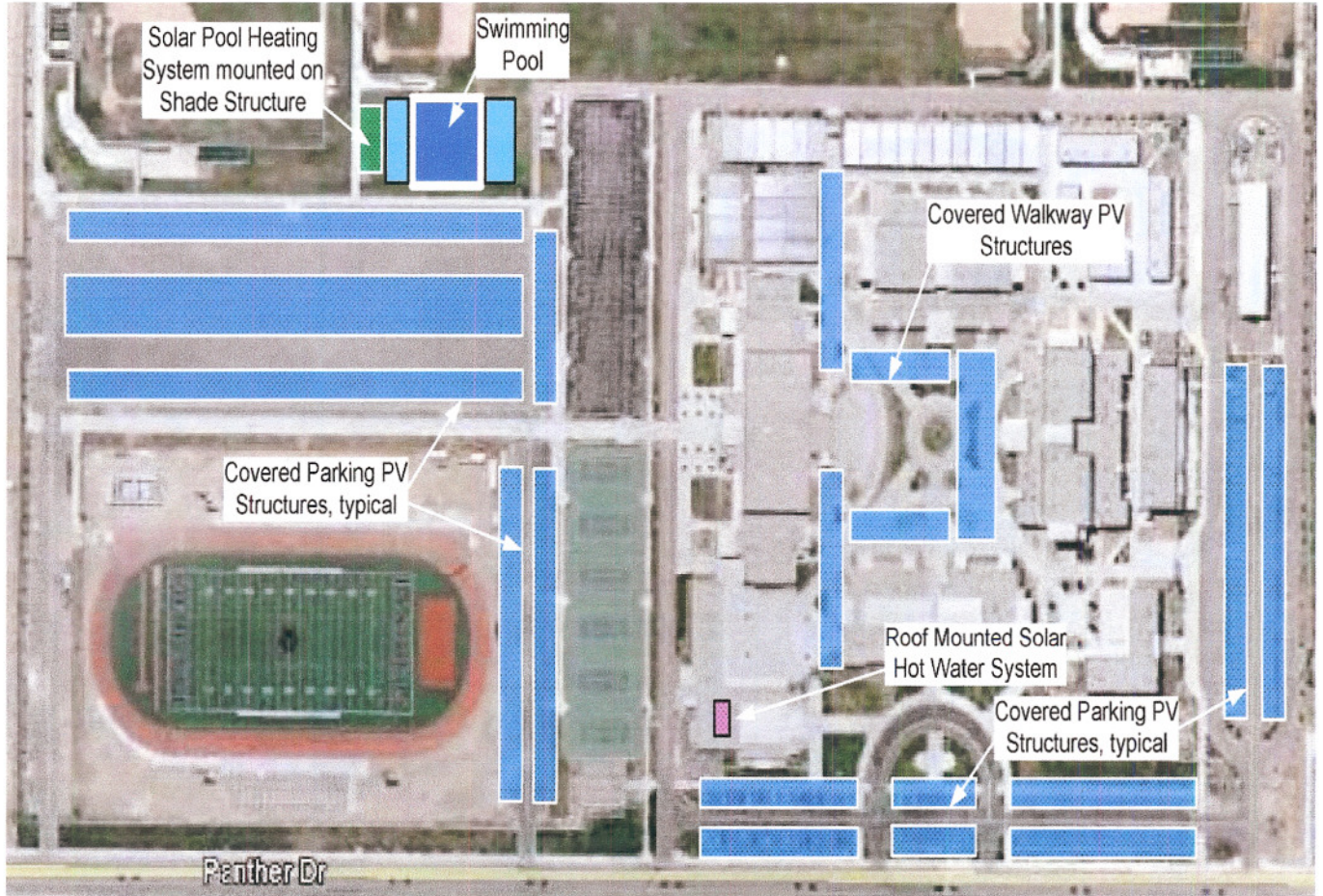
Santa Maria High School





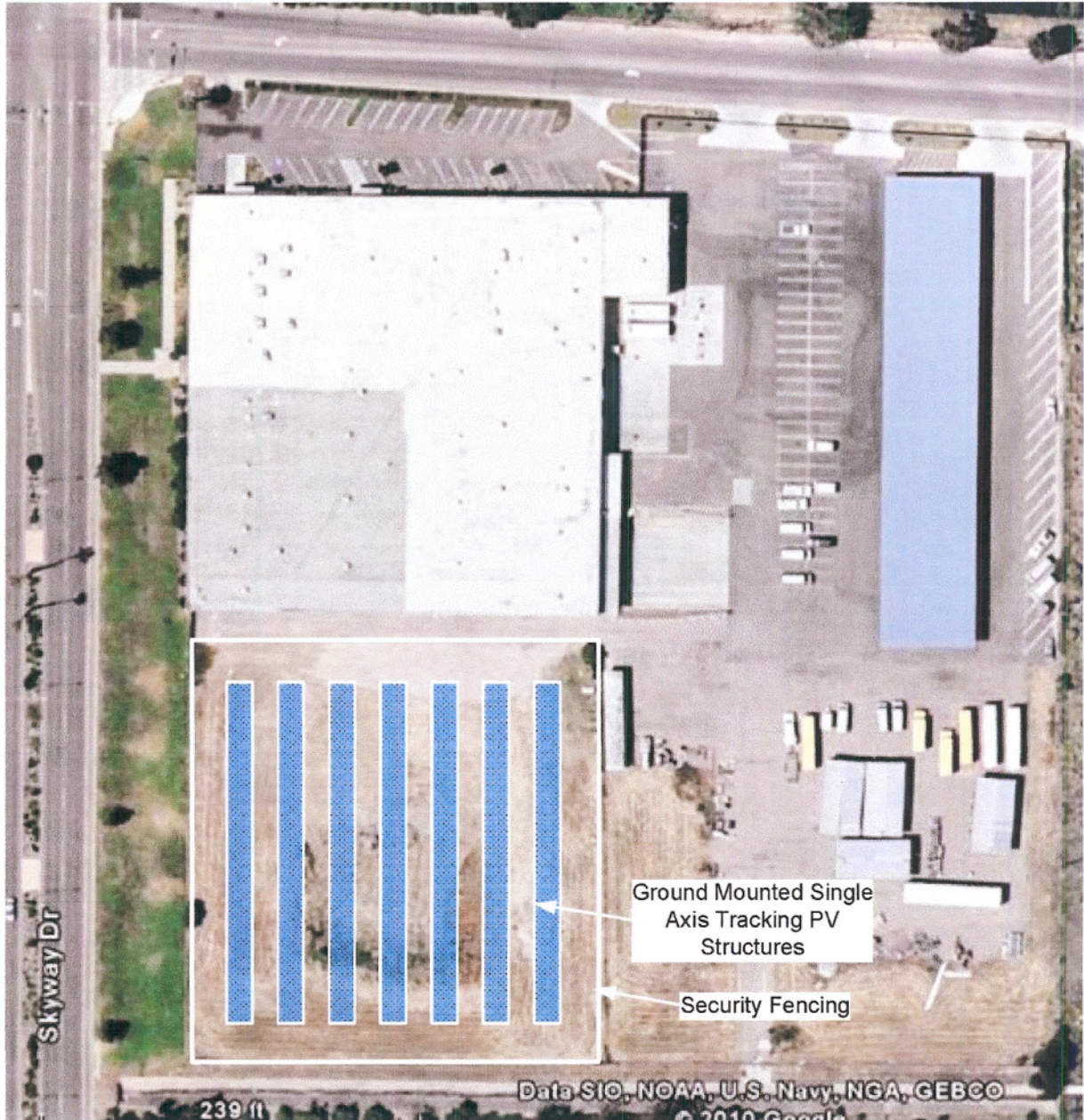
Ernest Righetti High School





Pioneer Valley High School





Santa Maria Joint Union High School
District
Support Services Center





Lincoln Street

