

**REGULAR MEETING OF THE  
SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT  
BOARD OF EDUCATION**

A regular meeting of the Board of Education of the Santa Maria Joint Union High School District was held at the Student Services Center on June 20, 2017 with an open session at 8:30 a.m. Members present: Perez, Palera, Lopez

**OPEN SESSION**

Ms. Perez called the meeting to order at 8:33 a.m. Mr. Palera led the Flag Salute.

**ITEMS SCHEDULED FOR ACTION**

**GENERAL**

**Approval of Local Control Accountability Plan (LCAP)**

The Board of Education was presented a draft of the Local Control Accountability Plan (LCAP) for review at the June 13, 2017 regular board meeting and a Public Hearing was held. The full report is available on the district's website.

A motion was made by Dominick Palera and seconded by Amy Lopez to approve the Local Control Accountability Plan (LCAP) as presented. The motion carried with a vote of 3-0.

**Superintendent Contract Extension**

Pursuant to Article VI, Section A of the Superintendent's Employment Contract: The board "shall ... extend by one (1) year", the superintendent's contract based on a positive performance evaluation. The Superintendent's current contract expires on June 30, 2020. The board is asked to extend the contract to June 30, 2021.

A motion was made by Mr. Palera and seconded by Ms. Lopez. The motion passed with a vote of 3-0.

**BUSINESS**

**Adoption of School Facilities Needs Analysis – Level II Fees –  
Resolution Number 22-2016-2017 – *Appendix B***

Pursuant to Government Code Sections 66995.5 et. seq., the District is required to adopt a School Facilities Needs Analysis in order to levy the alternative school facility fees provided under Senate Bill 50. The School Facilities Needs Analysis, prepared by School Works, Inc. and shown as Appendix C of this agenda, demonstrates that the District may continue to impose a maximum of \$2.33 per square foot in Level II Fees on new residential construction. Prior to adopting the School Facilities Needs Analysis, the Board must conduct a public hearing and respond to any comments it receives. The current fee is \$2.23 and the proposed fee is \$2.33 effective June 20, 2017 upon approval.

Resolution Number 22-2016-2017 authorizes the District to adjust the Level II fees for new residential construction pursuant to Government Code Section 65995. The District's School Facilities Needs Analysis was available for public review at least 30 days prior to the public meeting, as required by law.

A public hearing was held. There were no public comments. The public hearing was closed.

A motion was made by Mr. Palera and seconded by Ms. Lopez to review, consider, and adopt the findings contained in the School Facilities Needs Analysis and adopt the Level II Fees identified in Resolution 22-2016-2017, presented as Appendix B. The motion passed with a roll call vote of 3-0.

A roll call vote was required:

Dr. Karamitsos	Absent
Ms. Perez	Yes
Mr. Palera	Yes
Ms. Lopez	Yes
Dr. Garvin	Absent

**Approval of Resolution Number 23-2016-2017 of the Board of Education of the Santa Maria Joint Union High School District authorizing the issuance and sale of not to exceed \$47,000,000 aggregate principal amount of bonds of Santa Maria Joint Union High School District, by a negotiated sale pursuant to a bond purchase agreement, prescribing the terms of sale, approving the form of and authorizing the execution and delivery of a bond purchase agreement and a continuing disclosure certificate, 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 – *Appendix C***

**Summary Statement:**

On November 8, 2016, the voters of the District approved Measure H-2016, authorizing the District to issue up to \$114,000,000 in aggregate principal of bonds for authorized projects.

The Board of Education is requested to approve the above-referenced resolution authorizing the District to issue its first series of bonds under the November 8, 2016 authorization in an aggregate principal amount not exceeding \$47,000,000.

The bonds will be sold and issued by the District. Caldwell Flores Winters, Inc. will serve as the financial advisor for the transaction, and Orrick, Herrington & Sutcliffe will serve as bond counsel and disclosure counsel. Stifel, Nicolaus & Company, Incorporated will serve as the underwriter.

The Board of Education is asked to approve the resolution referenced above to affect the issuance of the bonds and approve various documents and actions, as follows:

1. **Resolution.** The resolution authorizes the issuance of the 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 bonds and the covenants of the District to bond owners.

2. **Bond Purchase Agreement.** The Bond Purchase Agreement will specify the purchase price of the bonds to be paid by the underwriter, the interest rates, maturity dates and principal amounts of each maturity of the 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 bonds.
3. **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 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.
4. **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 bonds. The bonds constitute securities for purposes of state and federal securities laws and, therefore, the offering and sale of the 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 bonds, the security for the bonds, the sources and uses of the proceeds of the bonds, the school district and the tax base of the school district, the documents under which the bonds are issued, and the tax-exemption of interest on the bonds.

The bonds will be paid from property taxes levied on property within the District and collected by the Counties of Santa Barbara and San Luis Obispo. The bonds will finance projects authorized by the voters at the November 8, 2016 election.

A motion was made by Ms. Lopez and seconded by Mr. Palera. The motion passed with a roll call vote of 3-0 to adopt Resolution Number 23-2016-2017 and authorize staff to take the necessary steps to complete the financing.

A roll call vote was required:

Dr. Karamitsos	Absent
Ms. Perez	Yes
Mr. Palera	Yes
Ms. Lopez	Yes
Dr. Garvin	Absent

#### **Establish a Building Fund and a Bond Interest and Redemption Fund for Measure H-2016 General Obligation (G.O.) Bonds – Resolution Number 24-2016-2017**

Education Code Section 15146 requires that a special Building Fund and Bond Interest and Redemption Fund be established to account for Measure H-2016. The Santa Barbara County Office of Education has designated Fund Number 26 for the purpose of a Building Fund and

Fund Number 56 for the purpose of a Bond Interest and Redemption Fund (debt services) for Measure H-2016.

The California Standardized Accounting Code Structure allows for the establishment of a Building Fund (Fund 26) to account for the receipt and expenditure of proceeds from the sale of G.O. bonds.

The G.O. bonds are secured by the statutory obligation to levy and ad valorem property tax sufficient for the interest on and redemption of the bonds. The California Standardized Account Code Structure allows for the establishment of a Bond Interest and Redemption Fund (Fund 56) to account for the repayment of G.O. bonds from taxes levied by the county auditor-controller.

A motion was made by Mr. Palera and seconded by Ms. Lopez. The motion passed with a roll call vote of 3-0 to adopt Resolution Number 24-2016-2017 establishing Fund Numbers 26 for the Building Fund and 56 for the Bond Interest and Redemption Fund for Measure H-2016.

A roll call vote was required:

Dr. Karamitsos	Absent
Ms. Perez	Yes
Mr. Palera	Yes
Ms. Lopez	Yes
Dr. Garvin	Absent

**Approval of the CA Government Code 4217.10 et seq. Resolution NO. 25 - 2016-2017 and Authority to enter into energy service contract and facilities ground lease with CALIFORNIA SOLAR 1, LLC. To provide electrical energy from solar photovoltaic systems – Appendix D**

**BACKGROUND**

Government Code section 4217.10 *et seq.* allows public agencies to develop energy conservation, cogeneration, and alternate energy supply sources at the facilities of public agencies if its governing body determines the purchase is in the best interests of the public agency at a regularly scheduled public hearing. In addition, the governing body must determine that the anticipated cost to the District for the energy generating facility under the Energy Services Agreement will be less than the anticipated cost to the District of electrical energy costs that would have been consumed by the District in the absence of this purchase. Finally, a school district to enter into a facility ground lease if the governing board finds that the difference, if any, between the fair rental value for the real property subject to the facility ground lease and the agreed rent is anticipated to be offset by below-market energy purchases or other benefits provided under an energy service contract. Government Code section 4217.10 *et seq.* does not require bidding; however, the District chose to use a competitive process anyway.

**ENERGY SERVICES CONTRACT**

District Administration recommend approval of the “SOLAR POWER PURCHASE AGREEMENT” (“Energy Services Contract”) and related facilities ground lease to purchase solar energy from California Solar 1, LLC generated from photovoltaic solar systems designed and installed by California Solar 1, LLC at Delta High School, Ernest Righetti High School, Pioneer Valley High School, and the District Support Services Center, following a properly noticed public hearing pursuant to California Government Code section 4217.10 *et seq.* at the same

meeting. For clarification, OpTerra Energy Services, Inc. (“OpTerra”) submitted the proposal and negotiated the Energy Services Contract. California Solar 1, LLC is a special purpose entity that was formed by OpTerra’s parent company, ENGIE, to hold the solar assets.

A summary of the key terms of the Contract are as follows:

- Engineering, design, fabrication and installation of carports and shade structures to be completed by December 31, 2017.
- Savings in energy costs expected from the first year in operation estimated at \$140,000 and for 25 years of operation, \$6.99 million.
- 95% Performance Guarantee with a 0.5% annual production degradation.

**ESTIMATED SAVINGS**

The utility cost savings from the installation of PV systems at 4 district sites over 20 years with an optional 5-year extension is estimated at \$6.99 million (nominal dollars) and \$5.15 million dollars (net present value) with \$140,000 in year 1 (2018-2019).

A public hearing was held. No public comments were made. The hearing was closed.

A motion was made by Ms. Lopez and seconded by Mr. Palera to approve Resolution No. 25 - 2016-2017 as presented in Appendix D, and authorize District staff to enter into energy service contract and facilities ground lease with California Solar 1, LLC to provide electrical energy from solar photovoltaic systems.

A roll call vote was required:

Dr. Karamitsos	Absent
Ms. Perez	Yes
Mr. Palera	Yes
Ms. Lopez	Yes
Dr. Garvin	Absent

**Public Hearing to Receive and Expend Educational Protection Account (“EPA”) Funds – Resolution Number 26-2016-2017**

Educational Protection Account “EPA” funds result from the passage of Proposition 30 “Temporary Taxes to Fund Education. Guaranteed Local Public Safety Funding” in November of 2012. As part of the requirements of the law, the money raised from the taxes was to be set aside in an “EPA” account. For the 2017-2018 year, the CDE has indicated that EPA funds will be disbursed to school districts on a quarterly basis: September, December, March, and June. As per the District’s 2017-2018 Adopted Budget, EPA funds are estimated to be \$11,047,464.

Prior to spending the funds, districts are required to hold a public meeting to discuss and approve the use of the EPA funds. Funds may be spent on virtually any allowable expense other than administrative expenses. For Santa Maria Joint Union High School District, it is proposed that the EPA funds be used for employee salaries, wages, and benefits in the functions deemed allowable under the law. At the conclusion of the fiscal year, and as part of the District’s year end closing process, allowable amounts of employee salaries, wages, and benefits will be allocated to the EPA account. In addition, a report showing the expenditure of the EPA funds will be posted, as required, on the District’s website. It should be noted that these

EPA funds are not “new” money; rather they represent a cut that was avoided with the passage of Proposition 30.

A public hearing was held. There were no public comments. The hearing was closed.

A motion was made by Ms. Lopez and seconded by Mr. Palera to approve Resolution Number 26-2016-2017 regarding the use of EPA funding.

A roll call vote was required:

Dr. Karamitsos	Absent
Ms. Perez	Yes
Mr. Palera	Yes
Ms. Lopez	Yes
Dr. Garvin	Absent

**Budget Adoption for Fiscal Year 2017/2018**

Education Code Section 42127 requires that on or before July 1 of each year the Governing Board of the school district shall hold a public hearing on the budget to be adopted for the subsequent year.

Education Code Section code 52062, requires that the Governing Board conduct a public hearing to review its Local Control and Accountability Plan (“LCAP”) at the same meeting as the hearing for the District’s budget, with adoption of both to follow at a subsequent meeting.

The proposed budget for 2017-2018 was presented at the June 13, 2017 meeting and a public hearing was held. The full budget report is available on the district’s website.

Pursuant to Education Code Section 33127, the adopted budget complies with the standards and criteria as established by the State Board of Education.

A motion was made by Mr. Palera and seconded by Ms. Lopez to approve the budget for 2017-2018. The motion passed with a vote of 3-0.

**CONSENT ITEMS**

A motion was made by Mr. Palera and seconded by Ms. Lopez to approve all consent items as presented. The motion passed with a vote of 3-0.

**OPEN SESSION PUBLIC COMMENTS**

There were no public comments.

**ITEMS NOT ON THE AGENDA**

There were no items discussed that were not on the agenda.

## **NEXT MEETING DATE**

Unless otherwise announced, the next regular meeting of the Board of Education will be held August 1, 2017. Closed session begins at 5:30 p.m. Open session begins at 6:30 p.m. The meeting will be held at the District Support Services Center.

## **FUTURE REGULAR BOARD MEETINGS FOR 2017**

September 12, 2017

October 10, 2017  
November 14, 2017

December 12, 2017

## **ADJOURN**

The meeting was adjourned at 9:08 a.m.