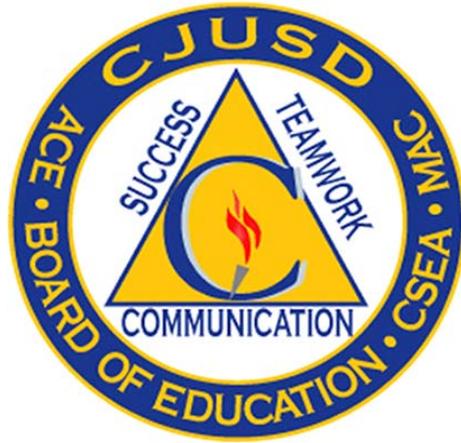


# Colton Joint Unified School District

Student Services Center, Board Room, 851 South Mt. Vernon Ave., Colton, CA 92324



## Board of Education Regular Meeting & Public Hearing Agenda

Thursday, May 19, 2011  
at 5:30 p.m.

### **Strategic Plan – Mission Statement**

The Mission of the Colton Joint Unified School District, a team of caring employees dedicated to the education of children, is to ensure each student learns the academic knowledge and skills necessary to thrive in college or in the workforce and be responsible, productive citizens by providing engaging, challenging, and enriching opportunities and specialized programs in a safe environment in partnership with students, families and our diverse communities.

**1.0 OPENING**

1.1 Call to Order

- Mrs. Patt Haro, *President*
- Mr. Robert D. Armenta Jr., *Vice President*
- Mr. Frank Ibarra, *Clerk*
- Mr. Randall Cenicerros
- Mr. Roger Kowalski
- Mr. Pilar Tabera
- Mr. Kent Taylor

- |                            |                        |
|----------------------------|------------------------|
| Mr. Jerry Almendarez       | Mr. Todd Beal          |
| Mr. Jaime R. Ayala         | Mr. Brian Butler       |
| Mr. James A. Downs         | Mrs. Jennifer Jaime    |
| Mrs. Mollie Gainey-Stanley | Ms. Sosan Schaller     |
| Mrs. Ingrid Munsterman     | Mr. Darryl Taylor      |
| Mr. Mike Snellings         | Ms. Katie Orloff       |
| Mrs. Bertha Arreguín       | Ms. Jennifer Rodriguez |

1.2 Renewal of the Pledge of Allegiance. Presentation of Colors presented by Bloomington High School NJROTC.

An interpreter is available for Spanish-speaking persons wanting assistance.

**2.0 SPECIAL PRESENTATIONS**

- 2.1 Employee Recognition
- 2.2 California State Science Fair Recognition
- 2.3 Academic Knowledge Bowl Recognition
- 2.4 Regional Occupational Program – Virtual Enterprise

**3.0 SCHOOL SHOWCASE**

- 3.1 Bloomington High School

**4.0 PUBLIC HEARING**

- 4.1 District Sunshine Proposal for Association of Colton Educators (ACE)

**5.0 ADMINISTRATIVE PRESENTATIONS**

- 5.1 Budget Update – *Assistant Superintendent Jaime R. Ayala*

**6.0 PUBLIC COMMENT**

- 6.1 Announcement Regarding Public Comment for Items on the Agenda and Items Not on the Agenda (Gov. Code 54954.3[a])

The Board President clarifies the process regarding public comment and requests that the appropriate “Public Comment Card” be filled out. At the appropriate time during the Hearing Session, each speaker will be invited to the podium and should begin by stating his or her name and residing city. Board Bylaw 9323 states that “*Individual speakers shall be allowed three minutes to address the Board on each agenda or non-agenda item. The Board shall limit the total time for public input on each item to 15 minutes. With Board consent, the president may increase or decrease the time allowed for public presentation, depending on the topic and the number of persons wishing to be heard. The president may take a poll of speakers for or against a particular issue and may ask that additional persons speak only if they have something new to add.*”

Blue card—Specific Consent, Action, Study & Information or Closed Session Item: Please list the specific agenda item number and subject

White card—Items/Topics Not on the Agenda: Please list topic / subject

**7.0** **CLOSED SESSION**

**7.1** **Conference with Labor Negotiator**

Agency:

Ingrid Munsterman, Assistant Superintendent, Human Resources Division

Employee Organizations:

Association of Colton Educators (ACE)

California School Employees' Assoc. (CSEA)

Management Association of Colton (MAC)

**8.0** **ACTION SESSION**

**A.** **Consent Items**

The following Consent Items are expected to be routine and non-controversial. They will be acted upon by the Board of Education at one time unless a Board Member, a staff member, or a member of the public requests that an item be held for discussion or deferred for separate action.

On motion of Board Member \_\_\_\_\_ and \_\_\_\_\_, the Board approved Consent Items #A – 1 through #A – 8, as presented.

- Page 7 A-1 Approval of Minutes for the May 5, 2011 Special and Regular Board Meetings
- Page 21 A-2 Approval of Student Field Trips
- Page 23 A-3 Approval of Consultants for Assembly Presentations
- Page 25 A-4 Approval of Consultants for Staff Development
- Page 29 A-5 Approval of the Interagency Agreement Between the Preschool Services Department of San Bernardino County and the Colton Joint Unified School District (2011-12)
- Page 41 A-6 Approval of One-Year Contract Renewal with Edusoft (2011-12)
- Page 43 A-7 Approval of the New Subscription with OdysseyWare Credit Recovery Software for District High Schools (2011-12)
- Page 47 A-8 Acceptance of Gifts
- Page 49 A-9 Authorization to Piggyback the Glendale Unified School District Bid P-16 09/10 for School Furnishings, Office Furnishings, and Accessories
- Page 51 A-10 Ratification of Actual Interfund Transfer Processed as a Temporary Borrowing Between District Funds (2010-11)
- Page 53 A-11 Approval of Agreement with Clover Enterprises, Inc., to Provide Athletic Training Services at Bloomington and Colton High Schools (2011-12)
- Page 59 A-12 Approval of Payment or Reimbursement for Added Authorizations--Special Education as Outlined in the MOU between the Colton JUSD and the Association of Colton Educators

**B.** **Action Items**

- Page 63 B-1 Approval of Personnel Employment and Resignations
- Page 65 B-2 Approval of Conference Attendance
- Page 67 B-3 Adoption of District Declaration of Need for Fully Qualified Educators (2011-12)
- Page 71 B-4 Authorization to Assign Secondary Teachers to Teach Subject(s) Not Listed on Teaching Credentials Under Board Resolution During the (2011-12) School Year
- Page 73 B-5 Authorization to Assign Secondary Teachers to Teach Subject(s) Not Listed on Teaching Credentials Under Board Resolution During the 2011-12 School Year and During 2011 Summer School
- Page 75 B-6 Adopt Resolution No. 11-62 to Eliminate and/or Reduce Classified Positions Effective July 3, 2011
- Page 79 B-7 Approval of Transition Agreement with Aequitas Solutions for Student Information System Program Support (2011-12)
- Page 93 B-8 Approval of Inter-District Attendance Agreement for Alhambra Unified School District (2011-12)
- Page 97 B-9 Approval of Purchase Orders
- Page 99 B-10 Adoption of Resolution No. 11-61 Authorizing the Issuance and Sale of Colton Joint Unified School District (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series C
- Page 189 B-11 Award of Bid 11-06: Alice Birney Elementary School Parking Lot Improvements Project

- Page 191 B-12 Approval of Agreement with Ninyo & Moore for Geotechnical Consulting Services at Bloomington High School New Cafeteria and Multipurpose Room Project
- Page 199 B-13 Approval of Agreement with Ninyo & Moore for Geotechnical Consulting Services at Colton High School New Cafeteria and Multipurpose Room Project
- Page 207 B-14 Approval of Contract with AEI-CASC Consulting for Topographic Survey and Utility Mapping for Bloomington High School New Cafeteria and Multipurpose Room Project
- Page 219 B-15 Approval of Contract with AEI-CASC Consulting for Topographic Survey and Utility Mapping for Colton High School New Cafeteria and Multipurpose Room Project
- Page 231 B-16 Authorize Assistant Superintendent of Business Services Division, Jaime R. Ayala to approve and execute the final tender agreement between Colton JUSD, Hartford Fire Insurance Company and Jaynes Corporation of California to complete the remaining portion of Hanan Construction’s contract (Bid Package 10) at the Grand Terrace High School Project subject upon final review by legal counsel.
- Page 239 B-17 Approval of Architectural Services Agreement with Ruhnau Ruhnau Clarke & Associates for Design and Construction of the Walk-In Freezer and Refrigerator at the District Warehouse
- Page 251 B-18 Approval of Two Year Contract Renewal with Davis Demographics & Planning, Inc. for Demographic Services (2011-13)
- Page 257 B-19 Approval of 2010-11 Third Interim Financial Report
- Page 259 B-20 Approval to Implement a Supplemental Employee Retirement Program (SERP) for Certificated Non-Management Employees Per Resolution No. 11-52
- Page 261 B-21 Approval to Implement a Supplemental Employee Retirement Program (SERP) for Certificated Management Employees Per Resolution No. 11-52

**C. Action Item – Board Policy *Second Reading***

- Page 263 C-1 Proposed Amendment of Board Policy and Administrative Regulations:  
*AR 3460 Financial Reports and Accountability*

**D. Action Items – Resolution ~ None**

**9.0 ADMINISTRATIVE REPORTS**

- Page 273 AR-8.1 Approved Disbursements
- AR-8.2 Grand Terrace High School Update – Principal Angie Dischinger
- AR-8.3 Budget Update – Assistant Superintendent Jaime R. Ayala
- AR-8.4 Facilities Update – Darryl Taylor
- AR-8.5 ACE Representative
- AR-8.6 CSEA Representative
- AR-8.7 MAC Representative
- AR-8.8 ROP Update

**10.0 SUPERINTENDENT’S COMMUNIQUE**

**11.0 BOARD MEMBER COMMENTS**

**12.0 CLOSED SESSION**

Following action items: Board Room, Student Services Center, 851 So. Mt. Vernon Ave., Colton, California (Government Code 54950 et seq.)

**12.1 Student Discipline, Revocation, and Re-entry**

**12.2 Personnel**

- ♦ Public Employee: Discipline/Dismissal/Release (Gov. Code 54957)

**12.3 Conference with Legal Counsel—Anticipated Litigation**

Significant exposure to litigation pursuant to Government Code Section 54956.9(b)  
Potential Case: ~Two~

**12.4 Conference with Legal Counsel—Existing Litigation**

Pursuant to Government Code Section 54956.9(a)

Case Number: *~None~*

**12.5 Conference with Labor Negotiator**

Agency:

Ingrid Munsterman, Assistant Superintendent, Human Resources Division

Employee Organizations:

Association of Colton Educators (ACE)

California School Employees' Assoc. (CSEA)

Management Association of Colton (MAC)

**12.6 Conference with Real Property Negotiator (Gov. Code 54956.8)**

Property: *~None~*

**13.0 PUBLIC SESSION – ACTION REPORTED FROM CLOSED SESSION**

**14.0 ADJOURNMENT**



**BOARD AGENDA**

**REGULAR MEETING  
May 19, 2011**

**CONSENT ITEM**

**TO:** Board of Education

**PRESENTED BY:** Jerry Almendarez, Superintendent

**SUBJECT:** Approval of Minutes for the May 5, 2011 Special and Regular Board Meetings

**GOAL:** Student Performance, Personnel Development, Facilities/Support Services, Budget Planning, School Safety & Attendance, Community Relations, & Parent Involvement

**STRATEGIC PLAN:** Strategy #1 – Communication      Strategy #4 – Facilities  
Strategy #2 – Curriculum              Strategy #5 – College Career  
Strategy #3 – Decision Making      Strategy #6 – Character

**RECOMMENDATION:** That the Board approve Minutes for the May 5, 2011 Special and Regular Board Meetings

# Colton Joint Unified School District

Student Services Center, Board Room, 851 South Mt. Vernon Ave., Colton, CA 92324



## Minutes May 5, 2011

The Board of Education of the Colton Joint Unified School District met for a Special Meeting on Thursday, May 5, 2011 at 5:00 p.m. in the Board Room at the CJUSD Student Services Center, 851 So. Mt. Vernon Avenue, Colton, California.

### Trustees Present

Mrs. Patt Haro, President  
Mr. Robert D. Armenta Jr., Vice President  
Mr. Frank A. Ibarra, Clerk  
Mr. Randall Ceniceros (arrived at 5:11 p.m.)  
Mr. Roger Kowalski  
Mr. Pilar Tabera  
Mr. Kent Taylor

### Staff Members Present (\*excused)

Mr. Jerry Almendarez	Mr. Todd Beal
Mr. Jaime R. Ayala	Mr. Brian Butler
Mr. James A. Downs	Mrs. Jennifer Jaime
Mrs. Mollie Gainey-Stanley	Ms. Sosan Schaller
Mrs. Ingrid Munsterman	Mr. Darryl Taylor
Mr. Mike Snellings	Ms. Katie Orloff
Mrs. Bertha Arreguin	Ms. Jennifer Rodriguez

### **Strategic Plan -- Mission Statement**

The Mission of the Colton Joint Unified School District, a team of caring employees dedicated to the education of children, is to ensure each student learns the academic knowledge and skills necessary to thrive in college or in the workforce and be responsible, productive citizens by providing engaging, challenging, and enriching opportunities and specialized programs in a safe environment in partnership with students, families and our diverse communities

### **1.0 OPENING Call to Order**

Board President Haro called the meeting to order at 5:00 p.m. Assistant Superintendent Snellings led in the renewal of the Pledge of Allegiance.

### **2.0 PUBLIC COMMENT**

The following persons spoke in opposition of Action Item A-1, Adoption of Resolution No. 11-60 *Terminating Services of Certificated Employees as a Result of Reduction or Discontinuation of Particular Kinds of Services* (Acting on Proposed Decision of the Administrative Law Judge) for 2011-12

- Crystal James, Alice Birney Elementary School teacher
- Christine Whitmyer, CJUSD nurse
- Molly Greene, Bloomington High School teacher
- Ed Matanga, Colton High School teacher
- James A. Long, Bloomington High School alumn
- Alan Mesa, Bloomington High School student
- Susan Hill, Bloomington High School parent
- Caleb Hill, Bloomington High School student
- Steve Boone, Colton High School teacher
- Merna Villalta, CJUSD parent
- Stephanie Bowers Griffin, CJUSD nurse
- Kelly O'Brien, Bloomington High School alumn
- Sean Davis, Colton High School counselor
- Chris Gabriel, CJUSD nurse
- Bonnie Pettey, parent of BHS alumni
- Alan Pettey, Bloomington High School alumn
- Ruben Morales, CJUSD parent
- Margaret Rivas, CJUSD parent

**3.0 CLOSED SESSION**

Following action items: Board Room, Student Services Center, 851 So. Mt. Vernon Ave., Colton, CA (Government Code 54950 et seq.)

At 5:58 p.m., Board President Haro announced that the board would recess to closed session to discuss the following items on the closed session agenda:

**3.1 Conference with Legal Counsel—Existing Litigation**

Pursuant to Gov. Code §54957 and/or 54956.9(a)  
OAH Case Number: 2011030922

**4.0 PUBLIC SESSION – ACTION REPORTED FROM CLOSED SESSION**

The Board meeting reconvened at 6:32 p.m. No action was taken in closed session.

**5.0 ACTION SESSION**

**A. Action Items**

**#363** On motion of Board Member Armenta and Board Member Kowalski, and carried on a 5-2 vote (Board Members Cenicerros and Taylor opposed), the Board approved Action Item A-1 as presented.

#363.1 A-1 Adopted Resolution No. 11-60 Terminating Services of Certificated Employees as a Result of Reduction or Discontinuation of Particular Kinds of Services (Acting on Proposed Decision of the Administrative Law Judge) for 2011-12

**6.0 ADJOURNMENT**

At 6:34 p.m., the meeting was adjourned until the Regular Board of Education Meeting scheduled for Thursday, May 5, 2011, at the Colton JUSD Student Services Center, 851 South Mt. Vernon Avenue, Colton, California.

Date Approved: May 19, 2011

\_\_\_\_\_  
Frank Ibarra, Clerk

\_\_\_\_\_  
Jerry Almendarez, Superintendent

DRAFT

# Colton Joint Unified School District

Student Services Center, Board Room, 851 South Mt. Vernon Ave., Colton, CA 92324



## Minutes May 5, 2011

The Board of Education of the Colton Joint Unified School District met for a Regular Meeting and Public Hearing on Thursday, May 5, 2011 at 6:41 p.m. in the Board Room at the CJUSD Student Services Center, 851 So. Mt. Vernon Avenue, Colton, California.

### Trustees Present

Mrs. Patt Haro, President  
Mr. Robert D. Armenta Jr., Vice President  
Mr. Frank A. Ibarra, Clerk  
Mr. Randall Cenicerros  
Mr. Roger Kowalski  
Mr. Pilar Tabera  
Mr. Kent Taylor

### Staff Members Present (\*excused)

Mr. Jerry Almendarez	Mr. Todd Beal
Mr. Jaime R. Ayala	Mr. Brian Butler
Mr. James A. Downs	Mrs. Jennifer Jaime
Mrs. Mollie Gainey-Stanley	Ms. Sosan Schaller
Mrs. Ingrid Munsterman	Mr. Darryl Taylor
Mr. Mike Snellings	Ms. Katie Orloff
Mrs. Bertha Arreguín	Ms. Jennifer Rodriguez

### **Strategic Plan -- Mission Statement**

The Mission of the Colton Joint Unified School District, a team of caring employees dedicated to the education of children, is to ensure each student learns the academic knowledge and skills necessary to thrive in college or in the workforce and be responsible, productive citizens by providing engaging, challenging, and enriching opportunities and specialized programs in a safe environment in partnership with students, families and our diverse communities

### **1.0 OPENING Call to Order/Renewal of the Pledge of Allegiance**

Board President Haro called the meeting to order at 6:41 p.m. Communications Manager Katie Orloff led in the renewal of the Pledge of Allegiance.

### **2.0 SPECIAL PRESENTATIONS ~ None**

### **3.0 SCHOOL SHOWCASE ~ None**

The board, by consensus, moved Public Comment forward on the agenda.

### **6.0 PUBLIC COMMENT**

#### **6.1 Blue card—Specific Consent, Action, Study & Information or Closed Session Item**

The following persons spoke in favor of Coach Rick Bray as Colton High School's varsity head football coach.

- Diane Galvez, parent
- Bill Hussey, parent
- Ruben Morales, parent, assistant coach
  
- Carla Ervin, parent, spoke in opposition of Coach Rick Bray as Colton High School's varsity head football coach.

#### **White card—Items/Topics Not on the Agenda:**

- Marcella Cook, Colton High School teacher, addressed concerns with the District's Saturday school program.
  
- Desiree Trapp, Bloomington High School teacher, provided an update of the FFA program.

The board, by consensus, moved Action Item, B-1 forward for consideration.

**#364** On motion of Board Member Taylor and Board Member Cenicerros, and carried on a 7-0 vote, the Board approved Action Item B-1 as presented.

#364.1 B-1 Approved of Personnel Employment and Resignations

#### **4.0 ADMINISTRATIVE PRESENTATIONS**

##### **4.1 Budget Update**

Assistant Superintendent Ayala stated that staff is currently building the budget under the assumption that funding per ADA will be decreased in the coming year. The results of the May Revise are due in a few weeks which may impact the budget. Staff is in the process of establishing a timeline to implement the reduction plans as approved by the Board. The District is also working on various avenues of community outreach to share the reduction plans with the public. Committees will be created to develop additional reduction plans which will be presented for Board approval in January 2012.

The deadline to enroll in the 2011 SERP was May 2<sup>nd</sup>. To date, staff has received 27 certificated, non-management applications and two certificated management applications. The data, including the benefits for offering the SERP, will be analyzed and the findings will be communicated to the Board prior to the May 19<sup>th</sup> meeting.

Mr. Ayala introduced Michele McClowry, FCMAT, an expert on school business and finance and serves as an advisor to the District. Ms. McClowry affirmed that the challenges before the Board are a direct result of the state's current budget crisis. She acknowledged the Board's difficult decision to approve certificated layoffs and assured them it was the best decision to make at this time.

Board President Haro opened the public hearing at 7:22 p.m. and closed it at 7:26 p.m.

#### **5.0 PUBLIC HEARING**

##### **5.1 District Sunshine Proposal for Association of Colton Educators (ACE) 2010-2011, 2011-2012**

Due to continued fiscal challenges within the State of California, the task of negotiations is a formidable one. The District looks forward to participating in honest, forthright, and purposeful negotiations in addressing these challenges. Assistant Superintendent Munsterman sunshined the following articles and appendix.

- Article 7/Appendix I ~ Wages and Health and Welfare Benefits / Certificated Salary Schedule
- Article 8 ~ Hours of Employment
- Article 9 ~ Class Size
- Appendix ~ III

This above list is not exhaustive and the District reserves the right to make additional proposals as negotiations progress.

##### **5.2 Association of Colton Educators (ACE) Sunshine Proposal**

#### **7.0 ACTION SESSION**

##### **A. #365 Consent Items**

On motion of Board Member Kowalski and Board Member Cenicerros, and carried on a 7-0 vote, the Board approved Consent Items A-1 through A-8.

- #365.1 A-1 Approved Minutes for the April 18, 2011 and April 21, 2011 Board Meetings
- #365.2 A-2 Approved Student Field Trips (**EXHIBIT A**)
- #365.3 A-3 Approved Consultants for Assembly Presentations (**EXHIBIT B**)
- #365.4 A-4 Approved the Memorandum of Understanding and Agreement (C-1002823) with Riverside County Superintendent of Schools for Participation in the RCOE/CSUSB Internship Program (2010-11)
- #365.5 A-5 Approved the Contract with San Bernardino County, Preschool Services Department to Provide Head Start/State Preschool Services for Fiscal Year 2011-12
- #365.6 A-6 Approved the Agreement with the Orange County Superintendent of Schools, *Inside the Outdoors School Program* [#30238] (2010-11)
- #365.7 A-7 Accepted Gifts (**EXHIBIT C**)
- #365.8 A-8 Approved the Authorization for the District to Enter into Agreements with Colleges and Universities for Student Teaching and/or Internship Programs for the 2011-12 School Year

##### **B. Action Items**

**#366** On motion of Board Member Taylor and Board Member Kowalski, and carried on a 7-0 vote, the Board approved Action Items B-3 through B-9, as presented. Action Items, B-1, B-2, B-5 and B-8 were considered separately.

B-1 Approval of Personnel Employment and Resignations (**EXHIBIT D**)

Approved at the beginning of the meeting

- #366.1 B-3 Authorized Assignment of "Mild/Moderate-Level" Teachers to Teach Students with Autism Under Board Resolution During the 2011-12 School Year and During 2011 Summer School
- #366.2 B-4 Approved Inter-District Attendance Agreement for San Bernardino County School Districts (2011-12)
- #366.3 B-6 Approved Designated Authorized Agent for CJUSD – May 5, 2011 - Until Rescinded
- #366.4 B-7 Approved Contract Amendment No. 3 with Superior Construction Services, Inc. for Division of the State Architect (DSA) Inspection Services for Grand Terrace High School
- #366.5 B-9 Approved Amendment No. 3 with Vista Environmental Consulting for Additional Abatement and Remediation Monitoring Services for the Colton High School Math and Science Building Project

**#367** On motion of Board Member Ibarra and Board Member Armenta, and carried on a 7-0 vote, the Board approved Action Item B-2.

- #367.1 B-2 Approval of Conference Attendance (**EXHIBIT E**)

**#368** Board Member Taylor motioned to approve Action Item B-5 with changes. Without a second, the motion failed.

**#369** On motion of Board Member Kowalski and Board Member Armenta, and carried on a 6-1 vote (Board Member Taylor opposed), the Board approved Action Item B-5 as presented.

- #369.1 B-5 Approved Purchase Orders

**#370** On motion of Board Member Taylor and Board Member Ceniceros, and carried on a 6-1 vote (Board Member Armenta abstained), the Board approved Action Item B-8 as presented.

- #370.1 B-8 Approved Contract Amendment No. 4 with Vanir Construction Management Services for Grand Terrace High School

**C. Action Items – Board Policy ~ NONE**

**D. Action Items – Resolutions**

**#371** On motion of Board Member Taylor and Board Member Kowalski, and carried on a 7-0 vote, the Board approved Action Item D-1.

- #371.1 D-1 Adopted Resolution No. 11-59, *Support California's May 9-13 Week of Action*

**8.0 ADMINISTRATIVE REPORTS**

AR-8.1 Results of San Bernardino County Superintendent of Schools (SBCSS) Williams Settlement Visit for the Third Quarter 2010-11

AR-8.2 Approved Disbursements

AR-8.3 Proposed Amendment of Board Policy and Administrative Regulations:

*AR 3460 Financial Reports and Accountability* (will be presented for Board approval on May 19, 2011)

AR-8.4 **Budget Update** (*presented under 4.0 – Administrative Presentation*)

AR-8.5 **Facilities Update**

Facilities Director Daryll Taylor reminded the Board of the upcoming Special Board Meeting on May 25th that will focus on the District's Facilities Master Plan. Director Taylor provided an update on the following projects: (**EXHIBIT F**)

- Architect and engineering services for Bloomington and Colton High School multi-purpose rooms and cafeterias
- Grand Terrace High School – Increment 2 – pool, stadium, student services classroom building
- Survey and geotechnical services – cafeteria and multi-purpose building at Bloomington and Colton High Schools
- Qualified School Construction Bonds (QSCB)

AR-8.6 **ACE Representative**

President Karen Houck promoted several activities throughout the community in support of California's Week of Action.

AR-8.7 **CSEA Representative**

President Nick Ramirez expressed appreciation for the Board's attention to purchase orders. He stated that negotiations are moving along as CSEA continues to work with Mrs. Munsterman and the negotiation team. Mr. Ramirez also reminded the Board of the upcoming CSEA Latino Comedy Night benefiting the CSEA scholarship fund.

**AR-8.8 MAC Representative**

President Katie Orloff expressed thanks for all who participated in the 6<sup>th</sup> Annual APPLE Golf Tournament. The event netted more than \$16,000 for the APPLE Scholarship Fund.

**AR-8.9 ROP Update ~ No update**

**9.0 SUPERINTENDENT'S COMMUNICATION**

Superintendent Almendarez congratulated Mr. Downs, Superintendent Emeritus and Tom DeBellis, Colton Fire Department on their Distinguished Service and Medal of Honor awards, respectively. He also commented on the successful APPLE Scholarship Golf Tournament. Mr. Almendarez announced upcoming events around the District such as Jazz under the Stars (BHS), Academic Letter & Awards Medals (CHS) and National Junior Honor Society induction ceremonies (CMS and (THMS).

To view the Communiqué please visit the CJUSD website at [www.colton.k12.ca.us](http://www.colton.k12.ca.us)

**10.0 BOARD MEMBER COMMENTS**

**Board Member Kowalski** thanked the students, parents and CJUSD alumni who spoke favorably about several District programs. He commented that the Board looks forward to the day when the programs can be restored and the budget is more favorable.

**Board Member Taylor** congratulated staff on the latest CAHSEE results. He commented on the growth and accomplishments of the Educational Services Division under the leadership of Assistant Superintendent Gainey-Stanley. Mr. Taylor thanked his colleagues for allowing time to question items related to purchase orders, categorical funding and other budget related concerns. Lastly, Mr. Taylor commented on the leadership of the superintendent and the superintendent emeritus.

**Board Member Armenta** thanked Elsa Aguilar and the members of the Agua Mansa PTA for hosting the Honorary Service Awards dinner.

**Board Member Ibarra ~ No comment**

**Board Member Tabera** commented on the "Dad's Night" event he attended at U.S. Grant Elementary School and congratulated Grant staff on an impressive event.

**Board Member Cenicerros** thanked the community for supporting Coach Bray. He also acknowledged Bloomington High School's FFA program and thanked FFA students for providing updates to the Board. Mr. Cenicerros expressed appreciation for Elsa Aguilar, Agua Mansa PTA, Board President Haro and Superintendent Emeritus Downs for their leadership and commitment to the Colton JUSD.

**Board Member Haro** congratulated Sycamore Hills Elementary School on their CST play and commented on Bloomington High School's NJROTC and wrestling team. She also thanked all of the organizers, volunteers and participants of the 6<sup>th</sup> Annual APPLE Golf Tournament. Mrs. Haro acknowledged several BHS students and congratulated them on the scholarships they received. She commented on BHS's award winning drum line, student athletes and Wilson Elementary School's Cinco de Mayo festival. Lastly, Mrs. Haro reminded the public of the Board's priority to maintain the District's fiscal solvency.

**11.0 CLOSED SESSION**

Following action items: Board Room, Student Services Center, 851 So. Mt. Vernon Ave., Colton, CA (Government Code 54950 et seq.)

At 8:26 p.m., Board President Haro announced that the board would recess to closed session to discuss the following items on the closed session agenda:

- 11.1 • Student Discipline, Revocation and Re-entry
- 11.2 • Personnel
- 11.3 • Conference with Legal Counsel—Anticipated Litigation
- 11.4 • Conference with Legal Counsel—Existing Litigation
- 11.5 • Conference with Real Property Negotiator

(Board Member Tabera left at 9:26 p.m.)

**12.0 PUBLIC SESSION – ACTION REPORTED FROM CLOSED SESSION**

The Board meeting reconvened at 9:52 p.m. Board President Haro reported on action taken in closed session.

**12.1 Student Discipline, Revocation, and Re-entry**

**#372** On motion of Board Member Taylor, and Board Member Cenicerros, and carried on a 6-0-1 (Board Member Tabera absent) vote, the Board approved 6 student discipline items, as presented.

- |        |            |           |
|--------|------------|-----------|
| #372.1 | 1. 112017  | 4. 83492  |
|        | 2. 125996  | 5. 115803 |
|        | 3. 1036932 | 6. 83129  |

**12.2 Personnel**

♦ Public Employee: Discipline/Dismissal/Employment/Release/Reassignment (Gov. Code 54957) ~ None

**12.3 Conference with Legal Counsel—Anticipated Litigation**

Significant exposure to litigation pursuant to Government Code Section 54956.9(b)

**12.4 Conference with Legal Counsel—Existing Litigation**

Pursuant to Government Code Section 54956.9(a)  
Case Number: *None*

**12.5 Conference with Labor Negotiator**

Agency:

Ingrid Munsterman, Assistant Superintendent, Human Resources Division

Employee Organizations:

Association of Colton Educators (ACE)

California School Employees' Assoc. (CSEA)

Management Association of Colton (MAC)

**12.6 Conference with Real Property Negotiator** (Gov. Code 54956.8)

Property: *~None~*

**13.0 ADJOURNMENT**

At 9:53 p.m., the meeting was adjourned until the next Board of Education Meeting scheduled for Thursday, May 19, 2011, at the Colton JUSD Student Services Center, 851 South Mt. Vernon Avenue, Colton, California.

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**EXHIBIT A, FIELD TRIPS:**

Site	Date	Depart	Return	Destination	Activity/Background	Grade	Teacher	Cost	Funding	Strategic Plan*
BHS	5/6/11 to 5/8/11 (F/S/S)	8 am	8 pm	Cal Poly San Luis Obispo San Luis Obispo, CA (District transportation)	CA State FFA Career Development Finals Students will attend the annual FFA State Judging Finals.	10-11	Desiree Trapp (5)	\$908.11	Ag. Grant \$514.37 ASB \$268.74 Perkins \$125.00	Strategy #1
BHS	5/17/11 (Tues.)	7:30 am	4 pm	San Diego Zoo San Diego, CA (District transportation)	Spanish Club students will participate in an end of the year academic incentive trip.	9-12	Leticia Herrera (50) +4	\$1,800	ASB	Strategy #1
ROH MS	5/22/11 (Sun.)	7 am	7 pm	Disneyland Anaheim, CA (District transportation)	AVID students will participate in an end of the year academic incentive trip.	7-8	Veronica Carnes Raquel Lopez Matthew Crispin (118) +5	\$9,948	ASB	Strategy #1
Grant	5/31/11	7:30 am	7:30 pm	Disneyland Anaheim, CA (District transportation)	GATE students will participate in Disney's Youth Education Series: Leadership in Action/ Pursuit of Excellence	3-6	James Marshall Candi Pettibon (57) +5	\$4,419	Donations	Strategy #1

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**EXHIBIT B, CONSULTANTS FOR ASSEMBLY PRESENTATION**

Site	Date(s)	Time	Program/Purpose	Location	Consultant(s)	Cost	Funds	Strategic Plan*
Smith	May 12 & 13, 2011	8 am to 12 noon	<i>Interactive Music Making with a Drum Circle</i> K-6 students will learn the many forms of musical instruments that encompasses cultural, historical and musical developments.	Smith	Ray McNamara Music Services Claremont, CA	\$500	PTA	Strategy #1
Jurupa Vista	5/23/11	1 pm to 3 pm	<i>Journeys to the Past</i> 4 <sup>th</sup> grade students will receive an introduction to the culture of the Acjachemen Indian Nation that lived in the coastlands of Orange County, California.	Jurupa Vista	Seegerstrom Center for the Arts Costa Mesa, CA	\$855	Donations	Strategy #1
Lincoln	5/26/11	9 am & 9:50 am	<i>Spring Jam Spectacular</i> To provide students in grades K-6 with test taking strategies and positive reinforcement prior to testing.	Lincoln	Prismatic Magic Ft. Worth, TX	\$895	ASB	Strategy #1

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## EXHIBIT C, GIFTS

<u>Site</u>	<u>Donor</u>	<u>Donation/Purpose</u>	<u>Amount</u>
Birney	Kiaco, Inc. McDonald's 3155 East Sedona Court, Suite A Ontario, CA 91764	Check # 5749 For Incentives & Fieldtrips	\$596.69
Enrollment Center	James A. Downs 1212 Valencia Drive Colton, CA 92324	Gift Cards to Wal-Mart for Needy Students (5-\$20.00)	\$100.00
Jurupa Vista	Jurupa Vista Elementary P.T.A. 15920 Village Drive East Fontana, CA 92337	Check #1238 For 1 <sup>st</sup> Grade Field Trip	\$1,000.00
Jurupa Vista	Jurupa Vista Elementary P.T.A. 15920 Village Drive East Fontana, CA 92337	Check #1239 For 3 <sup>rd</sup> Grade Field Trip	\$1,000.00
Jurupa Vista	Jurupa Vista Elementary P.T.A. 15920 Village Drive East Fontana, CA 92337	Check #1241 For 2 <sup>nd</sup> Grade Assembly	\$855.00
Reche Canyon	Prudencio & Evangeline Molina 12532 Warbler Avenue Grand Terrace, CA 92313	Check #1545 For Kinder Field Trip	\$50.00
Reche Canyon	Venice C. LaChica 2640 South Andrews Lane San Bernardino, CA 92408	Check #1143 For Kinder Field Trip	\$50.00
Rogers	Janet Harter	Refreshment Items of cookies, water, and fruit to be used during Coffee with the Principal	\$100.00
Wilson	Wildcats P.T.A. 750 South 8 <sup>th</sup> Street Colton, CA 92324	Check #1180 For 4 <sup>th</sup> Grade Field Trip	\$320.00
Wilson	Wildcats P.T.A. 750 South 8 <sup>th</sup> Street Colton, CA 92324	Check #1177 For 5 <sup>th</sup> Grade Field Trip	\$675.00

**EXHIBIT D, PERSONNEL:**

<u>I-A</u>	<u>Certificated – Regular Staff</u>	<u>Subject</u>	<u>Site</u>
	Ponce, Armando	HD JV Badminton	CHS
<u>I-B</u>	<u>Certificated – Activity/Coaching Assignments</u>	<u>Position</u>	<u>Site</u>
	None		
<u>I-C</u>	<u>Certificated – Hourly</u>	<u>Position</u>	<u>Site</u>
	None		
<u>I-D</u>	<u>Certificated – Substitute Teacher</u>		
	None		
<u>I-E</u>	<u>Certificated Management – Summer School 2011</u>	<u>Position</u>	<u>Site</u>
	None		
<u>II-A</u>	<u>Classified – Regular Staff</u>	<u>Position</u>	<u>Site</u>
	None		

<u>II-B</u>	<u>Classified – Activity/Coaching Assignments</u>	<u>Position</u>	<u>Site</u>
1.	Smalls, Ryan C.	HD Varsity Track	CHS
2.	Bray, Richard L.	HD Varsity Football	CHS
<u>II-C</u>	<u>Classified – Classified Hourly</u>	<u>Position</u>	
	Castro, Diego F.	Lifeguard	THMS
	Gudino, Jesus F.	AVID Tutor	CHS
	Renteria, Christina	Sub Noon Aide	Smith
<u>II-D</u>	<u>Classified Substitute</u>	<u>Position</u>	
	None		
<u>II-E</u>	<u>Classified – Short-Term –</u>	<u>Position</u>	<u>Site</u>
	None		

**RESIGNATIONS:**

	<u>Certificated Employee</u>	<u>Position</u>	<u>Site</u>	<u>Employment Date</u>	<u>Effective</u>	<u>Reason</u>
	None					
	<u>Classified Employee</u>	<u>Position</u>	<u>Site</u>	<u>Employment Date</u>	<u>Effective</u>	
1.	Bernal, Avelina	Nutrition Services Lead I	McKinley	May 16, 1990	June 18, 2011	retirement
2.	Morales, Suzanne	Nutrition Services Worker I	Wilson	November 14, 1994	June 8, 2011	

**EXHIBIT E, CONFERENCES:**

<u>Employee</u>	<u>Title</u>	<u>Site</u>	<u>Conference</u>	<u>Date/Location</u>	<u>Funds</u>
John White	Sr. Mechanic	Transportation	CNG Fueling Station Operation and Maintenance Training	May 19-20, 2011 Phoenix, AZ	Transportation funds: \$1,293.24
Kristi Richardson	Principal	Slover Mtn. HS	Principal's Partnership Summer Leadership Conference	July 17-20, 2011 Phoenix, AZ	No Cost to the District
Corina Paramo David Crane Corinne Marshall	Teachers	CHS	2011 AVID Summer Institute	July 27-29, 2011 San Diego, CA	AVID funds: \$2,921.76
Marc Howard Leilani Bautista Holly Todd Stacie Ziegler Ramona Martinez Raymonn Brown	Teachers	BHS	2011 AVID Summer Institute	July 27-29, 2011 San Diego, CA	AVID funds: \$6,732.50
Christy Marin Mark McGuffee Zoe Pamintuan	Principal Teachers	CMS	2011 AVID Summer Institute	August 1-3, 2011 San Diego, CA	AVID funds: \$2,608.52 (2011/12 budget)

# FACILITIES

## program update

MAY  
2011



COLTON JOINT UNIFIED SCHOOL DISTRICT

### PLANNING AND DESIGN

#### Special Board Meeting Scheduled May 25 to Review Districtwide Master Plan

After the Board presentation on April 7 of the Districtwide Master Plan recently completed by NTD Architects, the board-level review and approval process is moving forward with the first of several special board meetings scheduled later this month on May 25.

#### Architect and Engineering Services for BHS and CHS Multipurpose Rooms and Cafeterias

Programming meetings are underway with District, site and architect staff from Steinberg Architects and NTD Architecture. The District signed confirmation on program scope and budget for Bloomington High School; Colton High School documents are due mid-May 2011.

### PROCUREMENTS

#### Grand Terrace High School—Increment 2—Pool, Stadium, Student Services Classroom Building

Pre-construction meeting with construction manager, Vanir, and the Increment 2 contractor, Suffolk is scheduled for May 5. Notice to Proceed with start of construction will be issued the week of May 9. This scope of work will take 12 months to complete and will dovetail with Increment 1 completion.

#### Survey and Geotechnical Services—Cafeteria & Multipurpose Buildings at Bloomington and Colton High Schools

In March, proposals were solicited and received from local firms to perform surveying and geotechnical site investigations for the cafeteria projects. The Program Management Team reviewed and ranked the proposals; recommendations have been submitted to the District for Board approval anticipated at its June 16 meeting. Notices to proceed with the work will follow.

### FUNDING

#### Qualified School Construction Bonds (QSCB)

Recently, additional potential federal bridge financing has become available under the QSCB program authorized by the Federal ARRA Program of 2009. CJUSD submitted applications on November 5, 2010 to the California Department of Education. An analysis determined that about \$11 million worth of bond funds can be accessed via the QSCB program. The District recently met with the County Board of Supervisors to request approval for the bond sale. County approval is anticipated at its June board meeting.

### CALENDAR OF EVENTS

#### May 2011

- May 5 CJUSD Board Meeting @ 5:30 p.m.
- May 19 CJUSD Board Meeting @ 5:30 p.m.
- May 23 Measure G Citizens' Oversight Committee—New Member Orientation @ 5:00 p.m.
- May 25 CJUSD Special Board Meeting — Districtwide Master Plan Review @ 5:30 p.m.

[www.bondprojects.cjUSD.net](http://www.bondprojects.cjUSD.net)

### BUSINESS & COMMUNITY OUTREACH

**\$16,000 NETTED**

**Thank You Platinum Sponsors!**

**M.A.C. 6TH ANNUAL GOLF TOURNAMENT**  
**APRIL 30, 2011**



May 5, 2011 Board Meeting

Date Approved: May 19, 2011

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Frank Ibarra, Clerk

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Jerry Almendarez, Superintendent

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**BOARD AGENDA**

**REGULAR MEETING  
May 19, 2011**

**CONSENT ITEM**

**TO:** Board of Education

**PRESENTED BY:** Mollie Gainey-Stanley, Assistant Superintendent  
Educational Services Division

**SUBJECT:** Approval of Student Field Trip

**GOAL:** Improved Student Performance

**STRATEGIC PLAN:** Strategy #1 – Communication

**BACKGROUND:** See attached grid.

**BUDGET  
IMPLICATIONS:** General Fund Expenditure: \$5,774.80

**RECOMMENDATION:** That the Board approve the student field trip as listed and expend the appropriate funds.

**FIELD TRIPS: Regular Meeting May 19, 2011**

<u>Site</u>	<u>Date</u>	<u>Depart</u>	<u>Return</u>	<u>Destination</u>	<u>Activity/Background</u>	<u>Grade</u>	<u>Teacher</u>	<u>Cost</u>	<u>Funding</u>	<u>Strategic Plan*</u>
BHS	6/20/11 to 6/25/11 (M/T/W/ Th/F/S)	7 am	7 pm	Clarion Hotel Sports Complex Kansas City, MO	<i>2011 State Leadership Conference and Skills USA Championships</i> Student will participate in the state leadership conference.	11-12	Rick LaFon (1) +1	\$5,774.80	Perkins	Strategy #

\*

Strategy #1: We will establish an effective internal and external communications system to keep all partners informed about our mission, objectives, strategies, policies, successes, and strengths.

**BOARD AGENDA**

**REGULAR MEETING  
May 19, 2011**

**CONSENT ITEM**

**TO:** **Board of Education**

**PRESENTED BY:** Mollie Gainey-Stanley, Assistant Superintendent  
Educational Services Division

**SUBJECT:** **Approval of Consultants for Assembly Presentations**

**GOAL:** Improved Student Performance

**STRATEGIC PLAN:** Strategy #1 – Communication

**BACKGROUND:** See attached grid.

**BUDGET  
IMPLICATIONS:** General Fund Expenditure: \$1,060

**RECOMMENDATION:** That the Board approve the consultants for assembly presentations as listed and expend the appropriate funds.

**ASSEMBLIES/PROGRAMS: Regular Meeting May 19, 2011**

Site	Date	Time	Program/Purpose	Location	Consultant(s)	Cost	Funds	Strategic Plan*
Grand Terrace	5/25/11	9:30 am & 10:30 am	<i>Wild Wonders</i> K students will learn about wildlife education and conservation.	Grand Terrace	Wild Wonders Carlsbad, CA	\$710.00	Donations	Strategy #1
Grand Terrace	5/31/11	11:30 am & 12:30 pm	<i>Bea's Petting Zoo</i> K students will have hands-on science experience learning about various animals.	Grand Terrace	Bea's Petting Zoo Hesperia, CA	\$350.00	Donations	Strategy #1

\*Strategy #1: We will establish an effective internal and external communications system to keep all partners informed about our mission, objectives, strategies, policies, successes, and strengths.

**BOARD AGENDA**

**REGULAR MEETING  
May 19, 2011**

**CONSENT ITEM**

**TO:** Board of Education

**PRESENTED BY:** Mollie Gainey-Stanley, Assistant Superintendent  
Educational Services Division

**SUBJECT:** Approval of Consultant for Staff Development

**GOAL:** Improved Student Performance

**STRATEGIC PLAN:** Strategy #1 – Communication

**BACKGROUND:** See attached grid.

**BUDGET  
IMPLICATIONS:** General Fund Expenditure: \$3,500

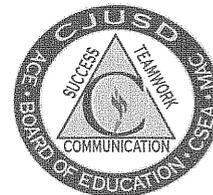
**RECOMMENDATION:** That the Board approve the consultant for staff development as listed and  
expend the appropriate funds.

**CONSULTANTS: Regular Meeting: May 19, 2011**

Site	Date(s)	Time	Program/Purpose	Location	Consultant(s)	Cost	Funds	Strategic Plan*
District	6/9/11	7:30 am to 4:30 pm	<i>Classroom Productivity Index Workshop</i> To support site administrators as they visit classrooms and evaluate teachers to verify that teachers are implementing sound instruction.	Board Rm.	DataWORKS Educational Research Inc. Fowler, CA	\$3,500.00	Title II	Strategy #2 #5

\*Strategy #1: Communication      Strategy #2: Curriculum      Strategy #5: College, Career

# Colton Joint Unified School District



## Consultant Request Proposal

**School:** District Office  
**Board Approval Date:** May 19, 2011  
**Name of Consultant:** DataWORKS Educational Research Inc.  
**Billing Address:** 116 S. 7<sup>th</sup> Street Fowler, CA 93625  
**Contact Number:** 1-800-495-1550  
**Email address:** www.dataworks-ed.com

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**Consultant Qualifications and Background:** DataWORKS Educational Research was founded in 1997 with the single purpose of using real data to improve student learning, especially for low-performing students.

In fact, that's why we selected the name DataWORKS. At first, we thought that using real data meant disaggregating student achievement data, and that's how we started. Through word of mouth, we rapidly expanded from analyzing one district's state test results to analyzing the data for over 600 schools. Schools and districts loved our colorful disaggregated data charts and graphs and our interpretations of what the data meant.

**List Districts serviced and accompanying API Scores for 3 years:**

	<u>2007-08:</u>	<u>2008-09:</u>	<u>2009-10</u>
Colton Joint Unified:	676	699	710
1. Kings Canyon Unified:	700	719	748
2. El Rancho Unified:	719	729	745

**Purpose:**

Administrators will learn how to support, improve, and measure: Explicit Direct Instruction through training on Time-on-Task, Alignment to Standards, Breadth of Standards Coverage and Classroom Instructional Effectiveness.

**Needs:**

Support site administrators as they visit classrooms and evaluate teachers to verify that teachers are implementing sound instructional practices.

**Strategies:**

Use Explicit Direct Instruction to improve student achievement that optimizes initial whole class teaching.

**Evaluation and Monitoring:**

Sign-in sheets, evidence of classroom walk-throughs.

**Budget:** \$3,500 to be paid out of Title II funds



## BOARD AGENDA

REGULAR MEETING  
May 19, 2011

CONSENT ITEM

**TO:** Board of Education

**PRESENTED BY:** Mollie Gainey-Stanley, Assistant Superintendent  
Educational Services Division

**SUBJECT:** Approval of the Interagency Agreement Between the Preschool Services Department (PSD) of San Bernardino County's Head Start and State Preschool Program and the Colton Joint Unified School District (2011-12)

**GOAL:** Improved Student Performance

**STRATEGIC PLAN:** Strategy #3: Decision Making

**BACKGROUND:** The Colton Joint Unified School District contracts with the San Bernardino County Preschool Services Department to establish working procedures between PSD and CJUSD in the provision of services to preschool children eligible for special education or disabilities services in compliance with Federal and California State laws and regulations.

**BUDGET IMPLICATIONS:** No impact to General Fund.

**RECOMMENDATION:** That the Board approve the Interagency Agreement between the Preschool Services Department of San Bernardino County's Head Start and State Preschool Program and the Colton Joint Unified School District (2011-12).

**INTERAGENCY AGREEMENT  
BETWEEN  
PRESCHOOL SERVICES DEPARTMENT OF  
SAN BERNARDINO COUNTY  
AND  
COLTON UNIFIED SCHOOL DISTRICT**

This agreement is between the Preschool Services Department of San Bernardino County's Head Start & State Preschool Program (PSD) and Colton Unified School District (CUSD) program(s) for the period of September 1<sup>st</sup>, 2011 to August 31<sup>st</sup>, 2012.

**I. PURPOSE STATEMENT**

The purpose of this agreement is to establish working procedures between PSD and CUSD in the provision of services to preschool children eligible for special education or disabilities services in compliance with Federal and California State laws and regulations.

It is the intent of this agreement to:

1. Define services to be provided by each agency.
2. Ensure that children eligible for preschool special education services receive a free and appropriate public education, as required by law, in the least restrictive environment.
3. Ensure that each agency maintains communication and shares leadership responsibilities at the local level so that available resources are utilized in the most efficient manner.
4. Ensure that cooperative arrangements between PSD and CUSD programs are developed, implemented, and periodically updated. This agreement applies to all children ages 3 to 5 years who are eligible for special education services per CUSD. It is understood that enrollment in any PSD program should be consistent with local guidelines and procedures of PSD.

## **II. PROGRAM MANDATES**

### **Responsibilities of CUSD:**

1. Provide services to preschool children with disabilities as mandated following the September 1991 Expanded Requirements under the Individuals with Disabilities Education Act as amended (P.L. 102-119).
2. Provide preschool children with assessments to determine eligibility and, as required, a Free and Appropriate Public Education (FAPE) including the development and implementation of an Individualized Education Plan (IEP), or Individualized Family Service Plan (IFSP) which includes all of the components of an IEP, procedural safeguards, and the provision of related services for eligible children.
3. Place preschool children with disabilities in the least restrictive environment with an opportunity to interact with typically developing peers to the maximum extent appropriate.
4. Work with appropriate community agencies to provide services to preschool children with disabilities.

### **Responsibilities of PSD:**

1. Recruit, enroll, and serve eligible children between the ages 3 to 5. No less than 10 percent of the total number of enrollment opportunities in PSD Programs shall be available for children with disabilities who are eligible to participate (P.L.94-142).
2. Screen all enrolled children for potential problems in the areas of health and development.
3. Refer at-risk children to the local education agency, CUSD, for diagnostic evaluation.
4. Participate, with parents, in the development and implementation of the IEP for children with disabilities who meet district criteria based on diagnostic information.
5. Work closely with other community agencies in order to provide comprehensive services to children with disabilities.

### III. PROGRAM DESCRIPTION

PSD consists of sites throughout San Bernardino County; several of these sites interact with CUSD.

#### **Responsibility of CUSD:**

Annually, CUSD will appoint a liaison to interface with PSD Disabilities Coordinator. The PSD Disabilities Coordinator will work with CUSD liaison prior to the end of September to make available a full range of placement options as outlined in the current CUSD Plan. A copy of the current plan shall be provided to PSD.

#### **Responsibility of PSD:**

A full list of PSD classroom sites, locations and contact persons will be given annually to CUSD.

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#### **CHILD FIND/SCREENING**

##### **CUSD will:**

Include PSD in child find/screening efforts upon request.  
Visit PSD Programs periodically to observe pupils.  
Share flyers and information with staff and families.  
Annually provide PSD with a district directory, district referral procedures and required forms.

##### **PSD will:**

Screen each child within 45 days of his/her enrollment. PSD will complete a request for assistance and forward it to CUSD. Those children believed to meet CUSD criteria for special education will be referred for further assistance.  
Participate in IEP meetings with parent(s) and appropriate CUSD representative.  
Inform families, via PSD outreach activities, about special education services.  
Serve eligible children 3 to 5 years of age, provided they are age four by December 1.

## REFERRAL FOR EVALUATION

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### **CUSD will:**

- Conduct assessments for all children 3 to 5 years of age referred by PSD.
- Accept referrals from PSD staff for possible testing or student study review to determine eligibility for services.
- Provide joint release of information to share with PSD.
- Provide PSD with potential referrals for Head Start Services.

## COMPREHENSIVE EVALUATION

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### **CUSD will:**

- Assess in all areas of suspected disability.
- Contract PSD staff to assist in obtaining parent signatures for assessment plan approval, as needed.
- Explain IEP process to parents.
- Provide a written assessment report and completed IEP, if developed, to the family and to the PSD Disabilities Coordinator (with joint release), including results of assessment as well as a statement of overall development.

### **PSD will:**

- Refer children with documented or suspected developmental delays or disabilities to school district, and assist in obtaining written permission for assessments, as needed.
- 
- Participate in evaluation process by sharing any previous assessment data and/or screening results.
  - Assist in obtaining parent/guardian signatures for assessment plan approval (as needed and appropriate).
  - Assist in maintaining parent/guardian involvement in the assessment and IEP process.

## INDIVIDUALIZED EDUCATION PROGRAM DEVELOPMENT

### **CUSD will:**

Coordinate with PSD to delineate services that will be provided by PSD and CUSD as well as responsible parties.

Write individualized education goals for children who meet eligibility criteria for services per Title V, California Code of Regulations, Sec. 3030.

Participate in IEP meeting.

Provide PSD staff the opportunity to attend initial IEP meeting.

Provide legible copies of IEPs and other required documents of CUSD pupil file, at the time of the IEP (with joint release).

## PLACEMENT

### **CUSD will:**

Discuss, as part of the IEP process, the range of programs available to eligible children.

Participate in inclusion model, individual services and other program options for identified children.

### **PSD will:**

Coordinate a single IEP document specifying who will provide services and who will be responsible for specific goals for identified pupils to meet Head Start Performance Standards for children with disabilities.

Share suggestions for IEP goals, including classroom based goals.

Participate in the IEP process.

Contact CUSD for any additional meetings, as necessary.

### **PSD will:**

Participate in inclusion model, dual enrollments, shared slots and other program options as programs allow.

Visit CUSD education facilities as needed to observe child, e.g., for dual enrollment, follow-up, etc.

Annually provide CUSD with lists of children with IEPs currently in PSD.

## SPECIFIC PROGRAM SERVICE DELIVERY

### **CUSD will:**

Provide special education and related services as indicated on the IEP.

Develop a facilities plan between CUSD and PSD.

### **PSD will:**

Provide comprehensive services for all children enrolled in PSD.

Maintain child records, and provide ongoing information to CUSD relative to status of attendance for students identified as receiving special education.

Provide parent support during the referral, assessment and program placement process.

Provide appropriate facilities and allocation for CUSD staff to work with children in both a collaborative and individual model.

## PROCEDURES FOR REVIEWING/MONITORING CHILD PROGRESS

### **CUSD will:**

Periodically consult with PSD staff regarding child's progress at PSD.

Conduct annual reviews involving PSD and the family.

Periodically consult with PSD teachers for children who receive special education services at Head Start and other locations (with joint release).

### **PSD will:**

Participate in periodic reviews, as appropriate.

Consult with CUSD staff to share concerns.

Continue reviews and involve CUSD in PSD annual review process.

## TRANSITION INTO KINDERGARTEN

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### **CUSD will:**

Provide PSD with timelines, procedures and requirements for enrollment into kindergarten with or without the need for special education, including specific data such as kindergarten registrations, etc.

Participate in PSD parent meetings concerning transition into kindergarten, as appropriate.

Encourage district supervisory staff to interact with PSD supervisory staff to assure a smooth transition as outlined in the child's transition plan.

Conduct transition assessment prior to age 5.

Conduct transition meeting and develop IEP, if necessary, with receiving school and district Special Education staff.

## CONFIDENTIALITY

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### **CUSD will:**

Follow the requirements (rights and protections) outlined in the IDEA (34 CFR 300.500-300.515).

Follow the requirements outlined in the Family Education Right to Privacy Act (FERPA).

### **PSD will:**

Assist families in completing child's kindergarten registration. Facilitate visitations as appropriate and recommended by the IEP team.

Encourage supervisory staff to interact with district supervisory staff to meet goals and objectives.

Attend transition meeting with receiving kindergarten teacher to discuss any noted concerns and offer any other pertinent information without violating confidentiality.

### **PSD will:**

Follow the requirements (rights and protections) outlined in the IDEA (34 CFR 300.500-300.515).

Follow the requirements outlined in the Family Education Right to Privacy Act (FERPA).

## TRAINING & TECHNICAL ASSISTANCE RESOURCE SHARING

### **CUSD will:**

- Participate in and conduct workshops and invite PSD staff.
- Notify PSD staff of regional meetings.
- Provide Community Advisory Committee (CAC) information to PSD families.
- Participate in PSD training when appropriate.
- Make available, from parent representatives, information on parent groups and special disability information.

### **PSD will:**

- Participate in and conduct workshops to include CUSD staff (e.g., annual Disabilities Services Conference).
- Share curriculum with CUSD staff for program consistency for PSD children.
- Share updated federal mandates regarding children with disabilities with CUSD.
- Share annual calendar of preschool T&TA opportunities.

## COUNTING AND REPORTING CHILDREN WITH DISABILITIES

### **CUSD will:**

- Make available contact and attendance records to Head Start.
- Annually provide PSD Disabilities Coordinator with list of children with IEP's who also attend PSD (joint release).
- Annually provide PSD with a list of Head Start children assessed.

### **PSD will:**

- Provide for the December 1 and April 1 child count of children in PSD with active special education IEP's, reference with CUSD.

## CONFLICT RESOLUTION

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### **CUSD will:**

Communicate any issues of disagreement or conflict to the PSD Disabilities Coordinator and attempt to resolve conflict.

Commit to resolving conflicts at the lowest administrative level.

Communicate with Regional Manager if additional clarification is required.

Provide written documentation as required concerning issues, attempts to resolve issues, and resolutions of issues as appropriate.

### **PSD will:**

Communicate any issues of disagreement or conflict to the CUSD Special Education Principal and attempt to resolve conflict.

Commit to resolving conflicts at the lowest administrative level.

Communicate with Regional Manager if additional clarification is required.

Provide written documentation as required concerning issues, attempts to resolve issues, and resolutions of issues as appropriate.

## TERMINATION AND REVIEW

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### **CUSD will:**

Review and revise this Interagency Agreement as needed or at least once annually.

May terminate this Interagency Agreement upon thirty (30) days written notice.

### **PSD will:**

Review and revise this Interagency Agreement as needed or at least once annually.

May terminate this Interagency Agreement upon thirty (30) days written notice.

**INTERAGENCY AGREEMENT  
BETWEEN  
PRESCHOOL SERVICES DEPARTMENT OF  
SAN BERNARDINO COUNTY  
AND  
COLTON UNIFIED SCHOOL DISTRICT**

**Terms of Agreement**

This agreement will become effective upon signature by the authorized representatives of PSD and CUSD. The agreement shall be revised and reviewed annually. This provision does not preclude the parties from revising the agreement at any time they determine revision is necessary.

**For: PSD**

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

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

**Title:** \_\_\_\_\_

**For: CUSD**

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

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

**Title:** \_\_\_\_\_



## BOARD AGENDA

REGULAR MEETING  
May 19, 2011

### ACTION ITEM

- TO:** Board of Education
- PRESENTED BY:** Mollie Gainey-Stanley, Assistant Superintendent  
Educational Services Division
- SUBJECT:** Approval of One-Year Contract Renewal with Edusoft (2011-12)
- GOAL:** Improved Student Performance
- STRATEGIC PLAN:** Strategy #1 – Communication  
Strategy # 2 – Curriculum
- BACKGROUND:** The Edusoft Assessment Management System is a standards-based assessment solution that provides an easy and effective way to collect, analyze, and act on student performance data to improve classroom instruction and student performance.
- For the past four years the district has used Edusoft as a set of internet based instructional tools (i.e. “the Edusoft platform”) that include and are assessed at the following rate structure for the 2011-12 projected enrollment.
1. Module 1: Benchmark Exams @ \$5 each or \$116,375
  2. Module 2: State Analysis @ \$1 each or \$23,275
  3. Module 3: Teacher Tools @ \$1 each or \$23,275
  4. Annual Teacher Roster Update: 26 sites @ \$450 each or \$11,700
- Purchasing has reviewed the contract to ensure it meets district standards; especially, employee Department of Justice background checks. Edusoft employees rarely visit the district and if they go on the campuses they are always escorted by the district’s Information Technology or Assessment and Evaluation staff. According to county counsel, there is no need for such fingerprinting and background check requirements for this contractor because of the above compensating internal controls.
- BUDGET IMPLICATIONS:** ARRA, Title II Part D, Enhancing Education Through Technology Grant (EETT) Expenditure: \$174,625
- RECOMMENDATION:** That the Board approve the one-year contract renewal with Edusoft (2011-12).
- ACTION:** On motion of Board Member \_\_\_\_\_ and \_\_\_\_\_, the Board approved the one-year contract renewal with Edusoft (2011-12).



**Renewal  
ORDER FORM**

**EDUSOFT ASSESSMENT MANAGEMENT SYSTEM LICENSE AGREEMENT**

LICENSEE INFORMATION			
District:	Colton Joint Unified School District		
Address:	1212 Valencia Drive Colton, California 92324		
Tel:	(909) 580-5000	Fax:	(909) 422-0128

<b>Order Form Effective Date</b>	June 30, 2011
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Product	Product Code	Quantity	Unit Price	Total Price	Description
Renewal Module 1 Benchmark Exams	E40714	23,275	\$5.00	\$116,375.00	Annually recurring fee.
Renewal Module 2 State Analysis	E40714	23,275	\$1.00	\$23,275.00	Annually recurring fee.
Renewal Module 3 Teacher Tools	E40714	23,275	\$1.00	\$23,275.00	Annually recurring fee.
Annual Roster Update	E40718	26	\$450.00	\$11,700.00	

<b>Total Amount</b>	<b>\$174,625.00</b>
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**Payment Terms.** The Total Fee shall be due and payable upon execution of this Order Form. All future License Fees and Licensed Services Fees will be paid no later than thirty (30) days following each one-year anniversary of the Effective Date.

This Order Form Extends the Term of the Edusoft Assessment Management System License Agreement between the parties for one year, subject to further renewal under Section 3 of the Edusoft Assessment Management System License Agreement.

This Order Form, together with the most recently executed Edusoft Assessment Management System Agreement, as amended throughout the date hereof, contains the entire understanding of the parties with respect to their subject matter, supersedes all previous agreements between the parties concerning the subject matter, and cannot be amended except by a writing signed by both parties. Any additional or conflicting terms in any purchase order or other response by Licensee shall be of no effect nor in any way binding upon Riverside.

IN WITNESS WHEREOF, Riverside and Colton Joint Unified School District have signed and executed this Order Form on the Effective Date by their authorized representatives, in duplicate.

THE RIVERSIDE PUBLISHING COMPANY, LICENSOR	COLTON JOINT UNIFIED SCHOOL DISTRICT, LICENSEE
By: _____	By: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

**BOARD AGENDA**

**REGULAR MEETING  
May 19, 2011**

**CONSENT ITEM**

**TO:** **Board of Education**

**PRESENTED BY:** Mollie Gainey-Stanley, Assistant Superintendent  
Educational Services Division

**SUBJECT:** **Approval of the New Subscription with OdysseyWare Credit Recovery Software for District High Schools (2011-12)**

**GOAL:** Improve Student Performance

**STRATEGIC PLAN:** Strategy #2 – Curriculum  
Strategy #3 – Decision Making

**BACKGROUND:** The OdysseyWare provides standards-aligned high school and middle school courses using a computer-based format. It will be used at all the high schools.

The program will provide an alternative course for students who do not pass core and elective courses. It is a key component of the district’s credit recovery program and partial credit policy. Students will continue to have the option of repeating failed courses and resolving partial credit issues using OdysseyWare.

**BUDGET IMPLICATIONS:** General Fund Expenditure: \$75,375

**RECOMMENDATION:** That the Board approve the new subscription with OdysseyWare Credit Recovery Software for district high schools (2011-12).



## Concurrent License Quote

**OdysseyWare® Representative**

**School/District:** Colton Jt USD

**Contact:** Brian Butler - Asst Superintendent

**Phone:** 909 580 5000

**Fax:** 909 876 6395

**Email:** BRIAN\_BUTLER@cjsud.net

**Address:** 1212 Valencia Drive  
Colton CA, 92324

**Date:** 5/11/2011

**Contact:** Kevin Sangiovanni

**Phone:** 310-601-6945

**Fax:** 480 323 2951

**Email:**

**New Customer**
 **Existing Customer**

OdysseyWare® Online Licenses				
<b>Section 1</b>	OdysseyWare® Online : Licenses of OdysseyWare® Full Academic content grades 3-12 for core curriculum (Social Studies/History, Science, Math, Language Arts), Electives, Placement Testing, CRx, Prescriptive and GED Prep Course. 24/7 Online Access, Technical Support, and OdysseyCare included.			
	<b>Number of Licenses</b>	Per concurrent User per year. Licenses are renewable annually		
	<b>Other</b>	<b>115</b>	<b>Cost \$</b>	<b>625</b>
				<b>Subtotal \$ 71,875</b>

Content Delivery Network (CDN)					
<b>Section 2</b>	<b>DART</b> <small>(1-100 Users) Single Site</small>	<b>Qty</b>		<b>\$4500 with 1 year Maintenance Program</b>	<b>\$ -</b>
				<b>\$6000 with 3 year Maintenance Program</b>	<b>\$ -</b>
	<b>E85</b> <small>(1-1000 Users) Single Site</small>	<b>Qty</b>		<b>\$7000 with 1 year Maintenance Program</b>	<b>\$ -</b>
				<b>\$8500 with 3 year Maintenance Program</b>	<b>\$ -</b>
	<b>1 Yr Maintenance Plan \$995</b> <input type="checkbox"/>				
	<b>3 Yr Maintenance Plan \$2500</b> <input type="checkbox"/>				
				<b>Subtotal \$ -</b>	

Professional Development and Training				
<b>Expedite Fee</b>	Will be mandatory when customer requests training date that is less than 21 days from their PO arriving in our office. No Exceptions. Applies to On-Site only.		<input type="checkbox"/> <b>\$1,500</b>	
<b>Conversion Training</b>	Please Select Type Of Training (Click Here for DropDown)			<b>\$ -</b>
<b>BRONZE</b>				
<b>BRONZE A</b> <input type="checkbox"/>	6 Hour Webinar		T10002	
<b>BRONZE B</b> <input type="checkbox"/>	4 Hour Webinar 1 Day On-Site		T10003	
<b>SILVER</b>				
<b>SILVER A</b> <input type="checkbox"/>	10 Hour Webinar		T10005	
<b>SILVER B</b> <input type="checkbox"/>	2 Day On-Site (Consecutive Days) 2 Hour Webinar Follow-up		T10006	
<b>SILVER C</b> <input type="checkbox"/>	4 Hour Webinar, 2 Day On-Site (Non-Consecutive Days)		T10009	
<b>GOLD</b>				
<b>GOLD A</b> <input type="checkbox"/>	20 Hours Webinar		C10001	
<b>GOLD B</b> <input type="checkbox"/>	3 Days On-Site training: 2 Consecutive Days, 1 Non-consecutive Day, Plus a 2 Hour Follow-up Webinar		C10002	
<b>PLATINUM</b>				
<b>PLATINUM</b> <input type="checkbox"/>	6 Days Total Training 2 Days Consecutive On-Site, 1 Non-consecutive Day, 2 Hour Follow-up Webinar 16 Additional Hours of Webinar training		C10003	
Additional Professional Training Options - Existing Customer (Select Minimum of 6 Hours Options from Dropdown List)				
<a href="#">Onsite Modules Click for Course Descriptions</a>				
1	Course (Click Here for Dropdown)	Professional Development & Training - up to 6 Hours with 12 Trainees. OdysseyWare will invoice School/District \$250.00 for each ADDITIONAL ATTENDEES above 12 (twelve).		<b>\$ -</b>
2	Course (Click Here for Dropdown)			<b>\$ -</b>
3	Course (Click Here for Dropdown)			<b>\$ -</b>
<b>T10012</b>	<b>TRAINING ADDITIONAL ATTENDEES</b>	Enter Number of Additional Attendees	<b>0</b>	<b>\$ -</b>
Webinar Modules (Select Up to 4 Hours with 12 Trainees Options from Dropdown List)				
<a href="#">Webinar Modules Click for Course Descriptions</a>				
1	Course (Click Here for Dropdown)			<b>\$ -</b>
2	Course (Click Here for Dropdown)			<b>\$ -</b>
3	Course (Click Here for Dropdown)			<b>\$ -</b>
				<b>Subtotal \$ -</b>

<b>Section 4</b>	<b>Comments:</b>	CTAP/CA Learns Pricing Contract - (no cost to piggyback) - PO sent to: CTAP/CA Learns - Cheryl Young cyooung@scoe.net Ben Anderson - 916 228 2348 - banderso@scoe.net - Director of Instructional Tech SCOE/CTAP Region 3		
	<b>Total \$ 71,875</b>			
	<b>Basic Terms:</b>	Colton Joint - 115 Annual License Term: July 1 2011 - June 30th 2012 ** No cost for Summer Program ** ( Brian Butler - kevin sangiovanni - confirmed/approved 5-11-2011) - to begin when PO received - invoice will reflect: July 1 2011 - June 30th 2012 only		
	Additional Professional Training Options - Existing Customer (Select Minimum of 6 Hours Options from		Signature	Date



OdysseyWare® Representative

School/District: Colton Jt USD
Contact: Brian Butler - Asst Superintendent
Phone: 909 580 5000
Fax: 909 876 6395
Email: BRIAN\_BUTLER@cjusd.net
Address: 1212 Valencia Drive
Colton CA, 92324

Date: 5/11/2011
Contact: Kevin Sangiovanni
Phone: 310-601-6945
Fax: 480 323 2951
Email:
New Customer
Existing Customer

Section 1: OdysseyWare® Online Licenses. Includes table for Number of Licenses, Other, Cost, and Subtotal.

Section 2: Content Delivery Network (CDN). Includes table for DART, E85, and maintenance plans with columns for Qty, Price, and Subtotal.

Section 3: Professional Development and Training. Includes sections for Expedite Fee, Conversion Training, BRONZE, SILVER, GOLD, PLATINUM, and Additional Professional Training Options.

Section 4: Comments and Basic Terms. Includes a Total \$ 3,500 and a section for Signature and Date.



**BOARD AGENDA**

**REGULAR MEETING  
May 19, 2011**

**CONSENT ITEM**

**TO:** Board of Education

**PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division

**SUBJECT:** Acceptance of Gifts

**GOAL:** Community Relations

**STRATEGIC PLAN:** Strategy #6 – Character

**BACKGROUND:** The Board may accept gifts of money or property on behalf of the district in accordance with Board Policy #3290: Gifts, Grants and Bequests.

**RECOMMENDATION:** That the Board accept the gifts as listed on the attached matrix.



**BOARD AGENDA**

**REGULAR MEETING  
May 19, 2011**

**CONSENT ITEM**

- TO:** Board of Education
- PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division
- SUBJECT:** Authorization to Piggyback the Glendale Unified School District Bid P-16 09/10 for School Furnishings, Office Furnishings, and Accessories
- GOAL:** Support Services/Budget Planning
- STRATEGIC PLAN:** Strategy #1 – Communication
- BACKGROUND:** The Glendale Unified School District has awarded a bid for school furnishings, office furnishings, and accessories. With the upcoming openings of the CHS Math/Science Building, Joe Baca Middle School and Grand Terrace High School, the District needs to have in place bids with favorable pricing to furnish these school sites and buildings. The piggyback bid will help the District reduce the time it takes to procure these types of items and ensure a timely opening of these projects. The prices and terms of the Glendale USD bid are favorable and it would be in the District’s best interest to “piggyback” this bid in accordance with Public Contract Code 20118.
- BUDGET IMPLICATIONS:** To be determined as the needs arise. To be purchased from various funds as needed – General Fund 01, Building Fund 21 and School Facility Fund 35.
- RECOMMENDATION:** That the Board authorize the District to piggyback the Glendale Unified School District Bid P-16 09/10 for school furnishings, office furnishings and accessories, as presented.



## BOARD AGENDA

REGULAR MEETING  
May 19, 2011

### CONSENT ITEM

**TO:** Board of Education

**PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division

**SUBJECT:** Ratification of Actual Interfund Transfer Processed as a Temporary Borrowing Between District Funds in 2010-11

**GOAL:** Budget Planning

**STRATEGIC PLAN:** Strategy #1 - Communication

**BACKGROUND:** The Board of Education approved Resolution No. 10-16 at the May 27, 2010 Board meeting, authorizing temporary borrowing between all District funds. Pursuant to the Board adoption of Interfund Borrowing Resolution, the District borrowed \$19 million from the Bond Fund, Fund 21, on May 20, 2010 and repaid the loan in full with interest on March 16, 2011. Amount of interest due to the Bond Fund is calculated based on the County Treasurer/Auditor office yield rate as is earned by all other District funds and is calculated on daily basis.

At this time the Board is asked to ratify the actual interfund transfer processed between funds, as required by per Resolution 10-16.

**BUDGET IMPLICATIONS:** General Fund Expenditure: \$168,453.48  
Bond Fund Revenue: \$168,453.48

**RECOMMENDATION:** That the Board ratify the interfund transfer processed as temporary borrowing between District funds in 2009-10 and subsequently repaid in 2010-11.



## BOARD AGENDA

REGULAR MEETING  
May 19, 2011

CONSENT ITEM

**TO:** Board of Education

**PRESENTED BY:** Mike Snellings, Assistant Superintendent, Student Services Division

**SUBJECT:** Approval of Agreement with Clover Enterprises, Inc., to Provide Athletic Training Services at Bloomington and Colton High Schools (2011-12)

**GOAL:** Student Safety/Budget Planning

**STRATEGIC PLAN:** Shared Community Belief – Community success

**BACKGROUND:** Since the 2007-08 school year the District has had an agreement with Clover Enterprises, Inc. to provide athletic training services for all CIF sanctioned sports beginning with the fall football season and concluding with the end of the spring football season.

**BUDGET IMPLICATIONS:** General Fund expenditure: \$39,000 (approximately)

**RECOMMENDATION:** That the Board approve the agreement with Clover Enterprises to provide Athletic Training Services at Colton and Bloomington High Schools (2011-12), as presented.

## AGREEMENT FOR PROFESSIONAL SERVICES

This is an Agreement for professional services between the **Colton Unified School District**, hereinafter referred to as "DISTRICT," and Clover Enterprises, Inc. hereinafter referred to as "CLOVER," entered into the date of its execution.

### RECITALS

The DISTRICT desires CLOVER to provide Athletic Training duties, as provided in this agreement, in the following school/schools: **Colton High School (and/or) Bloomington High School**. These services would be performed commencing on the first (1<sup>st</sup>) day of August 2011 and would end on the Thirty-first (31<sup>st</sup>) day of May 2012. ***The start and end date may change due to when each high school's Fall Football practice begins and Spring Football practice ends. There may also be an addition in cost, do to the length of the athletic season from fall football coverage to spring football coverage. This cost will be based on a cost per day based on the current contract.***

NOW, THEREFORE, the parties to this Agreement mutually agree as follows:

- The Athletic Trainer will be on site at the assigned school each afternoon, starting at 2pm for practice and/or sporting events, for all sports in the Interscholastic Athletic Program, for both men and women. Conflicts in scheduling are to be resolved by the Athletic Director and Athletic Trainer at each school. **This contract is for 20 hours per week.** Any further hours worked will be at the discretion of the on site athletic director and to be paid based on a cost per day based on the current contract.
- Travel to away events is not the obligation of the Athletic Trainer unless arraignments are worked out between the Athletic Director and the Athletic Trainer.
- All suitable facilities, equipment and supplies are to be provided by the DISTRICT and are not covered by this agreement. These facilities, equipment and supplies should meet the needs of the athletic population of the school/s, within reasonable and customary limits of the athletic training profession and safety of the student athletes.
- If CLOVER is unable to recruit a qualified Athletic Trainer, this Agreement will be void.

- Any disagreement or conflicts that may come up will be directed to the Athletic Director. Unresolved disagreements or conflict will be referred to the panel of Jim Clover, MED, ATC, PTA and the Athletic Director.
- Duties of the Athletic Trainer will consist of the following:
  1. Assist the coaching staff in the selection of proper fitting athletic equipment when asked to do so. CLOVER will be held harmless for any claims for damages arising out of faulty equipment and/or conditions and out of the performance of the athletic staff at each school, unless the Athletic Trainer has constructive notice of faulty conditions and had not informed the athletic staff of said conditions.
  2. Assist the school's athletic department in the ordering of proper athletic training supplies.
  3. Assist the school's athletic department in the planning and arrangement of physical examinations.
  4. Mark and inventory all athletic training supplies. Keep running inventory of these supplies on hand.
  5. Advice on the proper professional referral to be made in the case of those injuries incurred from athletic participation, provided, however, under no circumstance will any athletic training personnel perform any diagnosis.
  6. Consult with the coaching staff at each high school on current first aid procedures for injuries.
  7. Consult with the coaching staff at each high school on unsafe practice drills and procedures.
  8. Oversee the injury management facilities of the DISTRICT which includes:
    - Making medical equipment available to coaching staff, i.e., first aid kits, ice, etc.
    - Posting current emergency phone numbers and emergency procedures.
    - Working with the athletic director to maintain current emergency card information for each athlete.
  9. Assist in coordination of attending physicians and ambulance coverage for those events requiring the services of such.
  10. Assist the athletic department at each high school in organizing a facility suitable for a training room.
  11. CLOVER shall maintain liability and malpractice insurance on behalf of himself, his managing agents, not less than one million dollars

(\$1,000,000) with respect to the conduct or activities by CLOVER and his managing agents, employees and Athletic Trainers for occurrence arising during the period of this agreement, with respect to the conduct and activities of CLOVER and his managing agents, with legal defense at no cost to the DISTRICT, its officers, employees and agents, with respect to any and all Claims or Damages arising out of the conduct or activities by CLOVER and his managing agents and employees. Said policy or policies of insurance shall name the DISTRICT, its officers, employees and agents as additional insured with thirty- (30) day notice of cancellation. CLOVER shall provide a certificate of insurance including an additional insured endorsement as evidence prior to commencement of agreement. In the event of CLOVER'S failure to comply with any of the conditions of this paragraph, DISTRICT may terminate this agreement upon seven- (7) days written notice to CLOVER.

Clover Enterprises, Inc. certifies to the District that it has completed the criminal background check requirements of Education Code Section 45125.1 and that none of its employees that may come in contact with District pupils have been convicted of a violent felony as listed in Penal Code Section 667.5(c) or a serious felony as listed in Penal Code Section 1192.7(c).

Clover Enterprises, Inc. shall defend, indemnify and hold harmless the District, its officers, agents, and employees, from every claim or demand made, and every liability, loss, damages, or expense, of any nature whatsoever, which may be incurred by reason of:

a. Liability for damages for: (1) death or bodily injury to persons; (2) injury to, loss or theft of property; or (3) any other loss, damage or expense arising under either (1) or (2) above, sustained by Clover Enterprises, Inc. or any person, firm or corporation employed by Clover Enterprises, Inc. upon or in connection with the work and/or delivery of equipment and supplies called for in this Agreement, except for liability resulting from the sole negligence, or willful misconduct of the District, its officers, employees, agents or independent contractors who are directly employed by the District; and except for liability resulting from the active negligence of the District.

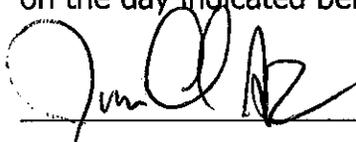
b. Any injury to or death of persons or damage to property caused by act, neglect, default or omission of Clover Enterprises, Inc., or any person, firm, or corporation employed by Clover Enterprises, Inc., either directly or by independent contract, including all damages due to loss or theft, sustained by any person, firm or corporation, including the District arising out of, or in any way connected with the work and/or delivery of equipment or supplies covered by this Agreement, whether said injury or damage occurs on or off District's

property, if the liability arose from the negligence or willful misconduct of anyone employed by Clover Enterprises, Inc., either directly or by independent contract, and not by the active negligence of the District.

Clover Enterprises, Inc., at the their own expense, cost and risk shall defend any and all actions, suits, or other proceedings that may be brought or instituted against the District, its officers, agents, or employees, on any such claim or liability, and shall pay or satisfy any such claim or liability, and shall pay or satisfy any judgment that may be rendered against the District, its officers, agents, or employees, in any action, suit or other proceedings as a result thereof.

- The DISTRICT agrees to make payment for the aforementioned professional services in the amount of nineteen thousand, five hundred dollars (\$19,500.00) for **each** athletic trainer for **each** school to be paid in ten (10) equal installments of one thousand, nine hundred and fifty dollars (\$1,950.00) for each athletic trainer, the first (1<sup>st</sup>) day of each month *commencing with August first (1<sup>st</sup>), 2011 and ending with May thirty-first (31<sup>st</sup>), 2012.*
- Either CLOVER or DISTRICT may terminate this agreement, at any time, without cause, upon sixty- (60) days advance written notice to the other party. In the event of termination, payment for the aforementioned professional services will be prorated to the actual date of termination of this agreement, based upon a three hundred and sixty (360) day year and a thirty (30) day month.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed on the day indicated below:



Jim Clover, M.Ed., ATC, PTA  
President, Clover Enterprises, Inc.  
EIN 33-0787117

Colton Joint Unified School District  
Assistant Superintendent, Business

3/31/11

Date Signed

Date Signed



## BOARD AGENDA

REGULAR MEETING  
May 19, 2011

CONSENT ITEM

- TO:** Board of Education
- PRESENTED BY:** Ingrid Munsterman  
Assistant Superintendent, Human Resources Division
- SUBJECT:** Approval of Payment or Reimbursement for Added Authorizations--Special Education as Outlined in the MOU between the Colton JUSD and the Association of Colton Educators
- GOAL:** Improved Student Performance
- STRATEGIC PLAN:** Strategy #2 – Curriculum
- BACKGROUND:** All current and future SDC/LH teachers in the district will be required to obtain the Added Authorization in Special Education: Autism Spectrum Disorders upon being assigned a student identified as autistic.
- As outlined in the MOU, between the Colton JUSD and the Association of Colton Educators, dated April 29, 2011, the District shall:
1. Provide current qualifying SDC/LH teachers with an online course through Innovative Learning LLC and the Wiseburn School District to complete the requirement
- or*
2. Reimburse teachers who have paid for and completed a program prior to August 1, 2011.
- BUDGET IMPLICATIONS:** ARRA-Special Education Fund Expenditure: \$900.00 (maximum) per participant. Not to exceed \$25,000.
- RECOMMENDATION:** That the Board Approval of Payment or Reimbursement for Added Authorizations--Special Education as Outlined in the MOU between the Colton JUSD and the Association of Colton Educators

Memorandum of Understanding  
Between the Colton Joint Unified School District and  
The Association of Colton Educators

**Added Authorizations--Special Education**

COPY

**April 29, 2011**

WHEREAS, the Added Authorization in Special Education: Autism Spectrum Disorders is a California Commission on Teacher Credentialing (CTC) requirement for SDC/LH teachers who have been assigned a student identified as autistic; and

WHEREAS, all current and future District SDC/LH teachers will be required to obtain the Added Authorization in Special Education: Autism Spectrum Disorders upon being assigned a student identified as autistic; and

WHEREAS, Project Optimal provides the training necessary to receive an Added Authorization in Special Education: Autism Spectrum Disorders at a rate of \$900 per person.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

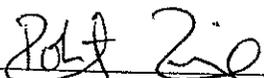
1. The District shall bear the cost for current District teachers an amount not to exceed \$900 to participate in the Project Optimal training subject to the following conditions:
  - a. This is a one-time invitation to current, continuing SDC-LH teachers who hold a Preliminary, Level I, Clear, or equivalent special education credential.
  - b. Teachers must enroll in Project Optimal by August 1, 2011 and must hold a Preliminary, Level I, Clear, or equivalent special education credential at the time of enrollment. The District will pay the registration fees directly to Project Optimal.
  - c. To qualify for the provided payment, teachers must complete the 12 modules of Project Optimal by March 30, 2012, and must immediately apply, at their own expense, to the CTC for the Added Authorization in Special Education: Autism Spectrum Disorders.
  - d. Any teacher who does not complete the entire Project Optimal training by March 30, 2012 and obtain a Added Authorization in Special Education: Autism Spectrum Disorders by May 7, 2012 shall be required to reimburse the District via payroll deduction in the amount of \$450.00 per month for two consecutive months. Without conceding that it is legally required to do so, the District reserves the right to require participants to sign a payroll deduction authorization form prior to taking part in this program.

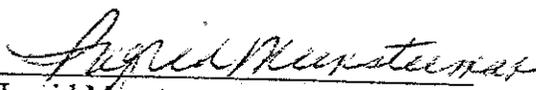
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2. Current, continuing SDC/LH teachers who hold a Preliminary, Level I, Clear, or equivalent special education credential issued without the Autism Spectrum Disorders Authorization and have completed an approved Added Authorization in Special Education: Autism Spectrum Disorders program since being employed with the District, or are enrolled in an approved Added Authorization in Special Education: Autism Spectrum Disorders program as of the date of this Memorandum of Understanding and will complete that program by August 1, 2011, are eligible for a \$900 reimbursement. Such teachers will receive the \$900 reimbursement upon proof of CTC issuance of the approved Added Authorization in Special Education: Autism Spectrum Disorders program and submission of payment receipts.
3. The \$900 per person allocation is limited to a total District expenditure of no more than \$25,000.00.
4. If a teacher opts not to take advantage of this one-time invitation, the teacher will be required to obtain the approved Added Authorization in Special Education: Autism Spectrum Disorders program on his/her own. The non-compliant teacher will not be able to displace another District teacher due to a request for a reassignment due to lack of the appropriate credential authorization. To the extent that a non-compliant teacher has such a right under the collective bargaining agreement, this Memorandum of Understanding shall supersede that right.
5. This Memorandum of Understanding is unique to its own circumstances and shall not constitute a precedent for modification of the current collective bargaining agreement or for any other purpose. This Memorandum of Understanding is a product of unique facts and circumstances and no party hereto shall cite it as precedent for any purpose in the future.

Association of Colton Educators

Colton Joint Unified School District

  
\_\_\_\_\_  
Robert Lemoine  
ACE Vice-President

  
\_\_\_\_\_  
Ingrid Munsterman  
Assistant Superintendent, Human Resources



**BOARD AGENDA**

**REGULAR MEETING  
May 19, 2011**

**ACTION ITEM**

**TO:** Board of Education  
**PRESENTED BY:** Ingrid Munsterman, Assistant Superintendent, Human Resources Division  
**SUBJECT:** Approval of Personnel Employment and Resignations  
**GOAL:** Human Resources Development  
**STRATEGIC PLAN:** Strategy #1 – Communication

**BACKGROUND:** Administrative Regulations AR 4112 and 4212 *Appointment and Conditions of Employment* states: *Upon recommendation of the Superintendent, the Governing Board shall approve the appointment of all certificated (AR 4112) and classified (AR 4212) employees.*

Listed below are the recommendations for personnel employment along with their respective positions and sites.

*Employment*

**I-A Certificated – Regular Staff - None**

**I-B Certificated – Activity/Coaching Assignments**

- 1. Aldrich, Janis Play Director/Technical Director - CHS

**I-C Certificated – Hourly - None**

**I-D Certificated – Substitute Teachers**

- |                       |                        |                         |
|-----------------------|------------------------|-------------------------|
| 1. Aragon, Katrina    | 8. Haskins, Celeste    | 15. Reaves, Linda       |
| 2. Bouchard, Heather  | 9. Johnson, Judy       | 16. Reed, Dawn          |
| 3. Boyd, Carissa      | 10. McCracken, Shari   | 17. Rivera, Jesus       |
| 4. Carrera, Maria     | 11. Matthews, Kathleen | 18. Soun, Teevri        |
| 5. Dhason, Alicia     | 12. Mendoza, Sandra    | 19. Steockliene, Andrea |
| 6. Doering, Marlena   | 13. Newman, Johanna    | 20. Tesfai, Senait      |
| 7. Eutsey, Jacqueline | 14. Nilsson, Elizabeth | 21. Valdivia, Diane     |

**I-E Certificated Management – None**

**II-A Classified – Regular Staff – None**

**II-B Classified – Activity/Coaching Assignments – None**

**II-C Classified – Hourly – None**

**II-D Classified – Substitute**

- |                      |                             |
|----------------------|-----------------------------|
| 1. Gonzalez, Gabriel | Sub Special Ed. Inst. Asst. |
| 2. Gordon, Flash     | Sub Special Ed. Inst. Asst. |

*Resignations*

**I Certificated**

- |                   |  |
|-------------------|--|
| 1. Barre, Michael | Teacher – Slover Mtn. High School<br>Employed August 25, 2009; resignation effective June 9, 2011. |
|-------------------|--|

**II Classified**

- |                 |   |
|-----------------|---|
| 1. Guel, Yvonne | Library/Media Tech – Rogers<br>Employed September 25, 2009; resignation effective June 9, 2011. |
|-----------------|---|

**RECOMMENDATION:** That the Board approve personnel employment and resignations as presented.

**ACTION:** On motion of Board Member \_\_\_\_\_ and \_\_\_\_\_, the Board approved the above recommendation as presented.



**BOARD AGENDA**

**REGULAR MEETING  
May 19, 2011**

**ACTION ITEM**

**TO:** Board of Education  
**PRESENTED BY:** Ingrid Munsterman, Assistant Superintendent, Human Resources Division  
**SUBJECT:** Approval of Conference Attendance  
**GOAL:** Human Resources Development  
**STRATEGIC PLAN:** Strategy #1 – Communication

Esther Crozier - **BHS**  
Teacher

*AP by the Sea*  
June 20-23, 2011  
San Diego, CA  
Smaller Learning Community  
(SLC) funds: \$1,230.84

Raymonn Brown – **BHS**  
Teacher

*College Board AP Annual Conference*  
July 21-24, 2011  
San Francisco, CA  
Smaller Learning Community  
(SLC) funds: \$2,017.26

Jennifer Sexton Rugh – **BHS**  
Michael McAdams  
Teachers

*AP by the Sea*  
August 1-5, 2011  
San Diego, CA  
Smaller Learning Community  
(SLC) funds: \$2,284.38

**BUDGET  
IMPLICATIONS:** General Fund Expenditure: \$5,532.48

**RECOMMENDATION:** That the Board approve conference attendance as presented.

**ACTION:** On motion of Board Member \_\_\_\_\_ and  
\_\_\_\_\_, the Board approved the above  
recommendation as presented.



# BOARD AGENDA

REGULAR MEETING  
May 19, 2011

## ACTION ITEM

- TO:** Board of Education
- PRESENTED BY:** Ingrid Munsterman, Assistant Superintendent, Human Resources Division
- SUBJECT:** Adoption of District Declaration of Need for Fully Qualified Educators (2011-12)
- GOAL:** Personnel Development
- STRATEGIC PLAN:** Strategy #1 – Communication
- BACKGROUND:** In order to meet certificated staffing needs each year, the District may need to apply for emergency staffing permits for some teachers. Title 5 Regulations governing the application and issuance of emergency permits require that each school district submit a completed Declaration of Need for Fully Qualified Educators each school year.
- The Declaration must be adopted by the governing board, certifying that there are insufficient numbers of fully credentialed certificated persons meeting the District’s specified employment criteria for the positions listed on the Declaration form. The approved Declaration must be on file with the California Commission on Teacher Credentialing in order to employ teachers on emergency teaching permits. Emergency permits are no longer available for multiple subject, single subject or education specialist (special education) credentials.
- Currently, the District has one teacher serving under an Emergency CLAD Permit. The District may need to assign certain special education teachers to serve under a Limited Assignment Permit. These teachers would be “mild/moderate-level” credential holders who are taking course work toward an authorization to teach students with autism.
- The completed Declaration of Need for Fully Qualified Educators for the 2011-12 school year is submitted with this Board item.
- BUDGET IMPLICATIONS:** No impact to the General Fund
- RECOMMENDATION:** That the Board adopt the District Declaration of Need for Fully Qualified Educators for the 2011-12 school year.
- ACTION:** On motion of Board Member \_\_\_\_\_ and \_\_\_\_\_, the Board approved the recommendation as presented.



## DECLARATION OF NEED FOR FULLY QUALIFIED EDUCATORS

---

Original Declaration of Need for year: \_\_\_\_\_

Revised Declaration of Need for year: \_\_\_\_\_

### FOR SERVICE IN A SCHOOL DISTRICT

Name of District: \_\_\_\_\_ District CDS Code: \_\_\_\_\_

Name of County: \_\_\_\_\_ County CDS Code: \_\_\_\_\_

By submitting this annual declaration, the district is certifying the following:

- A diligent search, as defined below, to recruit a fully prepared teacher for the assignment(s) was made
- If a suitable fully prepared teacher is not available to the school district, the district will make a reasonable effort to recruit based on the priority stated below

The governing board of the school district specified above adopted a declaration at a regularly scheduled public meeting held on \_\_\_/\_\_\_/\_\_\_ certifying that there is an insufficient number of certificated persons who meet the district's specified employment criteria for the position(s) listed on the attached form. The attached form was part of the agenda, and the declaration did NOT appear as part of a consent calendar.

► **Enclose a copy of the board agenda item**

With my signature below, I verify that the item was acted upon favorably by the board. The declaration shall remain in force until June 30, \_\_\_\_\_.

Submitted by (Superintendent, Board Secretary, or Designee):

<i>Name</i>	<i>Signature</i>	<i>Title</i>
<i>Fax Number</i>	<i>Telephone Number</i>	<i>Date</i>
<i>Mailing Address</i>		
<i>E-Mail Address</i>		

### FOR SERVICE IN A COUNTY OFFICE OF EDUCATION, STATE AGENCY OR NONPUBLIC SCHOOL OR AGENCY

Name of County \_\_\_\_\_ County CDS Code \_\_\_\_\_

Name of State Agency \_\_\_\_\_

Name of NPS/NPA \_\_\_\_\_ County of Location \_\_\_\_\_

The Superintendent of the County Office of Education or the Director of the State Agency or the Director of the NPS/NPA specified above adopted a declaration on \_\_\_/\_\_\_/\_\_\_, at least 72 hours following his or her public announcement that such a declaration would be made, certifying that there is an insufficient number of certificated persons who meet the county's, agency's or school's specified employment criteria for the position(s) listed on the attached form.

The declaration shall remain in force until June 30, \_\_\_\_\_.

► **Enclose a copy of the public announcement**

Submitted by Superintendent, Director, or Designee:

_____	_____	_____
<i>Name</i>	<i>Signature</i>	<i>Title</i>
_____	_____	_____
<i>Fax Number</i>	<i>Telephone Number</i>	<i>Date</i>
_____		
<i>Mailing Address</i>		
_____		
<i>E-Mail Address</i>		

► *This declaration must be on file with the Commission on Teacher Credentialing before any emergency permits will be issued for service with the employing agency*

**AREAS OF ANTICIPATED NEED FOR FULLY QUALIFIED EDUCATORS**

Based on the previous year's actual needs and projections of enrollment, please indicate the number of emergency permits the employing agency estimates it will need in each of the identified areas during the valid period of this Declaration of Need for Fully Qualified Educators. This declaration shall be valid only for the type(s) and subjects(s) identified below.

This declaration must be revised by the employing agency when the total number of emergency permits applied for exceeds the estimate by ten percent. Board approval is required for a revision.

<b>Type of Emergency Permit</b>	<b>Estimated Number Needed</b>
CLAD/English Learner Authorization (applicant already holds teaching credential)	_____
Bilingual Authorization (applicant already holds teaching credential)	_____
List target language(s) for bilingual authorization: _____	_____
Resource Specialist	_____
Teacher Librarian Services	_____
Visiting Faculty Permit	_____

**LIMITED ASSIGNMENT PERMITS**

Limited Assignment Permits may only be issued to applicants holding a valid California teaching credential based on a baccalaureate degree and a professional preparation program including student teaching.

Based on the previous year's actual needs and projections of enrollment, please indicate the number of Limited Assignment Permits the employing agency estimates it will need in the following areas:

TYPE OF LIMITED ASSIGNMENT PERMIT	ESTIMATED NUMBER NEEDED
Multiple Subject	
Single Subject	
Special Education	
TOTAL	

**EFFORTS TO RECRUIT CERTIFIED PERSONNEL**

The employing agency declares that it has implemented in policy and practices a process for conducting a diligent search that includes, but is not limited to, distributing job announcements, contacting college and university placement centers, advertising in local newspapers, exploring incentives included in the Teaching as a Priority Block Grant (refer to [www.cde.ca.gov](http://www.cde.ca.gov) for details), participating in state and regional recruitment centers and participating in job fairs in California.

If a suitable fully prepared teacher is not available to the school district, the district made reasonable efforts to recruit an individual for the assignment, in the following order:

- A candidate who qualifies and agrees to participate in an approved internship program in the region of the school district
- An individual who is scheduled to complete initial preparation requirements within six months

**EFFORTS TO CERTIFY, ASSIGN, AND DEVELOP FULLY QUALIFIED PERSONNEL**

Has your agency established a District Intern program?	Yes	No
--	-----	----

If no, explain. \_\_\_\_\_

Does your agency participate in a Commission-approved college or university internship program?	Yes	No
---	-----	----

If yes, how many interns do you expect to have this year? \_\_\_\_\_

If yes, list each college or university with which you participate in an internship program.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

If no, explain why you do not participate in an internship program.

\_\_\_\_\_

\_\_\_\_\_

# BOARD AGENDA

REGULAR MEETING  
May 19, 2011

## ACTION ITEM

- TO:** Board of Education
- PRESENTED BY:** Ingrid Munsterman, Assistant Superintendent, Human Resources Division
- SUBJECT:** Authorization to Assign Secondary Teachers to Teach Subject(s) Not Listed on Teaching Credentials Under Board Resolution During the (2011-12) School Year
- GOAL:** Human Resources Development
- STRATEGIC PLAN:** Strategy #1 – Communication
- BACKGROUND:** Each year, principals of middle and high schools must plan class schedules utilizing teachers whose respective credentials may not cover every class needed to accommodate the school curriculum during the school year. Standard Secondary credentials are limited to the teaching of the subject(s) listed as the Major or Minor. Single Subject credentials are limited to the subject names as the Single Subject, or the supplementary authorization in grades 9 and below. The only secondary credentials not limited to certain subject are the Pre-Fisher General Secondary. Multiple Subject credentials with a supplementary authorization allow departmentalized teaching in grades 9 and below in the area of the supplementary authorization. In order to plan a good instructional program, it is necessary to take advantage of Education Code Sections 44258.7(b) provided for these assignment situations.
- Authorization for Service  
EC 44258.7 (b) allows a full-time teacher who holds a teaching credential in a subject or subjects other than physical education to coach one period per day in a competitive sport for which students receive physical education credit, provided that he or she has completed a minimum of 20 hours of first aid instruction appropriate for the specific sport.
- BUDGET IMPLICATIONS:** No impact to the General Fund.
- RECOMMENDATION:** That the Board authorize the Assistant Superintendent, Human Resources to assign teachers to teach under Board Resolution, utilizing the provisions under Education Code Sections 44258.7 (b) during the 2011-12 school year, as presented.
- ACTION:** On motion of Board Member \_\_\_\_\_ and \_\_\_\_\_, the Board approved the recommendation as presented.



## BOARD AGENDA

REGULAR MEETING  
May 19, 2011

ACTION ITEM

- TO:** Board of Education
- PRESENTED BY:** Ingrid Munsterman, Assistant Superintendent, Human Resources Division
- SUBJECT:** Authorization to Assign Secondary Teachers to Teach Subject(s) Not Listed on Teaching Credentials Under Board Resolution During the 2011-12 School Year and During 2011 Summer School
- GOAL:** Human Resources Development
- STRATEGIC PLAN:** Strategy #1 – Communication
- BACKGROUND:** Each year, principals of middle and high schools must plan class schedules utilizing teachers whose respective credentials may not cover every class needed to accommodate the school curriculum during the school year.
- Standard Secondary credentials are limited to the teaching of the subject(s) listed as the Major or Minor. Single Subject credentials are limited to the subject names as the Single Subject, or the supplementary authorization in grades 9 and below. The only secondary credentials not limited to certain subject are the Pre-Fisher General Secondary. Multiple Subject credentials with a supplementary authorization allow departmentalized teaching in grades 9 and below in the area of the supplementary authorization.
- In order to plan a good instructional program, it is necessary to take advantage of Education Code Sections 44263, 44258.7(b), and 44258.7 (c) and (d) provided for these assignment situations.
- Authorization for Service
- EC 44263 allows the holder of a teaching credential to serve, by resolution of the Governing Board and with the consent of the teacher, in a departmentalized class if the teacher has completed 18 semester units of course work or 9 semester units of upper division or graduate course work in the subject to be taught.
- EC 44258.7 (b) allows a full-time teacher who holds a teaching credential in a subject or subjects other than physical education to coach one period per day in a competitive sport for which students receive physical education credit, provided that he or she has completed a minimum of 20 hours of first aid instruction appropriate for the specific sport.
- EC 44258.7 (c) and (d) allows a full-time teacher with special skills and preparation outside of his or her credential authorization to be assigned to teach in an “elective” area of his or her special skills in a full-time assignment provided the assignment is approved by the local Committee on Assignments.
- (c) A teacher employed on a full-time basis who teaches

kindergarten or any of grades 1 to 12, inclusive, and who has special skills and preparation outside of his or her credential authorization, may with his or her consent, be assigned to teach an elective course in the area of the special skills or preparation, provided that the assignment is first approved by a committee on assignments. For purposes of this subdivision, an "elective course" is a course other than English, mathematics, science or social studies. The membership of the committee on assignments shall include an equal number of teachers, selected by teachers and school administrators, selected by school administrators.

(d) Assignments approved by the committee on assignments shall be for a maximum of one school year, but may be extended by action of the committee upon application by the school site administrator and the affected teacher. All initial assignments or extensions shall be approved prior to the assignment or extension.

**BUDGET**

**IMPLICATIONS:**

No impact to the General Fund

**RECOMMENDATION:**

That the Board authorize the Assistant Superintendent, Human Resources to assign teachers to teach under Board Resolution, utilizing the provisions under Education Code Sections 44263, 44258.7(b), and 44258.7 (c) and (d) during the 2011-12 school year and during 2011 summer school, as presented.

**ACTION:**

On motion of Board Member \_\_\_\_\_ and \_\_\_\_\_, the Board approved the recommendation as presented.

## BOARD AGENDA

REGULAR MEETING  
May 19, 2011

### ACTION ITEM

**TO:** Board of Education

**PRESENTED BY:** Ingrid Munsterman, Assistant Superintendent, Human Resources

**SUBJECT:** Adopt Resolution No. 11-62 to Eliminate and/or Reduce Classified Positions Effective July 3, 2011

**GOAL:** Human Resources Development

**STRATEGIC PLAN:** Strategy #1 Communication

**BACKGROUND:** Due to a lack of work and/or lack of funds it is necessary to eliminate the following classified positions:  
3 positions due to the elimination of the Adult-Ed Program.  
3 positions due to the elimination of the Cal-Safe Program.

Due to a lack of work and/or lack of funds it is necessary to reduce the following classified positions:  
11 positions reduced due to a 15% reduction in state preschool funding.

~~Due to a lack of work and/or lack of funds it is necessary to eliminate the following classified positions:  
41 vacant positions.  
8 positions that are currently filled.~~

Due to a lack of work and/or lack of funds it is necessary to reduce the following classified positions:  
37 positions reduced due to a reduction in state preschool funding.

Due to a lack of work and/or lack of funds it is necessary to reduce the following classified positions:  
3 positions due to a lack of funds in school site categorical budgets.

Pursuant to Education Code 45308 and 45298, the attached resolution states the elimination and/or reduction of classified positions to be effective July 3, 2011. The reduction of services will affect approximately ~~63~~ 55 employees.

**BUDGET IMPLICATIONS:** District's General Fund Reduction: \$1,740,718 **\$204,786.00** (estimated)  
Child Development Fund Reduction: \$ 334,399 (estimated)  
School Site Categorical Budget Reduction: \$38,099 (estimated)

**RECOMMENDATION:** That the Board approve the resolution to eliminate and/or reduce classified positions effective July 3, 2011.

**ACTION:** On motion of Board Member \_\_\_\_\_ and \_\_\_\_\_, the Board approved the above recommendation.

**BEFORE THE GOVERNING BOARD OF THE  
COLTON JOINT UNIFIED SCHOOL DISTRICT  
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA**

**RESOLUTION No. 11-62**

**RESOLUTION TO ELIMINATE AND/OR REDUCE CLASSIFIED POSITIONS**

**BE IT RESOLVED** that the Governing Board of Education of the Colton Joint Unified School District hereby determines that the following classified positions be eliminated due to lack of work and/or lack of funds:

***Due to elimination of Adult Ed (General Fund):***

Eliminate 1 8-hour per day Basic Skills Tutor position  
Eliminate 1 4-hour per day Campus Supervisor position  
Eliminate 1 5-hour per day Custodian position

***Due to elimination of Cal-Safe (General Fund):***

Eliminate 1 8-hour per day Cal-Safe Infant Center Teacher position  
Eliminate 2 6-hour per day Children's Center Instructional Assistant positions

***Vacant positions (General Fund):***

~~Eliminate 1 8 hour per day Accounting Technician position~~  
~~Eliminate 1 8 hour per day Administrative Assistant I position~~  
~~Eliminate 1 8 hour per day Assistant Principal Secretary High School position~~  
~~Eliminate 1 8 hour per day Auditorium Technician/Custodian position~~  
~~Eliminate 1 6 hour per day Basic Skills Tutor position~~  
~~Eliminate 1 3 hour per day Campus Supervisor position~~  
~~Eliminate 2 8 hour per day Counselor Secretary High School positions~~  
~~Eliminate 9 8 hour per day Custodian positions~~  
~~Eliminate 4 4 hour per day Custodian positions~~  
~~Eliminate 2 1 hour per day Custodian positions~~  
~~Eliminate 1 8 hour per day Driver Trainer position~~  
~~Eliminate 3 8 hour per day Grounds Maintenance Worker II positions~~  
~~Eliminate 2 8 hour per day Grounds Maintenance Worker III positions~~  
~~Eliminate 1 8 hour per day Office Assistant II position~~  
~~Eliminate 1 1.5 hour per day Office Assistant II position~~  
~~Eliminate 2 4 hour per day Office Assistant II positions~~  
~~Eliminate 1 8 hour per day Office Machine Technician position~~  
~~Eliminate 1 4 hour per day Secretary position~~  
~~Eliminate 1 8 hour per day Skilled Maintenance Worker position~~  
~~Eliminate 1 8 hour per day Sr. Skilled Maintenance Worker position~~  
~~Eliminate 1 8 hour per day Stock Clerk/Delivery Driver position~~  
~~Eliminate 1 8 hour per day Student Records Technician position~~  
~~Eliminate 1 8 hour per day Transportation Dispatcher position~~  
~~Eliminate 1 8 hour per day Warehouse Worker position~~

***District Office positions (General Fund):***

~~Eliminate 1 8 hour per day Accounting Assistant II position~~  
~~Eliminate 1 8 hour per day Administrative Assistant I positions~~  
~~Eliminate 1 8 hour per day Office Assistant II position~~  
~~Eliminate 1 4 hour per day Office Assistant II position~~  
~~Eliminate 1 8 hour per day Project Office Assistant position~~  
~~Eliminate 1 8 hour per day Secretary position~~  
~~Eliminate 1 8 hour per day Technology Support Specialist I position~~  
~~Eliminate 1 8 hour per day Technology Support Specialist II position~~

***Due to 15% reduction to State Preschool budget (Fund 12-Child Development/State Preschool):***

Eliminate 1 6-hour per day Community Liaison position  
Eliminate 3 4.5-hour per day State Preschool Instructional Assistant positions  
Eliminate 4 3.5-hour per day State Preschool Instructional Assistant positions (1 position vacant)  
Eliminate 3 5-hour per day State Preschool Teacher positions

**BE IT RESOLVED** that the Governing Board of Education of the Colton Joint Unified School District hereby determines that the following classified positions be reduced due to lack of work and/or lack of funds:

***Due to 15% reduction to State Preschool budget (Fund 12-Child Development/State Preschool):***

- Reduce 1 Administrative Assistant I position from 8 hours per day to 7 hours per day
- Reduce 1 Children’s Center Instructional Assistant position from 6 hours per day to 5 hours per day
- Reduce 1 Children’s Center Teacher position from 6 hours per day to 5 hours per day
- Reduce 2 Community Liaison positions from 8 hours per day/247 days to 7 hours per day/215 days
- Reduce 1 Secretary position from 8 hours per day to 7 hours per day
- Reduce 6 State Preschool Teacher positions from 5 hours per day/188 days to 4.5 hours per day/180 days
- Reduce 1 State Preschool Teacher position from 5 hours per day/183 days to 4.5 hours per day/180 days
- Reduce 3 State Preschool Teacher positions from 8 hours per day/188 days to 7 hours per day/180 days
- Reduce 10 State Preschool Inst Asst positions from 3.5 hours per day/185 days to 3 hours per day/176 days
- Reduce 1 State Preschool Inst Asst position from 3.5 hours per day/180 days to 3 hours per day/176 days
- Reduce 6 State Preschool Inst Asst positions from 4.5 hours per day/185 days to 4 hours per day/176 days
- Reduce 1 State Preschool Inst Asst position from 4.5 hours per day/180 days to 4 hours per day/176 days
- Reduce 3 State Preschool Inst Asst positions from 8 hours per day/185 days to 7 hours per day/176 days

***Due to lack of funds in school site categorical budgets:***

- Reduce 1 Instructional Assistant-CAI position from 7 hours per day to 5 hours per day
- Reduce 1 Library/Media Technician I position from 6 hours per day to 4 hours per day
- Reduce 1 Project Office Assistant position from 8 hours per day to 4 hours per day

**BE IT RESOLVED** by the Governing Board as follows:

1. That due to a lack of work and/or lack of funds, the number of classified employees and the amount of services rendered shall be reduced by layoff as specified above, pursuant to Education Code section 45308.
2. That the Superintendent is directed to give notice of layoff to the affected classified employees pursuant to the requirements of the law.
3. That said layoff shall become effective July 3, 2011.
4. That employees laid off pursuant to this Resolution shall be eligible for reemployment pursuant to Education Code section 45298.

**PASSED AND ADOPTED** at the regular meeting of the Board of Education held on May 19, 2011.

AYES: \_\_\_\_\_  
 NOES: \_\_\_\_\_  
 ABSENT: \_\_\_\_\_  
 ABSTENTIONS: \_\_\_\_\_

\_\_\_\_\_  
Patricia Haro, President  
Board of Education

I, Jerry Almendarez, Superintendent of Colton Joint Unified School District of San Bernardino County, California, do hereby certify that the foregoing is a full, true and correct copy of a Resolution adopted by the District’s Board of Education at a duly scheduled meeting thereof.

May 19, 2011

\_\_\_\_\_  
Jerry Almendarez  
Superintendent



## BOARD AGENDA

REGULAR MEETING  
May 19, 2011

ACTION ITEM

**TO:** Board of Education

**PRESENTED BY:** Mike Snellings, Assistant Superintendent, Student Services Division

**SUBJECT:** Approval of Transition Agreement with Aequitas Solutions for Student Information System Program Support (2011-12)

**GOAL:** Support Services/Budget Planning

**STRATEGIC PLAN:** Strategy #1 – Communication

**BACKGROUND:** The IT department is in need of support for our student information system in the areas of application modification and custom report writing, as well as support for changes in state and federal student information reporting requirements. Aequitas Solutions has extensive experience providing data conversion and custom application development with our Zangle student information system.

**BUDGET IMPLICATIONS:** General Fund Expenditure: \$73,086

**RECOMMENDATION:** That the Board approve the Transition Agreement with Aequitas Solutions for student information system program support, as presented.

**ACTION:** On the motion of Board Member \_\_\_\_\_ and \_\_\_\_\_, the Board approved the Transition Agreement with Aequitas Solutions for student information system program support (2011-12), as presented.



**Aequitas Solutions, Inc.  
Transition Agreement  
No. 09-0009**

**Colton Joint Unified School District  
1212 Valencia Drive  
Colton, CA 92324**

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This Agreement ("Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_, 2011 ("Effective Date") between Aequitas Solutions, Inc., with offices at address 1365 West Foothill Blvd, Suite #3, Upland CA 91786 ("Company") and Colton Joint Unified School District with offices at 1212 Valencia Drive Colton, CA 92324 ("Client").

WHEREAS, the Company warrants that it has the experience and capability to provide Third Party AMS to the client on the system listed in Exhibit "B"; and

WHEREAS, the Client desires to purchase Third Party AMS from the Company pursuant to the terms and conditions hereof;

NOW, THEREFORE, in consideration of the agreements and covenants set forth herein, and for other good and valuable consideration pursuant to this Agreement, the parties hereby agree as follows:

## 1. Definitions

- 1.1 "Services" shall mean fee-based consulting performed on behalf of Client.
- 1.2 "Third Party Products" shall mean any product not owned or provided by Company and identified as Third Party, listed in Exhibit "C".
- 1.3 "Third Party AMS" shall mean annual maintenance and support of named Third Party Products, pursuant to this Agreement, listed in Exhibit "C".

2. **Expenses.** Expenses shall be billed in accordance with the current Company Business Travel Policy, based on Company's usual and customary practices. Copies of receipts shall be provided on an exception basis at no charge.

3. **Cancellation of Services.** In the event Client cancels Services less than two (2) weeks in advance, Client is liable to Company for (i) all non-refundable expenses incurred by Company on Client's behalf; and (ii) daily fees associated with the canceled Services if Company is unable to re-assign its personnel.

4. **Maintenance Agreement.** The Maintenance Agreement is effective on payment of the AMS Fee and shall remain in force for a one (1) year term. Upon expiration of this Maintenance Agreement, the Maintenance Agreement will automatically renew for subsequent one (1) year periods at the rate specified in Exhibit "A".

### 4.1. Maintenance Services Terms, Conditions, Limitations and Exclusions.

4.1.1. For as long as a current Maintenance Agreement is in place, Company shall, in a professional, good and workmanlike manner, perform its obligations in accordance with Company's current support call process. Company reserves the right to suspend maintenance services if Client fails to pay undisputed AMS Fees within sixty (60) calendar days of the due date. Company will reinstate maintenance services upon Client's payment of the overdue AMS Fees and any applicable late fees or fines.

4.1.2. AMS Fees do not include installation or implementation of the Third Party Products, onsite support, application design, other Services, support of an

operating system or hardware, and support outside Company's normal business hours. If installation, implementation or other Services are required they will be listed in Exhibit "C" with the rates for each Service.

#### **4.2. Client Responsibilities.**

4.2.1. Client shall provide, at no charge to Company, access to the Third Party Product; working space; adequate facilities within a reasonable distance from the equipment; and use of machines, attachments, features, or other equipment necessary to provide maintenance services set forth herein.

4.2.2. Company utilizes an industry-standard, secure commercial PC to PC remote connectivity tools to provide remote maintenance services. Client shall maintain for the duration of the Agreement a high-speed Internet connection capable of connecting to Client's PC's and server. Company strongly recommends that Client also maintain a modem connectivity (including PC-Anywhere, if necessary) for backup connectivity purposes. Company, at its option, shall use the connection to assist with problem diagnosis and resolution.

#### **4.3. Third Party Product Maintenance.**

4.3.1. Company shall provide Third Party AMS for the products listed in Exhibit "B".

4.3.2. Client acknowledges and agrees that Company is not the manufacturer of, does not own, and does not claim any rights to any Third Party Products or systems listed in Exhibit "B". As such, Company does not warrant or guarantee Third Party Products.

4.3.3. Client understands and agrees that Company will provide Third Party AMS to the best of its ability and that Third Party AMS may be limited due to defects in the original manufacturer's design. Company will evaluate each potential issue and recommend fixes, workarounds and in some cases, at the Company's discretion issue replacement software depending on the severity of the issues encountered in the Third Party Products.

**5. Taxes.** The fees set forth in Exhibit "A" do not include any taxes, including, without limitation, sales, use or excise tax. All applicable taxes shall be paid by Company to the proper authorities and shall be reimbursed by Client to Company. In the event Client possesses a valid direct-pay permit, Client will forward such permit to Company on the Effective Date of this Agreement. In such event, Client shall be responsible for remitting all applicable taxes to the proper authorities. If tax-exempt, Client shall provide Company with Client's tax-exempt certificate.

#### **6. Indemnification.**

**6.1. Mutual Indemnification.** Each Party shall indemnify, defend and hold harmless the other Party, its officers, agents, volunteers, contractors, and employees from any and all liability, loss, expense (including reasonable attorneys' fees and other defense costs), or claims imposed for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury, or property damage occurring by reason of any acts or omissions on the part of the Party's own officers, agents, contractors, or employees under or in connection with any obligation delegated to such Party under this Agreement. This indemnity shall survive termination of this Agreement for one year.

**6.2. Hold Harmless.** Retroactive to March 30, 2009, Company shall indemnify, defend and hold harmless the Client, its authorized officers, employees, agents and

volunteers from any and all claims, actions, losses, damages and/or liability arising out of this contract to the extent such claim, action, loss, damage and/or liability is caused by or results from the negligent or intentional acts or omissions of the Company, its officers, employees, agents or volunteers, and for any costs or expenses incurred by the Client on account of any claim therefore, except where such indemnification is prohibited by law.

6.3. **Additional Indemnity.** Retroactive to March 30, 2009, Aequitas will indemnify, defend and hold the District harmless for any claims, actions, losses, damages and/or liability arising from the District's use of Aequitas' services, including losses resulting from allegations in the C-Innovation Notice, Correspondence and the necessity of having the District's attorneys appear at any deposition of the District's employees or respond to any other discovery.

7. **Limitation of Liability.** In no event shall Company be liable for special, indirect, incidental, consequential, or exemplary damages, including, without limitation, any damages resulting from loss of use, loss of data, interruption of business activities, or failure to realize savings arising out of or in connection with the use of the Licensed Software, Services, or Third Party Products. Company's liability for damages and expenses arising from the Licensed Software or Services, whether based on a theory of contract or tort, including negligence and strict liability, shall be limited to the Fees set forth in Exhibit "B" related to the defective product or service. Such Fees reflect and are set in reliance upon this limitation of liability.

8. **Disclaimer.** THE RIGHTS, REMEDIES, AND WARRANTIES SET FORTH IN THIS AGREEMENT ARE EXCLUSIVE AND IN LIEU OF ALL OTHER RIGHTS, REMEDIES, AND WARRANTIES EXPRESSED, IMPLIED, OR STATUTORY, INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND SYSTEM INTEGRATION, WHICH ARE HEREBY DISCLAIMED BY COMPANY.

## 9. Termination.

- 9.1. Termination for Convenience. In the event of Client's termination of this Agreement for convenience, Client shall provide Company with ninety (90) days' advance written notice of Client's intent to terminate this Agreement. Client shall pay Company for products, services and expenses delivered or incurred prior to the date of termination.
- 9.2. Termination for Cause. In the event of Company's failure to perform under this Agreement, Client shall immediately notify Company in writing of such failure and allow Company a ninety (90) day period in which to cure such failure. If, at the end of the cure period, Company has not cured such failure, Client will have the right to terminate this Agreement. Upon such termination, Client shall pay Company for all products, services, and expenses not in dispute which were delivered or incurred prior to the date of termination. Payment for products, services, and expenses in dispute will be determined in accordance with the dispute resolution process.
- 9.3. Termination for Non-appropriation. If Client should not appropriate or otherwise make available funds sufficient to purchase, lease, operate or maintain the products set forth in this Agreement, or other means of performing the same functions of such products, Client may unilaterally terminate this Agreement only upon ninety (90) days written notice to Company. Upon termination, Client shall remit payment for all products and services delivered to Client and all expenses incurred by Company prior to the date of termination.

10. **No Assignment.** Parties may not assign its rights and responsibilities under this Agreement without the other Party's prior written permission.

11. **Confidentiality.** Both parties recognize that their respective employees and agents, in the course of performance of this Agreement, may be exposed to confidential information and that disclosure of such information could violate rights to private individuals and entities. Each party agrees that it will not disclose any confidential information of the other party and further agrees to take appropriate action to prevent such disclosure by its employees or agents. The confidentiality covenants contained herein shall survive the termination or cancellation of this Agreement for a period of two (2) years. In the event of Freedom of Information Act or similar public record requests, confidential information shall be disclosed only to the extent disclosure is based on the good faith written opinion of the receiving party's legal counsel that disclosure is required by law: provided, however, that that receiving party shall give prompt notice of the service of process or other documentation that underlies such requirement and use its best efforts to assist the disclosing party if the disclosing party wishes to obtain a protective order or otherwise protect the confidentiality of such confidential information. The disclosing party reserves the right to obtain protective order or otherwise protect the confidentiality of its confidential information.

## 12. Protection of Student Education Records

- 12.1. **Private Data.** Private data and information (“Private Data”) includes paper and electronic student education record information supplied by Client, as well as any data provided by Client students to the Company, which is protected by federal and state law, including, but not limited to, 20 U.S.C. section 1232(g) and Education Code sections 49060, et seq. Company acknowledges that the Agreement may allow the Company access to Private Data. Both Company and Client certify that they will abide by state and federal laws concerning confidential student education records.
- 12.2. **Prohibition On Unauthorized Use Or Disclosure Of Private Data.** Company agrees to hold Private Data in strict confidence. Company shall not use or disclose Private Data received from, or on behalf of, Client except as permitted or required by the Agreement, as required by law, or as otherwise authorized in writing by Client. Company agrees that it will protect the Private Data it receives from, or on behalf of, Client according to commercially acceptable standards and no less rigorously than it protects its own confidential information.
- 12.3. **Return Or Destruction Of Private Data.** Upon termination, cancellation, expiration or other conclusion of the Agreement, Company shall return all Private Data to Client, or if return is not feasible as determined by Client in written notice to Company, destroy any and all Private Data.
- 12.4. **Client Remedies.** If Client reasonably determines in good faith that Company has materially breached any of its obligations under this Article, Client, in its sole discretion, shall have the right to provide Company with a thirty (30) day period to cure the breach, or terminate the Agreement immediately if cure is not possible. Client shall provide written notice to Company describing the violation and the action it intends to take.
- 12.5. **Maintenance Of The Security Of Electronic Information.** Company shall develop, implement, maintain and use appropriate administrative, technical and physical security measures to preserve the confidentiality, integrity and availability of all electronically maintained or transmitted Private Data received from, or on behalf of, Client or its students. These measures will be extended by contract to all subcontractors used by Company.
- 12.6. **Reporting Of Unauthorized Disclosures Or Misuse Of Private Data.** Company, within one day of discovery, shall report to Client any use or disclosure of Private Data not authorized by the Agreement or in writing by Client. Company’s report shall identify: (i) the nature of the unauthorized use or disclosure; (ii) the Private Data used or disclosed; (iii) who made the unauthorized use or received the unauthorized disclosure; (iv) what Company has done or shall do to mitigate any effect of the unauthorized use or disclosure; and (v) what corrective action Company has taken or shall take to prevent future similar unauthorized use or disclosure. Company shall provide such other information, including a written report, requested by Client.
- 12.7. **Indemnity.** Company shall indemnify, defend and hold Client harmless from all claims, liabilities, damages or judgments arising out of the gross negligence of Company, involving a third party, including Client’s costs and attorneys’ fees, which arise as a result of Company’s failure to meet any of its obligations under this Article. No Indemnity is provided by Company to Client for any gross negligence of Client, its employees, officials, board members, or consultants have any role.

### 13. Payment Terms.

- 13.1. Company will invoice Client according to the payment schedule set forth in Exhibit "A".
- 13.2. Company will invoice Client fees for Services, plus expenses (prices do not include travel expenses incurred in accordance with Company's current Business Travel Policy), if and as provided/incurred.
- 13.3. Payment is due within thirty calendar (30) days of the invoice date.
- 13.4. Payment is considered late if not received by Company within thirty (30) days of the invoice date unless prior arrangements have been made. All late invoices will be subject to a minimum fifty dollar (\$50.00) late fee. A finance charge of one and one half percent (1 ½%) per month (18% annually) will be charged on all unpaid balances.

### 14. General Provisions.

- 14.1. **Entire Agreement.** This Agreement represents the entire agreement of Client and Company with respect to the subject matter hereof, and supersedes any prior agreements, understandings, and representations, whether written, oral, expressed, implied, or statutory. Client hereby acknowledges that in entering into this Agreement it did not rely on any information not explicitly set forth in this Agreement.
- 14.2. **Governing Law.** The validity, interpretation and performance of this Agreement shall be construed and enforced in accordance with the laws of the State of California.
- 14.3. **Force Majeure.** Neither party shall be liable for delays in performing its obligations under this Agreement to the extent that the delay is caused by force majeure. Either party shall have the right to terminate this Agreement if Force Majeure suspends performance of scheduled tasks by one or more parties for a period of one hundred-twenty (120) or more days from the scheduled date of the task. This paragraph shall not relieve Client of its responsibility to pay for services and goods provided to Client and expenses incurred on behalf of Client prior to the effective date of termination.
- 14.4. **Waiver.** No waiver by either party of any default under or breach of this Agreement shall be deemed a waiver of any subsequent default or breach of the same or other provisions of this Agreement.
- 14.5. **Severability of Provisions.** In the event that any provision of this Agreement or the application thereof to any person or circumstance is held to be invalid, void or unenforceable, such provision or the application thereof shall be deemed stricken and not part of this Agreement so that the remaining portions of this Agreement can be given effect without the invalid void or unenforceable provision or application and to this end, the provisions of this Agreement are severable.
- 14.6. **Arbitration.** Any and all disputes, controversies or differences which may arise under the terms of this Agreement shall be settled by arbitration in the County of Riverside, State of California, in accordance with the rules of the American Arbitration Association then existing, and any such award as rendered by the Arbitrator(s) shall be final and binding upon the parties hereto and enforceable by any court of competent jurisdiction.

IN WITNESS WHEREOF, persons having been duly authorized and empowered enter into this Agreement.

Aequitas Solutions, Inc.

Colton Joint Unified School District

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

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

Name: John W. Uhler

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

Title: CEO

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

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

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

**Exhibits Attached**

- **Exhibit "A" – Fees & Payment Schedule**          X
- **Exhibit "B" – Third Party Products**          X

## Exhibit "A" - Fees & Payment Schedule

District ADA: 24,362

<b>Due Date</b>	<b>Description</b>	<b>Payment Amount</b>	<b>Notes</b>
<b>7/1/11</b>	Third Party AMS Fee	\$73,086	\$3.00/ADA/Year
Billed Monthly	Implementation Services		Billed only as used
Billed Monthly	Consulting Services	\$1,200/day	Must include a signed Work Order
Billed Monthly	Hourly Service Rate	\$150/hr	

Exhibit "B" - Third Party Products

Third Party Product	Version	Manufacturer
Zangle	2009.2	C Innovation, Inc.



## BOARD AGENDA

REGULAR MEETING  
May 19, 2011

### ACTION ITEM

**TO:** Board of Education

**PRESENTED BY:** Mike Snellings, Assistant Superintendent, Student Services Division

**SUBJECT:** Approval of Inter-District Attendance Agreement for Alhambra Unified School District (2011-12)

**GOAL:** Support Services/Student Performance/Budget Planning

**STRATEGIC PLAN:** Shared Community Belief 10: Teamwork

**BACKGROUND:** Based on the passage of AB 2444, the district has revised its policies and practices relating to inter-district attendance permits. Included in the assembly bill is a stipulation that each school district specify the terms and conditions under which inter-district attendance shall be permitted, denied or revoked. The Alhambra Unified School District has submitted an agreement to allow inter-district attendance agreements to be approved.

**BUDGET IMPLICATIONS:** No cost to the district.

**RECOMMENDATION:** That the Board approve the Inter-District Attendance Agreement for Alhambra Unified School District.

**ACTION:** On motion of Board Member \_\_\_\_\_ and \_\_\_\_\_ the Board approve the Inter-District Attendance Agreement for Alhambra Unified School District (2011-12).

**MEMORANDUM OF UNDERSTANDING  
ALHAMBRA UNIFIED SCHOOL DISTRICT  
INTERDISTRICT ATTENDANCE AGREEMENT**

PN 224

**The Governing Boards of each district listed below:**

ABC USD	El Monte City SD	Orange USD
Arcadia USD	El Monte Union HSD	Paramount USD
Anaheim City & Union SD	El Rancho USD	Pasadena USD
Azusa USD	Etiwanda SD	Pomona USD
Baldwin Park USD	Fontana USD	Rosemead Elementary
Bassett USD	Garden Grove USD	Rowland USD
Beaumont USD	Garvey Elementary	Saddleback Valley USD
Bonita USD	Glendale USD	San Gabriel USD
Brea Olinda USD	Glendora USD	San Marino USD
Chaffey Joint Union USD	Hacienda La Puente USD	Santa Monica-Malibu USD
Charter Oak USD	Inglewood USD	South Pasadena USD
Chino Valley USD	La Canada USD	South Whittier Elementary SD
Chula Vista Elementary	Los Angeles Unified SD	Temple City USD
Colton Joint Unified School District	Lowell Joint School District	Walnut Valley Unified
Compton USD	Lynwood USD	West Covina USD
Corona-Norco USD	Mountain View SD	Whittier Union High
Covina-Valley USD	Montebello USD	William S. Hart Union High
Cucamonga SD	Monrovia USD	
Downey USD	Norwalk-La Mirada SD	
Duarte USD		

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made by and between the Alhambra Unified School District and the districts listed above:

- I. Applicability of this agreement is limited to grade levels mutually maintained by the contracting parties.
- II. Except as provided in paragraph III hereof, each district may accept, insofar as facilities permit, the following pupils who are residents of the other district, who have proper permits for attendance from the superintendent or an authorized representative of the school district of residence, who are eligible to attend elementary, junior high, or senior high school maintained by the district of propose attendance, and who meet criteria of the district of attendance, including:

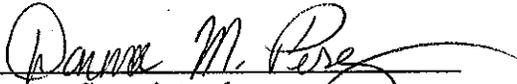
Pupils who enroll in kindergarten through twelfth grade of regular day school classes or compulsory continuation classes maintained during the academic year.

- III. All permits for attendance are subject to review under District Policy including adherence to attendance and decorum requirements. This includes maintaining and following attendance laws, maintain satisfactory grades, and behavior.
- IV. Students requiring special education shall obtain an Inter-Selpa Permit for Individuals with Exceptional Needs. This permit must include an agreement for any excess program costs.
- V. Each district shall furnish these pupils the same advantages, equipment, supplies, and services as are furnished to other such pupils in attendance in these classes, with the exception of home to school transportation.
- VI. In accordance with Education Code Section 46616 (b) the attendance of pupils from the respective school districts covered by the agreement shall be credited to the school district of attendance for apportionment purposes and the district of attendance shall not charge the district of residence for said pupils.
- VII. The stipulation of the terms and conditions under which the permit may be revoked is the responsibility of the district of attendance.
- VIII. This agreement shall be effective for the school year beginning with the 2011-12 school year and for each school year thereafter until the end of the 2016-17 school year. The agreement may be terminated by either district at the end of any fiscal year, upon receipt of written notification received thirty (30) days prior to the end of that fiscal year.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates of their signatures.

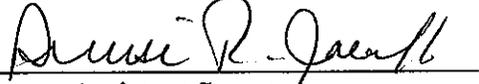
Alhambra Unified School District

District: Colton Joint Unified School District

  
 \_\_\_\_\_  
 Superintendent

\_\_\_\_\_  
 Superintendent

  
 \_\_\_\_\_  
 President

  
 \_\_\_\_\_  
 Assistant Secretary

\_\_\_\_\_  
 Date of Board Authorization

April 5, 2011  
 Date



**BOARD AGENDA**

**REGULAR MEETING  
May 19, 2011**

**ACTION ITEM**

**TO:** Board of Education

**PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division

**SUBJECT:** Approval of Purchase Orders

**GOAL:** Student Performance / Personnel Development

**STRATEGIC PLAN:** Strategy #1 – Communication

**BACKGROUND:** Purchase orders in excess of \$10,000 are presented to the Board of Education for approval.

**BUDGET IMPLICATIONS:** General Fund 01 Expenditures: \$ 369,050.90  
Deferred Maintenance Fund 14 Expenditures: \$12,000.00  
  
Total Expenditures: \$381,050.90

**RECOMMENDATION:** That the Board approve Purchase Orders in excess of \$10,000 for a total of \$ 381,050.90

**ACTION:** On motion of Board Member \_\_\_\_\_ and \_\_\_\_\_, the Board approved purchase orders as recommended.

<u>P.O.</u>	<u>VENDOR</u>	<u>DESCRIPTION</u>	<u>FUND</u>	<u>RESOURCE</u>	<u>RESOURCE DESCRIPTION</u>	<u>AMOUNT</u>
113752	Follett Educational Svs. Inc.	Txtbks./CMS	01	0356	TIER III TEXTBOOKS	\$10,374.75
113755	Spectrum Communications	Tech. Equip./I.T.	01	0110	E-Rate Technology Program	\$12,523.80
113759	Spectrum Communications	Tech. Equip./I.T.	01	0110	E-Rate Technology Program	\$12,523.80
113815	Barnes & Noble, Inc.	Other Bks./Crestmore	01	3010	NCLB: Title 1, Pt A Grnt Low Inc.	\$10,000.00
113829	Apple Valley Communications, Inc.	Cont. Svs./Various Sites	01	8150	RMA-Ongoing Major Maint.	\$29,043.00
113833	Poma Distributing Co., Inc.	Gas & Dies./Transportation	01	7230	Transport – Home to School	\$59,000.00
113862	Learning Plus Associates	Inst. Matls./Smith	01	3010	NCLB: Title 1, Pt A Grnt Low Inc.	\$18,369.99
113884	Learning Plus Associates	Inst. Matls./Smith	01	3010	NCLB: Title 1, Pt A Grnt Low Inc.	\$11,133.99
113894	Lightspeed Technologies, Inc.	New Equip./Rogers	01	3010	NCLB: Title 1, Pt A Grnt Low Inc.	\$11,849.12
114006	NIC Partners, Inc.	Comp. Tech. Svs./I.T.	01	0110	E-Rate Technology Program	\$19,836.00
114008	Fleet Refinishing	Cont. Outs. Rep./Transportation	01	7230	Transport – Home to School	\$12,990.60
114045	Great Source	Other Bks./Grimes	01	3010	NCLB: Title 1, Pt A Grnt Low Inc.	\$17,192.14
114290	Cambium Learning Voyager	Inst. Matls./PPS	01	5640	Medi-Cal Billing Option	\$58,554.45
114298	Dell Inc.	Tech. Eq./ I.T.	01	4048	NCLB: ARRA TTL II, Pt. D, Tech Ed.	\$44,985.90
114332	Insight Systems Exchange	Tech. Sup./ I.T.	01	0000	Revenue Limit/Unrestricted	\$26,399.70
114363	Harcourt Inc.	Txtbks./ BHS	01	0356	TIER III TEXTBOOKS	\$14,273.66
	<b>TOTAL FUND 01</b>					<b>\$369,050.90</b>
113873	Environmental Consultants Svs.	Cont. Svs./M & O	14	0000	Revenue Limit/Unrestricted	\$12,000.00
	<b>TOTAL FUND 14</b>					<b>\$ 12,000.00</b>
	<b>TOTAL</b>					<b>\$381,050.90</b>

## BOARD AGENDA

REGULAR MEETING  
May 19, 2011

### ACTION ITEM

- TO:** Board of Education
- PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division
- SUBJECT:** Adoption of Resolution No. 11-61 Authorizing the Issuance and Sale of Colton Joint Unified School District (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series C
- GOAL:** Facilities / Support Services/ Student Performance/ Budget Planning/ School Safety & Attendance/ Community Relations
- STRATEGIC PLAN:** Strategy #4 – Facilities
- BACKGROUND:** On November 4, 2008, the Bond Measure received an affirmative vote of more than fifty-five percent of the voters in the District. As a result, the District is authorized to issue \$225,000,000 in General Obligation Bonds that will allow for local classroom repair, modernization and construction.
- Upon adoption of Resolution No. 11-61, the District will be ready to proceed with the issuance of the third series of such bonds in the aggregate principal amount not to exceed \$12,500,000. Resolution No. 11-61 authorizes the issuance of Bonds as any combination of current interest bonds, capital appreciation bonds, and convertible capital appreciation bonds and further as any combination of tax-exempt bonds and Direct-Payment QSC Bonds.
- The Board previously authorized District officials to submit an application requesting that a portion of said national allocation be granted to the District and the District received a District Allocation in the amount of approximately \$25,000,000 allocated by the California Department of Education on January 14, 2011.
- BUDGET IMPLICATIONS:** No Impact to the General Fund.
- RECOMMENDATION:** That the Board adopt Resolution No. 11-61 Authorizing the Issuance and Sale of Colton Joint Unified School District (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series C.
- ACTION:** On motion of Board Member \_\_\_\_\_ and \_\_\_\_\_, the Board adopted the resolution as presented.

**COLTON JOINT UNIFIED SCHOOL DISTRICT**

**RESOLUTION NO. 11-61**

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF COLTON JOINT UNIFIED SCHOOL DISTRICT (SAN BERNARDINO AND RIVERSIDE COUNTIES, CALIFORNIA) ELECTION OF 2008 GENERAL OBLIGATION BONDS, SERIES C**

WHEREAS, a duly called election (the "Election") was held in the Colton Joint Unified School District (hereinafter referred to as the "District"), San Bernardino and Riverside Counties (collectively hereinafter referred to as the "Counties"), State of California, on November 4, 2008, at which the following proposition (the "Bond Measure") was submitted to the qualified electors of the District:

**"LOCAL CLASSROOM REPAIR, SCHOOL CONSTRUCTION/EDUCATION IMPROVEMENT MEASURE.**

To reduce overcrowding, improve every neighborhood school, attract quality teachers and qualify for state matching grants, build middle and high schools, improve libraries, science/computer labs, repair restrooms, increase security, after-school program and joint-use space, drop-off zone safety, and acquire, construct, repair equipment/sites/facilities, shall Colton Unified School District issue \$225,000,000 in bonds, at legal rates, requiring citizen oversight, audits and no money for administrators' salaries?"

WHEREAS, at such election, the Bond Measure received the affirmative vote of more than fifty-five percent of the voters of the District voting on the proposition as certified by the Registrar of Voters of each of the Counties in the official canvassing of votes; and

WHEREAS, on October 7, 2009, the District issued \$48,999,050.25 aggregate principal amount of its Election of 2008 General Obligation Bonds, Series A; and

WHEREAS, on September 14, 2010, the District issued \$41,938,348.45 aggregate principal amount of its Election of 2008 General Obligation Bonds, Series B; and

WHEREAS, at this time this Board of Education of the District (the "Board") has determined that it is necessary and desirable to issue a third series of such Bonds in the aggregate principal amount not-to-exceed \$12,500,000 to be styled "Colton Joint Unified School District (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series C" or such other designation given in the Purchase Contract; and

WHEREAS, the American Recovery and Reinvestment Act of 2009 ("ARRA") grants a national allocation of \$11 billion in calendar year 2010 to provide for the issuance of qualified school construction tax credit bonds ("QSC Bonds") to provide financing for the construction, reconstruction and repair of public school facilities, in accordance with the qualified tax credit bond program found in Section 54A of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, this Board previously adopted a resolution authorizing District officials to submit an application requesting that a portion of said national allocation be granted to the District (the "District Allocation"); and

**WHEREAS**, the District received a District Allocation in the amount of approximately \$25,000,000 allocated by the California Department of Education on January 14, 2011; and

**WHEREAS**, the Hiring Incentives to Restore Employment Act implemented changes to certain provisions in the Code permitting the issuance of QSC Bonds in the form of taxable interest bearing bonds with respect to which the issuer thereof may receive a cash subsidy payment from the United States Treasury on or about each interest payment date for such bonds (“Direct-Payment QSC Bonds”); and

**WHEREAS**, this Board desires to authorize the issuance of the Bonds in one or more series of taxable or tax-exempt bonds, and further as any combination of current interest bonds, capital appreciation bonds, or convertible capital appreciation bonds, and to authorize the issuance of all or a portion of the Bonds as Direct-Payment QSC Bonds; and

**WHEREAS**, the County Board shall issue the Bonds on behalf of the District pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Act”) for the purposes set forth in the ballot submitted to voters at the Election; and

**WHEREAS**, this Board desires to appoint certain professionals to provide services related to the issuance of the Bonds; and

**WHEREAS**, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of Bonds, is within all limits prescribed by law.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE COLTON JOINT UNIFIED SCHOOL DISTRICT AS FOLLOWS:**

**SECTION 1. Purpose; Authorization.** That for the purpose of raising money for the purposes authorized by voters of the District at the Election, and to pay all necessary legal, financial and contingent costs in connection with the issuance of the Bonds, this Board hereby petitions the County Board to authorize the issuance of one or more series of Bonds pursuant to the Act and to order such Bonds sold at a negotiated sale such that the Bonds shall be dated as of a date to be determined by said County Board, shall bear interest at a rate not-to-exceed that authorized at the Election, shall be payable upon such terms and provisions as shall be set forth in the Bonds and shall be in an aggregate principal amount not-to-exceed \$12,500,000. The Board hereby approves the sale of the Bonds at a negotiated sale, which is determined to 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 Bonds to fit the needs of particular purchasers, and a greater opportunity for RBC Capital Markets, LLC, Piper Jaffray & Co., and De La Rosa & Co., Inc. (collectively, the “Underwriters”) to pre-market the 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. The Board estimates that the costs associated with the issuance of the Bonds, including compensation to the Underwriters will not exceed 2.0% of the principal amount of the Bonds.

This Board hereby authorizes the issuance of the Bonds as any combination of current interest bonds, capital appreciation bonds, and convertible capital appreciation bonds and further as any combination of tax-exempt bonds and Direct-Payment QSC Bonds, as set forth in the fully-

executed Purchase Contract (defined herein), subject to the provisions of a resolution of the County Board relating to the Bonds (the “County Resolution”).

**SECTION 2. Paying Agent.** This Board does hereby authorize the appointment of the U.S. Bank National Association as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the “Paying Agent”) for the Bonds. The District acknowledges that ongoing expenses and fees of the Paying Agent and all other fees and costs incurred in connection with the Bonds will be paid by the District.

**SECTION 3. Tax Covenants.**

(a) With respect to Bonds issued as tax-exempt bonds, the District hereby covenants with the holders of such Bonds that, notwithstanding any other provisions of this Resolution, it will (1) comply with all of the provisions of the County Resolution relating to the Rebate Fund (as defined therein) and perform all acts necessary to be performed by the District in connection therewith, and (2) make no use of the proceeds of the Bonds or of any other amounts, regardless of the source, or of any property or take any action, or refrain from taking any action, that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code.

The District will not make any use of the proceeds of the Bonds or any other funds of the District, or take or omit to take any other action, that would cause the Bonds to be “private activity bonds” within the meaning of Section 141 of the Code or “federally guaranteed” within the meaning of Section 149(b) of the Code. To that end, so long as any Bonds are unpaid, the District, with respect to such proceeds and such other funds, will comply with all requirements of such Sections and all regulations of the United States Department of the Treasury issued thereunder and under Section 103 of the Internal Revenue Code of 1986, as amended, to the extent such requirements are, at the time, applicable and in effect.

The District will not use or permit the use of its facilities or any portion thereof by any person other than a governmental unit as such term is used in Section 141 of the Code, in such manner or to such extent as would result in the loss of exclusion from gross income for federal income tax purposes of the interest paid on the Bonds. In furtherance of the foregoing tax covenants of this Section 3(a), the District covenants that it will comply with the instructions and requirements of that certain Tax Certificate to be executed and delivered by the District on the date of issuance of such tax-exempt Bonds, which is incorporated herein as if fully set forth herein. These covenants shall survive the payment in full or defeasance of the Bonds.

(b) With respect to Bonds issued as Direct-Payment QSC Bonds, the District covenants that it will comply with the instructions and requirements of that certain Tax Certificate to be executed and delivered by the District on the date of issuance of such Direct-Payment QSC Bonds.

**SECTION 4. Legislative Determinations.** This Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

**SECTION 5. Official Statement.** The Preliminary Official Statement relating to the Bonds, substantially in the form on file with the Clerk of the Board, is hereby approved and the Superintendent of the District (the “Superintendent”), the Assistant Superintendent, Business Services of the District (the “Assistant Superintendent”), or a designated deputy thereof (collectively, the “Authorized Officers”), each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deliver such Preliminary Official Statement to the Underwriters to be used in connection with the offering and sale of the Bonds. The Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deem the Preliminary Official Statement “final” pursuant to 15c2-12 of the Securities Exchange Act of 1934, prior to its distribution and to execute and deliver to the Underwriters, a final Official Statement substantially in the form of the Preliminary Official Statement, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve. The Underwriters is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds and is directed to deliver copies of any final Official Statement to the purchasers of the Bonds. Execution of the Official Statement shall conclusively evidence the District’s approval of the Official Statement.

**SECTION 6. Direct-Payment QSC Bonds; Subsidy Reimbursement Request, Filing Agent Agreement.** With respect to Bonds issued as Direct-Payment QSC Bonds, the District expects to receive, on or about each semi-annual interest payment date for the Bonds, a cash subsidy payment from the United States Treasury equal to the lesser of (a) the interest payable on such Direct-Payment QSC Bonds on such interest payment date or (b) the amount of interest that would have been payable on such interest payment date under such Direct-Payment QSC Bonds if such interest were determined under at the applicable credit rate determined under Section 54A(b)(3) of the Code. The District hereby directs U.S. Bank National Association (the “Filing Agent”), prior to each such interest payment date for the Bonds, to submit or cause to be submitted to the United States Department of the Treasury a subsidy reimbursement request in accordance with applicable Federal regulations. Upon receipt of such subsidy, the District shall deposit or cause to be deposited any such cash subsidy payments into the debt service fund for the Bonds maintained by the County. In connection with the submission of such reimbursement request, the form of the Filing Agent Agreement for such Bonds, by and between the District and the Filing Agent, substantially in the form presented at this meeting, is hereby approved and the Authorized Officers are hereby authorized to execute and deliver such Filing Agent Agreement on behalf of the District, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officers may approve, such approval to be conclusively evidenced by his or her execution and delivery thereof.

**SECTION 7. Purchase Contract.** The form of the purchase contract for the Bonds (the “Purchase Contract”) on file with the Clerk of the Board is hereby approved. In connection with the sale of the Bonds, the Board authorizes the Authorized Officers, each alone, on behalf of the District, to execute and deliver to the Underwriters a Purchase Contract for the Bonds, with such terms and conditions as may be acceptable to such official; provided, however, that the interest rate on the Bonds shall not exceed that authorized at the Election, the underwriting discount (excluding original discount) shall not exceed 0.80% of the aggregate principal amount of the Bonds issued, and the aggregate principal amount of the Bonds shall not exceed \$12,500,000.

**SECTION 8. Continuing Disclosure.** The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Bonds, as originally

executed and as it may be amended from time to time in accordance with the terms thereof. Any Bondholder 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 Section. Noncompliance with this Section shall not result in acceleration of the Bonds.

**SECTION 9. Authorized Actions; Rescission of Prior Actions.**

(a) Officers of the Board and District officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

(b) The provisions of this Resolution as they relate to the terms of the Bonds may be amended by the Purchase Contract or the Official Statement.

**SECTION 10. Professional Services.** The District hereby appoints Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California as Bond Counsel, Orrick Herrington & Sutcliffe, LLP, Los Angeles, California as Disclosure Counsel and C.M. de Crinis & Co., a financial advisor, all in connection with the issuance of the Bonds. The District hereby appoints RBC Capital Markets, LLC, as representative of itself, Piper Jaffray & Co., and De La Rosa & Co., Inc. as Underwriters in connection with the issuance of the Bonds.

**SECTION 11. Recitals.** All the recitals in this Resolution above are true and correct and this Board so finds, determines and represents.

**SECTION 12. Effective Date.** This Resolution shall take effect immediately upon its passage.

PASSED, ADOPTED AND APPROVED this 19<sup>th</sup> day of May, 2011, by the following vote:

AYES: MEMBERS \_\_\_\_\_

NOES: MEMBERS \_\_\_\_\_

ABSTAIN: MEMBERS \_\_\_\_\_

ABSENT: MEMBERS \_\_\_\_\_

\_\_\_\_\_  
President of the Board of Education

ATTEST:

\_\_\_\_\_  
Secretary of the Board of Education

SECRETARY'S CERTIFICATE

I, \_\_\_\_\_, Secretary to the Board of Education of the Colton Joint Unified School District, hereby certify as follows:

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 and legally held at the regular meeting place thereof on May 19, 2011, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

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: May 19, 2011

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

**PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2011**

**NEW ISSUE—BOOK-ENTRY ONLY**

**Rating: Standard & Poor's: "[A+]"  
(See "MISCELLANEOUS — Rating" herein.)**

*In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). See "TAX MATTERS" herein with respect to tax consequences relating to the Bonds.*

\$ \_\_\_\_\_ \*

**COLTON JOINT UNIFIED SCHOOL DISTRICT  
(San Bernardino and Riverside Counties, California)  
Election of 2008 General Obligation Bonds, Series C  
(Qualified School Construction Bonds – Direct Payment to District)  
(Federally Taxable)**

**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 Colton Joint Unified School District (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series C (Qualified School Construction Bonds – Direct Payment to District) (Federally Taxable) (the "Bonds") are being issued by the County of San Bernardino, California ("San Bernardino County"), on behalf of the Colton Joint Unified School District (the "District") (i) to finance specific school facility construction, repair and improvement projects approved by the voters of the District, and (ii) to pay costs of issuance of the Bonds. The Bonds are being issued under the laws of the State of California (the "State") and pursuant to resolutions of the Board of Education of the District and the Board of Supervisors of San Bernardino County.

The Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the California Constitution and other State law. Each of the Board of Supervisors of San Bernardino County and the Board of Supervisors of the County of Riverside, California ("Riverside County") is empowered and obligated to levy *ad valorem* taxes upon all property subject to taxation by the District that is located within such county, 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 Bonds, all as more fully described herein. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" herein.

The Bonds will be issued as current interest bonds. The Bonds shall be issued in principal amounts of \$5,000 or integral multiples thereof as shown on the inside cover page of this Official Statement. Interest on the Bonds shall be payable on February 1 and August 1 of each year, commencing on February 1, 2012.

The Bonds will be issued as "qualified school construction bonds" as defined in Section 54F of the Code and as "specified tax credit bonds" as defined in Section 6431(f)(2) of the Code. The District expects to receive a cash subsidy payment from the United States Treasury on the Bonds as set forth herein. See "THE BONDS – Designation of Bonds as Qualified School Construction Bonds" herein.

The 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 Bonds. Individual purchases of the Bonds will be made in book-entry form only. Purchasers will not receive physical delivery of the Bonds purchased by them. See "THE BONDS – Form and Registration" herein. Payments of principal of and interest on the Bonds will be made by the Paying Agent, initially U.S. Bank National Association, to DTC for subsequent disbursement to DTC Participants, who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS – Payment of Principal and Interest" herein.

**The Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS — Redemption" herein.**

*The Bonds will be offered when, as and if issued by the District and received by the Underwriters, subject to the approval of legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, Irvine, California, as Disclosure Counsel to the District; and for the Underwriters by Fulbright & Jaworski L.L.P., Los Angeles, California. It is anticipated that the Bonds, in definitive form, will be available for delivery through the facilities of DTC in New York, New York, on or about \_\_\_\_\_, 2011.*

**RBC Capital Markets**

**Piper Jaffray & Co.**

**De La Rosa & Co.**

Dated: \_\_\_\_\_, 2010

\* Preliminary; subject to change.

# MATURITY SCHEDULE\*

BASE CUSIP<sup>1</sup>: 197036

\$ \_\_\_\_\_\*

**COLTON JOINT UNIFIED SCHOOL DISTRICT**  
**(San Bernardino and Riverside Counties, California)**  
**Election of 2008 General Obligation Bonds, Series C**  
**(Qualified School Construction Bonds – Direct Payment to District)**  
**(Federally Taxable)**

<u>Maturity</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>Number<sup>1</sup></u>
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\$ \_\_\_\_\_ % Term Bonds due August 1, 20\_\_ – Yield \_\_\_\_% CUSIP Number<sup>1</sup> – \_\_\_\_

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\* Preliminary; subject to change.

<sup>1</sup> Copyright 2011, American Bankers Association. CUSIP data herein is provided by Standard and Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP numbers are provided for convenience of reference only. Neither the District nor the Underwriters take any responsibility for the accuracy of such CUSIP numbers.

This Official Statement does not constitute an offering of any security other than the original offering of the 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 Bonds are exempted 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 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 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

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

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE BONDS TO CERTAIN SECURITIES DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE FRONT COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

**COLTON JOINT UNIFIED SCHOOL DISTRICT  
(SAN BERNARDINO AND RIVERSIDE COUNTIES, CALIFORNIA)**

**BOARD OF EDUCATION**

Patt Haro, *President*  
Robert D. Armenta, Jr., *Vice President*  
Frank A. Ibarra, *Clerk*  
Randall Ceniceros, *Member*  
Pilar Tabera, *Member, Member*  
Roger Kowalski, *Member*  
Kent Taylor, *Member*

**DISTRICT ADMINISTRATORS**

Jerry Almendarez, *Superintendent*  
Jaime R. Ayala, *Assistant Superintendent, Business Services Division*

**PROFESSIONAL SERVICES**

**Bond Counsel**

Stradling Yocca Carlson & Rauth, a Professional Corporation  
San Francisco, California

**Disclosure Counsel**

Orrick, Herrington & Sutcliffe LLP  
Irvine, California

**Financial Advisor**

C.M. de Crinis & Co., Inc.  
Sherman Oaks, California

**Paying Agent**

U.S. Bank National Association  
Los Angeles, California

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**COLTON JOINT UNIFIED SCHOOL DISTRICT**  
**(San Bernardino and Riverside Counties, California)**  
**Election of 2008 General Obligation Bonds, Series C**  
**(Qualified School Construction Bonds – Direct Payment to District)**  
**(Federally Taxable)**

**INTRODUCTION**

**General**

This Official Statement, which includes the cover page and appendices hereto, is provided to furnish information in connection with the sale of \$ \_\_\_\_\_\* aggregate principal amount of Colton Joint Unified School District (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series C (Qualified School Construction Bonds – Direct Payment to District) (Federally Taxable) (the “Bonds” or “2008C Bonds”) to be offered by the Colton Joint Unified School District (the “District”).

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

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the resolutions of the Board of Education of the District and the Board of Supervisors of the County of San Bernardino, California (“San Bernardino County”) providing for the issuance and payment of the 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 Bonds.

Copies of documents referred to herein and information concerning the Bonds are available from the District by contacting: Colton Joint Unified School District, 1212 Valencia Drive, Colton, CA 92324, Attention: Assistant Superintendent of Business Services. The District may impose a charge for copying, handling and mailing such requested documents.

**The District**

The District has operated as a joint unified school district since July 1966 and is comprised of an area of approximately 48 square miles in San Bernardino County and the County of Riverside (“Riverside County” and together with San Bernardino County, the “Counties”). The District operates 19 elementary schools, four middle schools, two comprehensive high schools, one continuation school, one alternative high school, an adult education program and a child development center. The District projects that kindergarten through grade 12 (“K-12”) enrollment for fiscal year 2010-11 will be approximately [23,422] students. For additional information about the District, see Appendix A – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET.”

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\* Preliminary; subject to change.

## THE BONDS

### Authority for Issuance; Purpose

The Bonds are issued under the provisions 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 California Education Code and Article XIII A of the California Constitution and pursuant to a resolution (the "County Resolution") adopted by the Board of Supervisors of San Bernardino County on June 7, 2011, pursuant to the request of the District made by a resolution (the "District Resolution" and together with the County Resolution, the "Resolutions") adopted by the Board of Education of the District on May 19, 2011.

At an election held on November 4, 2008, the District received authorization under a ballot measure to issue bonds of the District in an aggregate principal amount not to exceed \$225 million to finance specific school facility construction, repair and improvement projects (the "2008 Authorization"), summarized as follows: build middle and high schools, improve libraries, science and computer labs, repair restrooms, increase security, after-school program and joint-use space, drop-off zone safety, and acquire, construct, repair equipment, sites and facilities. The measure required approval by at least 55% of the votes cast by eligible voters within the District, and received a favorable vote of approximately 73%. On October 27, 2009, the District issued \$48,999,050.25 aggregate initial principal amount of its Election of 2008 General Obligation Bonds, Series A (the "2008A Bonds"), as the District's first series under the 2008 Authorization. On September 14, 2010, the District issued its Election of 2008 General Obligation Bonds, Series B (the "2008B Bonds") in the initial aggregate principal amount of \$41,938,348.45 as the second series of bonds issued under the 2008 Authorization. The Bonds represent the third series of bonds to be issued under the 2008 Authorization and will be issued to finance authorized projects. Upon issuance of the Bonds, \$ \_\_\_\_\_\* of bonds will remain authorized but unissued under the 2008 Authorization.

### Form and Registration

The Bonds will be issued in fully registered form only, without coupons, in denominations of \$5,000 principal amount or any integral multiple thereof. The 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 security depository of the Bonds. Purchases of Bonds under the DTC book-entry system must be made by or through a DTC participant, and ownership interests in 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 Bonds, beneficial owners will not receive physical certificates representing their ownership interests. In the event that the book-entry only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the County Resolution. See Appendix G – "BOOK-ENTRY ONLY SYSTEM."

### Payment of Principal and Interest

Interest on the Bonds accrues from the date of delivery thereof (the "Date of Delivery"), and is payable semiannually on February 1 and August 1 (each a "Interest Payment Date") of each year, commencing February 1, 2012. Interest on the Bonds shall be computed on the basis of a 360-day year of twelve 30-day months. Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 15th day of the month next preceding any Interest Payment Date to that Interest Payment Date, inclusive, in which

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\* Preliminary; subject to change.

event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before January 15, 2012, in which event it shall bear interest from its date of delivery. The Bonds mature on August 1 in the years and amounts set forth on the inside front cover page hereof.

The principal of the Bonds shall be payable in lawful money of the United States of America to the registered owner thereof (the “Owner” or “Bondowner”), upon the surrender thereof at the designated corporate trust office of U.S. Bank National Association, as the initial authenticating agent, bond registrar, transfer agent and paying agent with respect to the Bonds (the “Paying Agent”). The interest on the Bonds shall be payable in lawful money of the United States of America to the person whose name appears on the bond registration books of the Paying Agent as the registered owner thereof as of the close of business on the 15th day of the month next preceding any Interest Payment Date (a “Record Date”), such interest to be paid by check or draft mailed on such Interest Payment Date to such registered owner at such registered owner’s address as it appears on such registration books or at such address as the registered owner may have filed with the Paying Agent for that purpose. The interest payments on the Bonds shall be made by wire transfer to any registered owner of at least \$1,000,000 of outstanding Bonds who shall have requested in writing such method of payment of interest on the Bonds.

So long as all outstanding Bonds are held in book-entry form and registered in the name of a securities depository or its nominee, all payments of interest, principal and premium, if any, on the Bonds and all notices with respect to such Bonds shall be made and given to such securities depository or its nominee and not to beneficial owners. So long as the Bonds are held by Cede & Co., as nominee of DTC, payment shall be made by wire transfer. See Appendix G – “BOOK-ENTRY ONLY SYSTEM.”

#### **Designation of Bonds as Qualified School Construction Bonds**

The Bonds will be issued as “qualified school construction bonds” as defined in Section 54F of the Internal Revenue Code of 1986 (the “Code”) and as “specified tax credit bonds” as defined in Section 6431(f)(2) of the Code. The District expects to receive a cash subsidy payment from the United States Treasury (the “Treasury”) on the Bonds equal to the lesser of (i) 100% of the tax credit rate posted by the Internal Revenue Service and applicable to the Bonds or (ii) the interest due on such Bonds on each Interest Payment Date on or about each Interest Payment Date for the Bonds. Such subsidy does not constitute a full faith and credit guarantee of the United States with respect to the Bonds, but is required to be paid by the Treasury under the Code. Any subsidy payments received by the District are required to be deposited into the interest and sinking fund of the District within the San Bernardino County treasury (the “Debt Service Fund”). San Bernardino County is obligated to make all payments of principal and interest on the Bonds whether or not such subsidy payments are received and deposited in the Debt Service Fund. See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – General.” The District makes no assurances about future legislative or policy changes or the netting of other tax liabilities against the subsidy by the Treasury which may affect the amount or receipt of such subsidy payments.

Section 54F of the Code requires that the proceeds of qualified school construction bonds, such as the Bonds, be applied solely to the construction, rehabilitation or repair of a public school facility, or the acquisition of land on which such a facility is to be constructed and to payment of costs of issuance not in excess of 2% of the issue price of said bonds. Internal Revenue Service Notice 2009-35, released April 3, 2009, provides that bond proceeds may also be expended for “costs of acquisition of equipment to be used in such portion or portions of the public school facility that is being constructed, rehabilitated or repaired” with the proceeds of the related qualified school construction bonds. Thus, expenditure of the proceeds of the Bonds will be subject to both the limitations of the 2008 Authorization and of Section 54F of the Code.

The California Department of Education allocated a portion of the State's allocation of qualified school construction bonds to the District (the "Allocation") in the amount of \$24,748,000. The District has designated the Bonds as qualified school construction bonds under the Code and the principal amount of the Bonds will be deducted from the Allocation. The District expects to expend the proceeds of sale of the Bonds within thirty-six months after the date of their delivery.

### **Redemption\***

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

***Excess Proceeds Extraordinary Mandatory Redemption of Bonds.*** The Bonds are subject to extraordinary mandatory redemption, in whole or in part, within 90 days following the third anniversary of the delivery date of the Bonds, or 90 days following the date of termination of any period of time negotiated with the Internal Revenue Service that extends the date by which the proceeds of the sale of the Bonds must be expended, as evidenced in writing from the Internal Revenue Service, at a redemption price equal to the principal amount of the Bonds called for redemption, without premium, plus accrued interest to the redemption date, in a total amount equal to the unexpended proceeds of the sale of the Bonds.

***Optional Extraordinary Redemption of Bonds Upon Occurrence of Tax Law Change.*** The Bonds are subject to redemption prior to their respective stated maturity dates, at the option of the District upon the occurrence of a Tax Law Change, from any source of available funds, as a whole or in part on any date, at a redemption price equal to the greater of: (i) the original issue price (but not less than 100%) of such principal amount of the Bonds to be redeemed; or (ii) the principal amount thereof plus the Make-Whole Premium, together, in each case, with accrued interest, if any, to the date fixed for redemption.

"Tax Law Change" means legislation has been enacted by the Congress of the United States or passed by either House of the Congress, or a decision has been rendered by a court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement has been made by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency of appropriate jurisdiction, the effect of which, as reasonably determined by the District, would be to suspend, reduce or terminate the timely payment from the United States Treasury to the District with respect to the Bonds, or to state or local government issuers generally with respect to obligations of the general character of the Bonds, pursuant to Sections 54A, 54F, 54AA or 6431 of the Code of an amount determined separately for each maturity of the Bonds at least equal to the lesser of (i) 100% of the tax credit rate posted by the Internal Revenue Service and applicable to such Bonds or (ii) the interest due on such Bonds on each Interest Date (the "Subsidy Payments"); provided, that any such suspension, reduction or termination of the Subsidy Payments is not due to a failure by the District to comply with the requirements under the Code to receive such Subsidy Payments.

"Make-Whole Premium" means, with respect to any Bond to be redeemed, an amount calculated by an Independent Banking Institution equal to the positive difference, if any, between:

- (i) the sum of the present values, calculated as of the date fixed for redemption of:

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\* Preliminary; subject to change.

(a) each interest payment that, but for the redemption, would have been payable on the Bond or portion thereof being redeemed on each regularly scheduled Interest Date occurring after the date fixed for redemption through the maturity date of such Bond (excluding any accrued interest for the period prior to the date fixed for redemption); plus

(b) the principal amount that, but for such redemption, would have been payable on the maturity date (or applicable mandatory sinking fund redemption date or dates) of the Bond or portion thereof being redeemed; minus

(ii) the principal amount of the Bond or portion thereof being redeemed.

The present values of the interest and principal payments referred to in (i) above will be determined by discounting the amount of each such interest and principal payment from the date that each such payment would have been payable but for the redemption to the date fixed for redemption on a semiannual basis (assuming a 360-day year consisting of twelve (12) 30-day months) at a discount rate equal to the Comparable Treasury Yield, plus 100 basis points.

“Independent Banking Institution” means an investment banking institution of national standing which is a primary United States government securities dealer designated by the District (which may be the Underwriter).

“Comparable Treasury Yield” means the yield which represents the weekly average yield to maturity for the preceding week appearing in the most recently published statistical release designated “H.15(519) Selected Interest Rates” under the heading “Treasury Constant Maturities,” or any successor publication selected by the Independent Banking Institution that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded United States Treasury securities adjusted to constant maturity, for the maturity corresponding to the remaining term to maturity of the Bond being redeemed. The Comparable Treasury Yield will be determined as of any Business Day that falls not less than three Business Days nor more than 45 calendar days immediately preceding the applicable date fixed for redemption. If the H.15(519) statistical release sets forth a weekly average yield for United States Treasury securities that have a constant maturity that is the same as the remaining term to maturity of the Bond being redeemed, then the Comparable Treasury Yield will be equal to such weekly average yield. In all other cases, the Comparable Treasury Yield will be calculated by interpolation on a straight-line basis, between the weekly average yields on the United States Treasury securities that have a constant maturity (i) closest to and greater than the remaining term to maturity of the Bond being redeemed; and (ii) closest to and less than the remaining term to maturity of the Bond being redeemed. Any weekly average yields calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward. If, and only if, weekly average yields for United States Treasury securities for the preceding week are not available in the H.15(519) statistical release or any successor publication, then the Comparable Treasury Yield will be the rate of interest per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) at the Comparable Treasury Price as of the date fixed for redemption.

“Business Day” means a day other than (a) Saturday or Sunday, (b) a day on which banking institutions in the city or cities in which the principal office of the Paying Agent is located are authorized or required by law to be closed, and (c) a day on which the New York Stock Exchange is authorized or obligated by law or executive order to be closed.

“Comparable Treasury Price” means, with respect to any date on which a Bond or portion thereof is being redeemed, either (a) the average of five Reference Treasury Dealer quotations for the date fixed



(Financial Information, Inc.'s Financial Daily Called Bond Service; Mergent, Inc.'s Called Bond Department; or Standard & Poor's J.J. Kenny Information Services' Called Bond Service), and (iv) as may be further required in accordance with the Continuing Disclosure Certificate. See Appendix D – "FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Each notice of redemption will contain the following information: (i) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (ii) the date of redemption, (iii) the place or places where the redemption will be made, including the name and address of the Paying Agent, (iv) the redemption price, (v) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (vi) the bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the principal amount of such Bond to be redeemed, and (vii) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part. The County Resolution provides that such redemption notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed, the redemption price thereof, together with the interest accrued to the redemption date, and that from and after such date, interest with respect thereto shall cease to accrue.

The County Resolution provides that neither failure to receive nor any defect in any such redemption notice so given will affect the sufficiency of the proceedings for the redemption of the affected Bonds.

***Partial Redemption of Bonds.*** Upon the surrender of any Bond redeemed in part only, the Paying Agent will execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in principal amount to the unredeemed portion of the Bond surrendered. Such partial redemption is valid upon payment of the amount required to be paid to such Owner, and San Bernardino County and the District will be released and discharged thereupon from all liability to the extent of such payment.

***Effect of Notice of Redemption.*** When notice of redemption has been given as described above, and the moneys for the redemption (including the interest to the applicable date of redemption) have been set aside in the Debt Service Fund of the District within the San Bernardino County treasury, the Bonds to be redeemed will become due and payable on such date of redemption. The County Resolution provides that, if on such redemption date, money for the redemption of all the Bonds to be redeemed as described above, together with interest accrued to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as described above, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

### **Defeasance of Bonds**

The County Resolution provides that the District may defease all or any portion of the outstanding maturities of the Bonds prior to maturity in the following ways: (i) by irrevocably depositing with the Paying Agent or an independent escrow agent selected by the District an amount of cash which together with amounts then on deposit in the Debt Service Fund is sufficient to pay all Bonds outstanding and designated for defeasance, including all principal and interest and premium, if any; or (ii) by irrevocably depositing with the Paying Agent or an independent escrow agent selected by the District noncallable Government Obligations (defined below) together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and moneys then on deposit in the Debt Service Fund together with the interest to accrue thereon, be fully

sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal and interest represented thereby and redemption premiums, if any) at or before their maturity date. The County Resolution provides that if either of the above provisions is met, then, notwithstanding that any of such Bonds shall not have been surrendered for payment, all obligations of the District and San Bernardino County with respect to all such designated outstanding Bonds shall cease and terminate, except only the obligation of San Bernardino County and the Paying Agent or an independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to clause (i) or (ii) above, to the Owners of such designated Bonds not so surrendered and paid all sums due with respect thereto.

The County Resolution provides that, for purposes of these defeasance provisions, the term “Government Obligations” means direct and general obligations of the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, or “prerefunded” municipal obligations rated in the highest rating category by Moody’s Investors Services, Inc. (“Moody’s”) or Standard & Poor’s Ratings Services (“S&P”). The County Resolution provides that, in the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations, and provides that investments in such proportionate interests must be limited to circumstances where (i) a bank or trust company acts as custodian and holds the underlying United States obligations; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (iii) the underlying United States obligations are held in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed “AAA” by S&P or “Aaa” by Moody’s.

### **Application and Investment of Bond Proceeds**

The proceeds from the sale of the Bonds, to the extent of the principal amount thereof, will be deposited in the San Bernardino County treasury to the credit of the building fund of the District (the “Building Fund”) and shall be accounted for separately from all other District and San Bernardino County funds. Such proceeds shall be applied solely for the purposes for which the Bonds were authorized. Any premium or accrued interest received by the District will be deposited in the Debt Service Fund of the District in the San Bernardino County treasury. Interest and earnings on each fund will accrue to that fund.

All funds held by the San Bernardino County treasurer in the Building Fund and the Debt Service Fund are expected to be invested on behalf of the District by San Bernardino County in such investments as are authorized by Section 53601 and following of the California Government Code, consistent with the investment policy of San Bernardino County. See Appendix E – “SUMMARY OF COUNTY OF SAN BERNARDINO INVESTMENT POLICIES AND PRACTICES AND DESCRIPTION OF INVESTMENT POOL.” See also Appendix F – “COUNTY INVESTMENT POLICY.” The District may direct that certain investments in the Building Fund be deposited with a state or national bank or trust company located within the State or with the Federal Reserve Bank of San Francisco or any branch thereof within the State, or with any Federal Reserve bank or with any state or national bank located in any city designated as a reserve city by the Board of Governors of the Federal Reserve System in accordance with Sections 41015 and 41016 of the California Education Code.

**Estimated Sources and Uses of Funds**

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

**COLTON JOINT UNIFIED SCHOOL DISTRICT  
(San Bernardino and Riverside Counties, California)  
Election of 2008 General Obligation Bonds, Series C  
(Qualified School Construction Bonds – Direct Payment to District)  
(Federally Taxable)  
Estimated Sources and Uses of Funds**

Sources of Funds:

Par Amount of Bonds	\$
Plus/Less Net Original Issue Premium/Discount	
Total Sources of Funds	<u>\$</u>

Uses of Funds:

Deposit to Building Fund <sup>(1)</sup>	\$
Costs of Issuance <sup>(2)</sup>	
Underwriters' Discount	
Deposit to Debt Service Fund <sup>(3)</sup>	
Total Uses of Funds	<u>\$</u>

<sup>(1)</sup> Exclusive of costs of issuance.

<sup>(2)</sup> Includes Bond Counsel, Disclosure Counsel, Financial Advisor and other consultant fees, rating agency fees, initial Paying Agent fees, printing fees and other miscellaneous fees and expenses.

<sup>(3)</sup> Consists of premium received by the District.

**Debt Service**

The annual debt service on the Bonds, assuming no early redemptions, is as shown in the following table.

**COLTON JOINT UNIFIED SCHOOL DISTRICT  
 (San Bernardino and Riverside Counties, California)  
 Election of 2008 General Obligation Bonds, Series C  
 (Qualified School Construction Bonds – Direct Payment to District)  
 (Federally Taxable)  
 Debt Service**

Year Ending August 1	Principal	Interest	Annual Debt Service
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
Total:			

## Outstanding General Obligation Bonds; Aggregate Debt Service

In addition to the Bonds, the District has outstanding five additional series of bonds, each of which is secured by *ad valorem* taxes upon all property subject to taxation by the District. The annual debt service on all of the District's outstanding bonds, including the Bonds, assuming no early redemptions, is as shown in the following table.

### COLTON JOINT UNIFIED SCHOOL DISTRICT (San Bernardino and Riverside Counties, California) General Obligation Bonds - Aggregate Debt Service

Year Ending August 1,	2001A Bonds	2001B Bonds	2001C Bonds	2008A Bonds	2008B Bonds	2008C Bonds	Total Annual Debt Service
2011	\$2,396,800.00	\$ 955,717.50	\$2,813,331.25	\$2,726,406.26	\$ 295,426.39	\$	\$
2012	2,389,100.00	1,055,717.50	3,415,625.00	2,731,406.26	335,500.00		
2013	2,381,350.00	1,156,717.50	3,323,325.00	2,776,406.26	350,500.00		
2014	2,371,037.50	1,268,517.50	3,231,737.50	2,881,406.26	370,500.00		
2015	2,371,537.50	1,370,517.50	3,116,400.00	3,051,406.26	395,500.00		
2016	2,364,037.50	1,482,037.50	3,019,537.50	3,226,406.26	425,500.00		
2017	2,389,037.50	1,562,812.50	2,881,362.50	3,421,406.26	450,500.00		
2018	2,339,325.00	1,723,281.26	2,847,531.25	3,621,406.26	485,500.00		
2019	2,331,500.00	1,849,356.26	2,698,306.25	3,836,406.26	515,500.00		
2020	2,324,825.00	1,970,281.26	2,576,050.00	3,916,406.26	695,500.00		
2021	2,314,025.00	2,102,018.76	2,469,712.50	3,994,206.26	895,500.00		
2022	2,309,100.00	2,233,518.76	2,344,425.00	4,074,456.26	1,110,960.00		
2023	2,434,500.00	2,237,250.00	2,089,256.25	4,155,056.26	1,340,960.00		
2024	2,560,225.00	2,242,500.00	1,959,600.00	4,236,750.00	1,585,960.00		
2025	2,683,587.50	2,258,250.00	1,837,175.00	4,328,231.26	1,845,960.00		
2026	2,824,050.00	2,258,750.00	1,677,900.00	4,408,425.00	2,135,960.00		
2027	-	5,229,500.00	4,459,656.25	4,502,331.26	2,435,960.00		
2028	-	5,375,000.00	1,575,000.00	4,588,606.26	2,765,960.00		
2029	-	2,600,000.00	1,425,000.00	4,676,981.26	3,115,960.00		
2030	-	-	4,200,000.00	4,771,650.00	3,490,960.00		
2031	-	-	6,800,000.00	4,866,537.50	3,890,960.00		
2032	-	-	6,800,000.00	4,965,837.50	4,320,960.00		
2033	-	-	6,800,000.00	5,063,475.00	4,780,960.00		
2034	-	-	6,800,000.00	5,168,643.76	5,265,960.00		
2035	-	-	6,800,000.00	-	11,058,330.00		
2036	-	-	6,795,000.00	-	11,723,209.60		
2037	-	-	6,795,000.00	-	12,425,500.00		
2038	-	-	6,795,000.00	-	13,170,714.00		
2039	-	-	-	-	13,961,110.75		
2040	-	-	-	-	14,799,930.40		
2041	-	-	-	-	15,690,391.75		
2042	-	-	-	-	16,630,500.00		
2043	-	-	-	-	17,629,072.00		
2044	-	-	-	-	18,685,127.20		
2045	-	-	-	-	19,805,500.00		
2046	-	-	-	-	7,045,500.00		
Total:	<u>\$38,784,037.50</u>	<u>\$40,931,743.80</u>	<u>\$108,345,931.25</u>	<u>\$95,990,250.18</u>	<u>\$215,927,792.09</u>	<u>\$</u>	<u>\$</u>

On September 25, 2001, the voters of the District approved \$102,000,000 principal amount of bonds (the "2001 Authorization"). On April 10, 2002, the District issued \$28,700,000 aggregate initial principal amount of its 2001 General Obligation Bonds, Series A (the "2001A Bonds") as the District's first series under the 2001 Authorization. On July 14, 2004, the District issued \$23,177,726 aggregate initial principal amount of its 2001 General Obligation Bonds, Series B (the "2001B Bonds") as the District's second series under the 2001 Authorization. On January 11, 2006, the District issued \$50,122,151 aggregate initial principal amount of its 2001 General Obligation Bonds, Series C (the "2001C Bonds") as the District's third and final series under the 2001 Authorization. At an election held on November 4, 2008, the District received authorization to issue \$225,000,000 principal amount of

bonds (the “2008 Authorization”). On October 27, 2009, the District issued \$48,999,050.25 aggregate initial principal amount of its Election of 2008 General Obligation Bonds, Series A (the “2008A Bonds”) as the District’s first series under the 2008 Authorization. On September 14, 2010, the District issued its Election of 2008 General Obligation Bonds, Series B (the “2008B Bonds”) in the initial aggregate principal amount of \$41,938,348.45, as the District second series of bonds issued under the 2008 Authorization. See also Appendix A – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – District Debt Structure – General Obligation Bonds.”

## **SECURITY AND SOURCE OF PAYMENT FOR THE BONDS**

### **General**

In order to provide sufficient funds for repayment of principal and interest when due on a school district’s bonds, the board of supervisors of the county, the superintendent of schools of which has jurisdiction over such school district, is empowered and is obligated to levy *ad valorem* taxes upon all property subject to taxation by such school 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 school district. In the case of a school district, like the District, lying in two or more counties, the assessor of each of the counties in which the district lies, must annually certify to the board of supervisors of each of the counties in which any portion of the school district is situated, the assessed value of all taxable property in the county situated in the school district, and the *ad valorem* tax must be levied according to the ratio which the assessed value of the property in the school district in any county bears to the total assessed value of the property in the school district. Each board of supervisors must levy upon the property of the school district within its own county the rate of tax that will be sufficient to raise not less than the amount needed to pay the interest and any portion of the principal of the bonds that is to become due during the year.

Accordingly, each of the Board of Supervisors of San Bernardino County and the Board of Supervisors of Riverside County must levy upon the property of the District within its own county the rate of tax that will be sufficient to provide sufficient funds for repayment of principal and interest when due on the Bonds according the ratio which the assessed value of the property in the District in its own county bears to the total assessed value of the property in the District. When collected, the tax revenues will be deposited by both counties in the District’s Debt Service Fund, which is required to be maintained by San Bernardino County as the county, the superintendent of schools of which has jurisdiction over the District, and to be used solely for the payment of bonds of the District. See Appendix E – “SUMMARY OF COUNTY OF SAN BERNARDINO INVESTMENT POLICIES AND PRACTICES AND DESCRIPTION OF INVESTMENT POOL.” See also Appendix F – “COUNTY INVESTMENT POLICY.”

The Bonds will be issued as “qualified school construction bonds” as defined in Section 54F of the Code and as “specified tax credit bonds” as defined in Section 6431(f)(2) of the Code. The District expects to receive a cash subsidy from the Treasury on the Bonds as set forth herein. See “THE BONDS – Designation of Bonds as Qualified School Construction Bonds.” Such subsidy does not constitute a full faith and credit guarantee of the United States with respect to the Bonds, but is required to be paid by the Treasury under the Code. Any subsidy payments received by the District are required to be deposited into the Debt Service Fund of the District within San Bernardino County treasury. The Board of Supervisors of San Bernardino County and the Board of Supervisors of Riverside County are empowered and obligated to levy *ad valorem* taxes upon all property subject to taxation by the District for the payment of principal of and interest on the Bonds whether or not such subsidy payments are received and deposited in the Debt Service Fund. As a result, the levy of *ad valorem* property taxes will only take into account

amounts actually received from the Treasury and deposited in the Debt Service Fund. The District makes no assurances about future legislative or policy changes or the netting of other tax liabilities against the subsidy by the Treasury which may affect the amount or receipt of such subsidy payments.

### **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 tax collector prepares and mails tax bills to taxpayers and collects the taxes. In addition, the treasurer of the county, the superintendent of schools of which has jurisdiction over the school district, holds school district funds, including taxes collected for payment of school bonds, and is charged with payment of principal and interest on the bonds when due, as *ex officio* treasurer of the school district.

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

Taxable property located in the District has a 2010-11 assessed value of \$7,706,964,806 (before redevelopment increment). 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 under the heading, *State-Assessed Property*.

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.

***State-Assessed Property.*** Under the 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 applicable 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 applicable county. The District is unable to predict future transfers of State-assessed property in the District and the Counties, 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.

Under California law, a city or county can create a redevelopment agency in territory within one or more school districts. Upon formation of a "project area" of a redevelopment agency, most property tax revenues attributable to the growth in assessed value of taxable property within the project area (known as "tax increment") belong to the redevelopment agency, causing a loss of tax revenues to other local taxing agencies, including school districts, from that time forward. However, taxes collected for payment of debt service on school bonds are not affected or diverted by the operation of a redevelopment agency project area. Moreover, some school districts have negotiated "pass-through agreements" with their local redevelopment agencies, entitling the district to receive a portion of the tax increment revenue that would otherwise belong to the redevelopment agency (provided such revenue is not pledged and needed to pay debt service on redevelopment agency tax-increment bonds). In some cases the pass-through is mandated by statute. See APPENDIX A – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET—DISTRICT FINANCIAL MATTERS—Tax Increment Revenues." There are 14 project areas established within the territory of the District.

Shown in the following tables are the assessed valuations of the various classes of property in the District in recent years.

**COLTON JOINT UNIFIED SCHOOL DISTRICT**  
**(San Bernardino and Riverside Counties, California)**  
**Assessed Valuations**  
**Fiscal Years 2004-05 through 2010-11**

**County of San Bernardino Portion**

Fiscal Year	Local Secured	Utility	Unsecured	Total Before Redevelopment Increment	Total After Redevelopment Increment <sup>(1)</sup>
2004-05	\$ 4,634,807,481	\$ 36,265,754	\$ 444,876,592	\$ 5,115,949,827	\$ 2,588,202,648
2005-06	5,369,659,011	25,115,241	510,416,377	5,905,190,629	2,895,741,038
2006-07	6,292,592,394	22,441,645	508,259,896	6,823,293,935	3,251,087,619
2007-08	7,490,571,139	14,200,411	584,091,064	8,088,862,614	3,714,486,687
2008-09	7,925,532,929	14,115,537	627,479,297	8,567,127,763	3,945,441,572
2009-10	7,209,867,555	13,866,914	670,347,398	7,894,081,867	3,598,181,984
2010-11	6,938,201,224	14,469,517	653,596,977	7,606,267,718	3,418,832,011

**County of Riverside Portion**

Fiscal Year	Local Secured	Utility	Unsecured	Total Before Redevelopment Increment	Total After Redevelopment Increment <sup>(1)</sup>
2004-05	\$ 74,173,533	-	\$ 248,597	\$ 74,422,130	\$ 74,422,130
2005-06	85,841,193	-	205,079	86,046,272	86,046,272
2006-07	99,662,436	-	227,239	99,889,675	99,889,675
2007-08	109,917,458	-	202,186	110,119,644	110,119,644
2008-09	112,309,846	-	205,330	112,515,176	112,515,176
2009-10	103,659,278	-	204,736	103,864,014	103,864,014
2010-11	100,489,623	-	207,465	100,697,088	100,697,088

**Total District**

Fiscal Year	Local Secured	Utility	Unsecured	Total Before Redevelopment Increment	Total After Redevelopment Increment <sup>(1)</sup>
2004-05	\$ 4,708,981,014	\$ 36,265,754	\$ 445,125,189	\$ 5,190,371,957	\$ 2,662,624,778
2005-06	5,455,500,204	25,115,241	510,621,456	5,991,236,901	2,981,787,310
2006-07	6,392,254,830	22,441,645	508,487,135	6,923,183,610	3,350,977,294
2007-08	7,600,488,597	14,200,411	584,293,250	8,198,982,258	3,824,606,331
2008-09	8,037,842,775	14,115,537	627,684,627	8,679,642,939	4,057,956,748
2009-10	7,313,526,833	13,866,914	670,552,134	7,997,945,881	3,702,045,998
2010-11	7,038,690,847	14,469,517	653,804,442	7,706,964,806	3,519,529,099

<sup>(1)</sup> Special (voter-approved) *ad valorem* property taxes collected for payment of debt service on school district bonds are based on assessed valuation before reduction for redevelopment increment and such special *ad valorem* property taxes are not affected or diverted by the operation of a redevelopment agency project area.

Source: California Municipal Statistics, Inc.

Assessments may be adjusted during the course of the year when real property changes ownership or new construction is completed. Assessments may also be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District's control, such as a general market decline in land values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable

property caused by natural or manmade disaster, such as earthquake, 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.

***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 activity occurs.

The second type of appeal, commonly referred to as a Proposition 8 appeal, 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. In the County, 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 "Assessor"), the Assessor may offer to the property owner the opportunity to stipulate to a reduced assessment, or may confirm the assessment. If no stipulation is agreed to, and the applicant elects to pursue the appeal, the matter is brought before the Appeals Board (or, in some cases, a hearing examiner) for a hearing and decision. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level (escalated to the inflation rate of no more than two percent) following the year for which the reduction application is filed. However, the 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 Assessor, 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 – Article XIII A of the California Constitution" for a discussion of other limitations on the valuation of real property with respect to *ad valorem* taxes.

**Bonding Capacity.** As a unified school district, the District may issue bonds in an amount up to 2.50% of the assessed valuation of taxable property within its boundaries. Based on the District’s 2010-11 assessed valuation, the District’s fiscal year 2010-11 gross bonding capacity (also commonly referred to as the “bonding limit” or “debt limit”) is approximately \$192.67 million and its net bonding capacity is approximately \$11.90 million (taking into account current outstanding debt before issuance of the 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 gives a distribution of taxable real property located in the District by jurisdiction.

**COLTON JOINT UNIFIED SCHOOL DISTRICT**  
**(San Bernardino and Riverside Counties, California)**  
**2010-11 Assessed Valuation by Jurisdiction<sup>(1)</sup>**

Jurisdiction	Assessed Valuation in District	% of District	Assessed Valuation of District	% of Jurisdiction in District
City of Colton	\$2,206,486,255	28.63%	\$2,586,929,328	85.29%
City of Fontana	1,472,942,292	19.11	\$13,546,776,387	10.87%
City of Grand Terrace	766,352,316	9.94	\$766,352,316	100.00%
City of Loma Linda	66,899,546	0.87	\$1,582,598,882	4.23%
City of Rialto	1,083,659,476	14.06	\$5,612,248,930	19.31%
City of San Bernardino	806,676,736	10.47	\$10,489,740,033	7.69%
Unincorporated San Bernardino County	1,203,251,097	15.61	\$25,695,313,498	4.68%
Unincorporated Riverside County	100,697,088	1.31	\$43,936,055,340	0.23%
Total San Bernardino County	7,606,267,718	98.69%	\$163,119,805,005	4.66%
Total Riverside County	100,697,088	1.31	\$204,812,536,109	0.05%
Total District	\$7,706,964,806	100.00%		

<sup>(1)</sup> Before deduction of redevelopment incremental valuation.  
Source: California Municipal Statistics, Inc.

**Assessed Valuation by Land Use.** The following table gives a distribution of taxable property located in the District on the 2010-11 tax roll by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

**COLTON JOINT UNIFIED SCHOOL DISTRICT  
(San Bernardino and Riverside Counties, California)  
Assessed Valuation and Parcels by Land Use**

	2010-11 <u>Assessed Valuation</u> <sup>(1)</sup>	% of <u>Total</u>	No. of <u>Parcels</u>	% of <u>Total</u>
<b><u>Non-Residential:</u></b>				
Agricultural	\$ 8,012,270	0.11%	26	0.08%
Commercial	713,093,551	10.13	691	2.22
Professional/Office	368,437,170	5.23	265	0.85
Industrial	1,470,426,044	20.89	615	1.97
Recreational	12,353,131	0.18	23	0.07
Government/Social/Institutional	50,556,781	0.72	139	0.45
Miscellaneous	<u>23,985,707</u>	<u>0.34</u>	<u>180</u>	<u>0.58</u>
Subtotal Non-Residential	\$2,646,864,654	37.60%	1,939	6.23%
<b><u>Residential:</u></b>				
Single Family Residence	\$3,287,771,928	46.71%	21,934	70.43%
Condominium/Townhouse	100,554,738	1.43	1,096	3.52
Mobile Home	54,598,790	0.78	1,484	4.76
Mobile Home Park	50,327,030	0.72	31	0.10
2-4 Residential Units	139,285,312	1.98	850	2.73
5+ Residential Units/Apartments	269,936,136	3.84	142	0.46
Miscellaneous	<u>9,326,584</u>	<u>0.13</u>	<u>70</u>	<u>0.22</u>
Subtotal Residential	\$3,911,800,518	55.58%	25,607	82.22%
Vacant Parcels	\$ 480,025,675	6.82%	3,598	11.55%
<b>TOTAL</b>	<b>\$7,038,690,847</b>	<b>100.00%</b>	<b>31,144</b>	<b>100.00%</b>

<sup>(1)</sup> Local secured assessed valuation; excluding tax-exempt property.  
Source: California Municipal Statistics, Inc.

**Assessed Valuation of Single-Family Homes.** The following table shows the assessed valuation of single-family homes in the District for fiscal year 2010-11.

**COLTON JOINT UNIFIED SCHOOL DISTRICT  
(San Bernardino and Riverside Counties, California)  
Assessed Valuation of Single Family Homes**

Per Parcel 2010-11 Assessed Valuation of Single Family Homes

	<u>No. of Parcels</u>	<u>2010-11 Assessed Valuation</u>	<u>Average Assessed Valuation</u>	<u>Median Assessed Valuation</u>
Single Family Residential	21,934	\$3,287,771,928	\$149,894	\$144,528

<u>2010-11 Assessed Valuation</u>	<u>No. of Parcels<sup>(1)</sup></u>	<u>% of Total</u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
\$0 - \$24,999	544	2.480%	2.480%	\$ 9,733,346	0.296%	0.296%
\$25,000 - \$49,999	1,646	7.504	9.984	61,733,320	1.878	2.174
\$50,000 - \$74,999	1,951	8.895	18.879	122,518,422	3.726	5.900
\$75,000 - \$99,999	2,054	9.364	28.244	180,369,379	5.486	11.386
\$100,000 - \$124,999	2,551	11.630	39.874	286,611,870	8.718	20.104
\$125,000 - \$149,999	2,874	13.103	52.977	395,470,830	12.029	32.132
\$150,000 - \$174,999	2,636	12.018	64.995	426,690,148	12.978	45.110
\$175,000 - \$199,999	2,476	11.288	76.283	462,397,799	14.064	59.175
\$200,000 - \$224,999	1,803	8.220	84.504	381,246,994	11.596	70.770
\$225,000 - \$249,999	1,319	6.013	90.517	311,408,599	9.472	80.242
\$250,000 - \$274,999	866	3.948	94.465	226,419,378	6.887	87.129
\$275,000 - \$299,999	542	2.471	96.936	153,715,117	4.675	91.804
\$300,000 - \$324,999	204	0.930	97.866	62,866,269	1.912	93.716
\$325,000 - \$349,999	142	0.647	98.514	47,609,113	1.448	95.164
\$350,000 - \$374,999	74	0.337	98.851	26,660,742	0.811	95.975
\$375,000 - \$399,999	41	0.187	99.038	15,819,981	0.481	96.457
\$400,000 - \$424,999	33	0.150	99.188	13,607,085	0.414	96.870
\$425,000 - \$449,999	31	0.141	99.330	13,543,410	0.412	97.282
\$450,000 - \$474,999	23	0.105	99.435	10,741,032	0.327	97.609
\$475,000 - \$499,999	20	0.091	99.526	9,741,094	0.296	97.905
\$500,000 and greater	<u>104</u>	<u>0.474</u>	100.000	<u>68,867,980</u>	<u>2.095</u>	100.000
Total	21,934	100.000%		\$3,287,771,928	100.000%	

<sup>(1)</sup> Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.  
Source: California Municipal Statistics, Inc.

**Largest Taxpayers in District.** The twenty taxpayers with the greatest combined ownership of taxable property in the District on the 2010-11 tax roll, and the assessed valuation of all property owned by those taxpayers in all taxing jurisdictions within the District, are shown below.

**COLTON JOINT UNIFIED SCHOOL DISTRICT  
(San Bernardino and Riverside Counties, California)  
Largest 2010-11 Local Secured Taxpayers**

	Property Owner	Primary Land Use	2010-11 Assessed Value	Percent of Total <sup>(1)</sup>
1.	Rancon Realty Fund IV & V	Office Building	\$ 125,840,483	1.79%
2.	Enertech Environmental Inc.	Industrial	85,319,904	1.21
3.	SP4 Agua Mansa LP	Industrial	78,104,553	1.11
4.	UST-CB Partners LP	Industrial	73,304,448	1.04
5.	Cal East Kline Ranch LP	Industrial	72,000,000	1.02
6.	California Portland Cement Co.	Industrial	60,203,103	0.86
7.	10681 Production Avenue LLC	Industrial	56,500,000	0.80
8.	Prologis-MacQuarie U.S. LLC	Industrial	51,265,000	0.73
9.	Granite Sierra Park LP	Industrial	50,969,837	0.72
10.	Francisco Street LP	Industrial	50,000,000	0.71
11.	Wanvog Investments LLC	Industrial	42,138,093	0.60
12.	Sierra Crossroads LLC	Shopping Center	36,105,215	0.51
13.	AMB Institutional Alliance Fund III	Industrial	35,527,500	0.50
14.	North Waterford Apartments	Apartments	33,851,749	0.48
15.	Oakmont El Rivino LLC	Industrial	33,394,607	0.47
16.	Ashley Furniture Industries Inc.	Industrial	32,836,518	0.47
17.	Fedex Ground Package System Inc.	Industrial	31,219,346	0.44
18.	Caleast Franzman LP	Industrial	29,922,922	0.43
19.	Pacific West Management	Industrial	29,206,435	0.41
20.	Natmi Truck Terminals LLC	Industrial	<u>29,073,512</u>	<u>0.41</u>
			<u>\$1,036,783,225</u>	<u>14.73%</u>

<sup>(1)</sup> Fiscal year 2010-11 Local Secured Assessed Valuation: \$7,038,690,847.  
Source: California Municipal Statistics, Inc.

The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness in the taxpayer's financial situation and ability or willingness to pay property taxes. As shown above, no single taxpayer owns more than 1.79% of the total taxable property in the District.

**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 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 Bonds is based on the prior year's secured property tax rate.) Economic and other factors beyond the District's control, such as a general market decline in land values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, fire, toxic dumping, etc., could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the

annual tax rate to be levied to pay the principal of and interest on the Bonds. Issuance of additional authorized bonds in the future might also cause the tax rate to increase.

**Typical Tax Rate Area.** The following tables show *ad valorem* property tax rates from 2006-07 through 2010-11 in four typical Tax Rate Areas of the District (TRA 2-000, TRA 10-032, TRA 16-001, TRA 64-027).

**COLTON JOINT UNIFIED SCHOOL DISTRICT  
(San Bernardino and Riverside Counties, California)  
Typical Total Tax Rates per \$100 of Assessed Valuation  
Fiscal Years 2006-07 Through 2010-11**

**TRA 2-000: Within the City of Colton<sup>(1)</sup>**

	2006-07	2007-08	2008-09	2009-10	2010-11
General Tax Rate	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Colton Joint Unified School District	.0753	.0806	.0688	.0985	.1304
San Bernardino Community College District	.0195	.0127	.0393	.0280	.0467
San Bernardino Valley Municipal Water District	.1550	.1650	.1650	.1650	.1650
Total Tax Rate	\$1.2498	\$1.2583	\$1.2731	\$1.2915	\$1.3421

**TRA 10-032: Within the City of Fontana<sup>(2)</sup>**

	2006-07	2007-08	2008-09	2009-10	2010-11
General Tax Rate	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Colton Joint Unified School District	.0753	.0806	.0688	.0985	.1304
San Bernardino Community College District	.0195	.0127	.0393	.0280	.0467
San Bernardino Valley Municipal Water District	.1550	.1650	.1650	.1650	.1650
Total Tax Rate	\$1.2498	\$1.2583	\$1.2731	\$1.2915	\$1.3421

**TRA 16-001: Within the City of Grand Terrace<sup>(3)</sup>**

	2006-07	2007-08	2008-09	2009-10	2010-11
General Tax Rate	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Colton Joint Unified School District	.0753	.0806	.0688	.0985	.1304
San Bernardino Community College District	.0195	.0127	.0393	.0280	.0467
San Bernardino Valley Municipal Water District	.1550	.1650	.1650	.1650	.1650
Total Tax Rate	\$1.2498	\$1.2583	\$1.2731	\$1.2915	\$1.3421

**TRA 64-027: Within Unincorporated Area<sup>(4)</sup>**

	2006-07	2007-08	2008-09	2009-10	2010-11
General Tax Rate	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Colton Joint Unified School District	.0753	.0806	.0688	.0985	.1304
San Bernardino Community College District	.0195	.0127	.0393	.0280	.0467
San Bernardino Valley Municipal Water District	.1550	.1650	.1650	.1650	.1650
Total Tax Rate	\$1.2498	\$1.2583	\$1.2731	\$1.2915	\$1.3421

<sup>(1)</sup> TRA 2-000 comprises approximately 4.51% of the total fiscal year 2010-11 assessed value of the District.

<sup>(2)</sup> TRA 10-032 comprises approximately 7.56% of the total fiscal year 2010-11 assessed value of the District.

<sup>(3)</sup> TRA 16-001 comprises approximately 8.82% of the total fiscal year 2010-11 assessed value of the District.

<sup>(4)</sup> TRA 64-027 comprises approximately 5.60% of the total fiscal year 2010-11 assessed value of the District.

Source: California Municipal Statistics, Inc.

In accordance with the law which permitted the Bonds to be approved by a 55% popular vote, bonds approved by the District's voters at the November 4, 2008 election may not be issued unless the District projects that repayment of all outstanding bonds approved at the election will require a tax rate no greater than \$60.00 per \$100,000 of assessed value. Based on the assessed value of taxable property in the District at the time of issuance of the Bonds, the District projects that the maximum tax rate required to

repay the Bonds and all other outstanding bonds approved at the November 4, 2008 election will be within that legal limit. The tax-rate test applies only when new bonds are issued, and is not a legal limitation upon the authority of the applicable county board of supervisors to levy taxes at such rate as may be necessary to pay debt service on the Bonds 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 scheme enacted since that time. Revenues derived from special *ad valorem* taxes for voter-approved indebtedness, including the Bonds, are reserved to the taxing jurisdiction that approved and issued the debt, and may only be used to repay that debt.

The county 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 \$10 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 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. There are also fees charged for delinquent unsecured property tax bills. To collect unpaid taxes, the county 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 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.

As provided below, the Counties utilize the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan") for assessment, levy and distribution of property taxes. This method guarantees distribution of 100% of the assessments levied to the taxing entity, with the Counties retaining all penalties and interest. As a result, the Counties do not provide delinquency information with respect to the real property tax charges within the District.

**Teeter Plan.** The Counties have implemented an alternative method for the distribution of secured property taxes to local agencies, known as the "Teeter Plan." The Teeter Plan provisions are now set forth in Sections 4701 to 4717 of the California Revenue and Taxation Code. Upon adoption and implementation of this method by a county board of supervisors, local agencies for which the county acts as "bank" and certain other public agencies and taxing areas located in the county receive annually the full amount of their share of property taxes on the secured roll, including delinquent property taxes which have yet to be collected. While a county benefits from the penalties associated with these delinquent taxes when they are paid, the Teeter Plan provides participating local agencies with stable cash flow and the elimination of collection risk.

To implement a Teeter Plan, the board of supervisors of a county generally must elect to do so by July 15 of the fiscal year in which it is to apply. As a separate election, a county may elect to have the Teeter Plan procedures also apply to assessments on the secured roll. The Teeter Plan was effective beginning in fiscal year 1996-97 for the County of San Bernardino and was adopted in the County of Riverside in 1993. The Counties' Teeter Plans apply to the District and to the Bonds.

The *ad valorem* property tax to be levied to pay the interest on and principal of the Bonds is subject to the Teeter Plan. The District will receive 100% of the *ad valorem* property tax levied to pay the Bonds irrespective of actual delinquencies in the collection of the tax by the Counties.

Upon making a Teeter Plan election, a county must initially provide a participating local agency with 95% of the estimated amount of the then accumulated tax delinquencies (excluding penalties) for that agency. In the case of the initial year distribution of special taxes and assessments (if a county has elected to include assessments), 100% of the special tax delinquencies (excluding penalties) are to be apportioned to the participating local agency which levied the special tax. After the initial distribution, each participating local agency receives annually 100% of the secured property tax levies to which it is otherwise entitled, regardless of whether the county has actually collected the levies.

If any tax or assessment which was distributed to a Teeter Plan participant is subsequently changed by correction, cancellation or refund, a pro rata adjustment for the amount of the change is made on the records of the tax collector and auditor of the county. Such adjustment for a decrease in the tax or assessment is treated by the Counties as an interest-free offset against future advances of tax levies under the Teeter Plan.

Once adopted, a county's Teeter Plan will remain in effect in perpetuity unless the board of supervisors orders its discontinuance or unless prior to the commencement of a fiscal year a petition for discontinuance is received and joined in by resolutions of the governing bodies of not less than two-thirds of the participating districts in the county. An electing county may, however, opt to discontinue the Teeter Plan with respect to any levying agency in the county if the board of supervisors, by action taken not later than July 15 of a fiscal year, elects to discontinue the procedure with respect to such levying agency and the rate of secured tax delinquencies in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll by that agency. The Counties have never discontinued the Teeter Plan with respect to any levying agency.

### **Direct and Overlapping Debt**

Set forth below is a schedule of direct and overlapping debt prepared by California Municipal Statistics Inc. and effective May 1, 2011 for debt issued as of April 25, 2011. 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 shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown 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.

**COLTON JOINT UNIFIED SCHOOL DISTRICT**  
**(San Bernardino and Riverside Counties, California)**  
**Statement Of Direct And Overlapping Bonded Debt**  
**As of April 25, 2011**

2010-11 Assessed Valuation: \$7,706,964,806  
Redevelopment Incremental Valuation: 4,188,029,631  
Adjusted Assessed Valuation: \$3,518,935,175

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 5/1/11</u>
Metropolitan Water District	0.004%	\$ 9,107
San Bernardino Community College District	9.448	40,722,745
Colton Joint Unified School District	100.000	180,767,326 <sup>(1)</sup>
Colton Joint Unified School District Community Facilities District No. 2	100.000	4,290,000
Agua Mansa Industrial Growth Association Community Facilities District No. 2002-1	45.569	5,712,074
City of Colton Community Facilities Districts	100.000	7,233,554
City of Fontana Community Facilities Districts	100.000	39,930,000
City of Colton 1915 Act Bonds	100.000	<u>210,000</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$278,874,806

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
San Bernardino County General Fund Obligations	3.001%	\$20,610,718
San Bernardino County Pension Obligations	3.001	18,058,985
San Bernardino County Flood Control District General Fund Obligations	3.001	3,346,415
Riverside County General Fund Obligations	0.068	483,303
Riverside County Pension Obligations	0.068	249,523
Riverside County Board of Education Certificates of Participation	0.068	4,196
Colton Joint Unified School District Certificates of Participation	100.000	6,335,000
City of Colton Certificates of Participation	82.346	10,276,781
City of Colton Pension Obligations	82.346	24,287,459
City of Fontana Certificates of Participation	6.858	4,057,193
City of Grand Terrace Certificates of Participation	100.000	2,230,000
Other City General Fund Obligations	Various	<u>726,926</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$90,666,499
Less: Riverside County supported bonds		<u>9,842</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$90,656,657

GROSS COMBINED TOTAL DEBT \$369,541,305<sup>(2)</sup>  
NET COMBINED TOTAL DEBT \$369,531,463

<sup>(1)</sup> Excludes Bonds to be sold.

<sup>(2)</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2010-11 Assessed Valuation:

Direct Debt (\$180,767,326) ..... 2.35%  
Total Direct and Overlapping Tax and Assessment Debt ..... 3.62%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$187,102,326) ..... 5.32%  
Gross Combined Total Debt ..... 10.50%  
Net Combined Total Debt ..... 10.50%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/10: \$0

Source: California Municipal Statistics, Inc.

## **TAX MATTERS**

The District has elected to issue the Bonds as Qualified School Construction Bonds for purposes of Section 54F of the Code for which the District is allowed a refundable credit which, with respect to any Bond Payment Date with respect to the Bonds, is equal to the lesser of (a) the interest payable on such Bonds on such Bond Payment Date or (b) the amount of interest that would have been payable on such Bond Payment Date under such Bonds if such interest were determined under at the applicable credit rate determined under Section 54A(b)(3) of the Code. The District will elect to receive a cash subsidy payment from the United States Treasury equal to the lesser of (a) the interest payable on such Bonds on such Bond Payment Date or (b) the amount of interest that would have been payable on such Bond Payment Date under such Bonds if such interest were determined under at the applicable credit rate determined under Section 54A(b)(3) of the Code, which will be deposited in the Debt Service Fund maintained by the County. See “THE BONDS - Designation of Certain Bonds as Qualified School Construction Bonds” herein for a description of the treatment of such cash subsidy payments as an offset to debt service in the future. **UNDER NO CIRCUMSTANCES WILL THE BOND OWNERS RECEIVE OR BE ENTITLED AT ANY TIME TO A CREDIT AGAINST THE TAX IMPOSED BY THE CODE WITH RESPECT TO THE OWNERSHIP OF THE BONDS.** The District cannot ensure that the District will receive such a refundable credit at any time and in any given amount.

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is exempt from State personal income tax.

Except for certain exceptions, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of the same series and maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond (to the extent the redemption price at maturity is bigger than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by the Bond Owner will increase the Bond Owner’s basis in the Bond. Bond Owners should consult their own tax advisor with respect to taking into account any original issue discount on the Bond.

The amount by which a Bond Owner’s original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which the Bond Owner may elect to amortize under Section 171 of the Code; such amortizable bond premium reduces the Bond Owner’s basis in the applicable Bond (and the amount of taxable interest received) and is deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Bond Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bond Owner. The Bond Owners that have a basis in the Bonds that is greater than the principal amount of the Bonds should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code.

The qualification of the Bonds and receipt of the refundable credit for purposes of Section 54F of the Code is subject to the condition that the District and others comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to assure that the Bonds qualify as Qualified School Construction Bonds under Section 54F of the Code for which the District has made an irrevocable election to receive a refundable credit. Failure to comply with such requirements of the Code might result in the District not receiving such a refundable credit, possibly retroactive to the date of issue of the Bonds.

The IRS has initiated an expanded program for the auditing of bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, that Congress or the IRS might change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the status of the Bonds as Qualified School Construction Bonds for purposes of Section 54F of the Code for which the District is entitled to a refundable credit or the market value of a Bond.

It is possible that subsequent to the issuance of the Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

The federal tax and State personal income tax discussion set forth above is included for general information only and may not be applicable depending upon a Bond Owner's particular situation. The ownership and disposal of the Bonds and the accrual or receipt of interest on the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. ANY FEDERAL TAX ADVICE CONTAINED HEREIN WITH RESPECT TO THE BONDS IS NOT INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE CODE. THE FEDERAL TAX ADVICE CONTAINED HEREIN WITH RESPECT TO THE BONDS WAS WRITTEN TO SUPPORT THE PROMOTING AND MARKETING OF THE BONDS. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR INDEPENDENT TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES RELATING TO THE BONDS AND THE TAXPAYER'S PARTICULAR CIRCUMSTANCES.

A copy of the proposed form of opinion of Bond Counsel with respect to the Bonds is attached hereto as Appendix C.

## **OTHER LEGAL MATTERS**

### **Legal Opinion**

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel. Bond Counsel expects to deliver an opinion with respect to the Bonds at the time of issuance of the Bonds substantially in the form set forth in Appendix C hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement.

### **Continuing Disclosure**

The District has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Bonds and the District (the "Annual Report") by not later than eight months following the end of the District's fiscal year (currently ending June 30), commencing with the Annual Report for the 2010-11 fiscal year (which is due no later than March 1, 2012) and to provide notice of the occurrence of certain enumerated events. The Annual Report will be filed by the District with 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"). The notices of enumerated events will be filed by the District with the Municipal Securities Rulemaking Board through the EMMA System. The specific

nature of the information to be contained in the Annual Report or the notices of enumerated events is set forth in Appendix D – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”). [For the four year period ending June 30, 2010, the District failed to file annual reports in a timely manner as required by its undertakings entered into in connection with the issuance of its 2001A Bonds, 2001B Bonds, 2001C Bonds and 2008A Bonds, failed to file certain portions of its annual reports, as required by its undertaking entered into in connection with the delivery of its Certificates of Participation (Colton Joint Unified School District) Series 2001, and failed to provide notices of material events as required by such undertakings. The District has since filed all such annual reports or portions of such annual reports and is current with respect to all filings and notices required by its previous undertakings.]

### **Litigation**

No litigation is pending or threatened concerning or contesting the validity of the 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 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 San Bernardino County officers who will execute the Bonds or San Bernardino County or District officials who will sign certifications relating to the Bonds, or the powers of those offices. A certificate (or certificates) to that effect will be furnished to the Underwriters at the time of the original delivery of the Bonds.

[The District is occasionally subject to other lawsuits and claims. Currently, no such lawsuits or claims are pending or threatened against the District.]

## **MISCELLANEOUS**

### **Rating**

Standard & Poor’s Rating Services (“Standard & Poor’s”) has assigned its rating of “[A+]” to the Bonds. Rating agencies generally base their ratings on their own investigations, studies and assumptions. The rating reflects only the view of the rating agency furnishing the same, and any explanation of the significance of such rating should be obtained only from the rating agency providing the same. Such rating is not a recommendation to buy, sell or hold the Bonds. There is no assurance that the 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 the rating may have an adverse effect on the market price of the Bonds.

### **Professionals Involved in the Offering**

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is acting as Bond Counsel to the District with respect to the Bonds, and will receive compensation from the District contingent upon the sale and delivery of the Bonds. Certain legal matters will be passed on for the District by Orrick, Herrington & Sutcliffe LLP, Irvine, California, as Disclosure Counsel to the District; and for the Underwriters by Fulbright & Jaworski L.L.P., Los Angeles, California. C.M. de Crinis & Co., Inc., Sherman Oaks, California, serves as the District’s Financial Advisor. Payment of the fees and expenses of Disclosure Counsel and the Financial Advisor are also contingent upon the issuance and delivery of the Bonds. From time to time, Disclosure Counsel represents the Underwriters on matters unrelated to the Bonds.

## **Underwriting**

The Bonds are being purchased for reoffering to the public by RBC Capital Markets, LLC, on behalf of itself, Piper Jaffray & Co. and E. J. De La Rosa & Co., Inc. (the “Underwriters”), pursuant to the terms of a contract of purchase executed on \_\_\_\_\_, 2010, by and among the Underwriters, San Bernardino County and the District (the “Purchase Agreement”). The Underwriters have agreed to purchase the Bonds at a price of \$\_\_\_\_\_. The Purchase Agreement provides that the Underwriters will purchase all of the Bonds, subject to certain terms and conditions set forth in the Purchase Agreement, including the approval of certain legal matters by counsel.

The Underwriters may offer and sell the 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 Underwriters.

Piper Jaffray & Co., (“Piper”) has entered into an agreement (the “Distribution Agreement”) with Advisors Asset Management, Inc. (“AAM”) for the distribution of certain municipal securities offerings allocated to Piper at the original offering prices. Under the Distribution Agreement, if applicable to the Bonds, Piper will share with AAM a portion of the fee or commission, exclusive of management fees, paid to Piper.

The District has duly authorized the delivery of this Official Statement.

### **COLTON JOINT UNIFIED SCHOOL DISTRICT**

By: \_\_\_\_\_  
Jerry Almendarez, Superintendent

## **APPENDIX A**

### **INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET**

*The information in this appendix concerning the operations of the Colton Joint Unified 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 Bonds is payable from the General Fund of the District or from State revenues. The 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 of San Bernardino and the County of Riverside on property within the District in an amount sufficient for the timely payment of principal of and interest on the Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" in the front portion of this Official Statement.*

### **THE DISTRICT**

#### **Introduction**

The District has operated as a joint unified school district since July 1966 and is comprised of an area of approximately 48 square miles in the County of San Bernardino ("San Bernardino County") and the County of Riverside ("Riverside County" and together with San Bernardino County, the "Counties"). The District operates 19 elementary schools, four middle schools, two comprehensive high schools, one continuation school, one alternative high school, an adult education program and a child development center. The District projects that kindergarten through grade 12 ("K-12") enrollment for fiscal year 2010-11 will be approximately [23,422] students.

#### **Board of Education**

The governing board of the District is the Board of Education of the Colton Joint Unified School District (the "Board"). The Board consists of seven members who are elected at large to overlapping four-year terms at elections held every two years. If a vacancy arises during any term, the vacancy is filled by an appointment by the majority vote of the remaining board members and if there is no majority by a special election. Each December, the Board elects a President, a Vice President and a Clerk to serve one-year terms. The name, office and the month and year of the expiration of the current term of each member of the Board is described below.

**COLTON JOINT UNIFIED SCHOOL DISTRICT**  
**(San Bernardino and Riverside Counties, California)**

**Board of Education**

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Patt Haro	President	December, 2012
Robert D. Armenta, Jr.	Vice President	December, 2014
Frank A. Ibarra	Clerk	December, 2012
Randall Ceniceros	Member	December, 2014
Pilar Tabera	Member	December, 2014
Roger Kowalski	Member	December, 2014
Kent Taylor	Member	December, 2012

**Superintendent and Administrative Personnel**

The Superintendent of the District is appointed by the Board and reports to the 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.

***Jerry Almendarez, Superintendent.*** Mr. Almendarez began his career in the District as a business teacher at Colton High School. From there he became an assistant principal at both Colton Middle School and Colton High School and then principal of Colton High School. He has also served as the director of Human Resources, the assistant superintendent of Human Resources and as an adjunct professor at Azusa Pacific University. He received his K-12 education in the District, having graduated from Colton High School. He holds an Associate of Arts degree in General Education from Chaffey Community College, a Bachelor of Arts degree in Business Administration from California State University, San Bernardino, and a Master of Arts degree in Educational Administration from the University of Redlands.

***Jaime R. Ayala, Assistant Superintendent, Business Services Division.*** Jaime R. Ayala has served as Assistant Superintendent of the District since 2008. Prior to his current position, Mr. Ayala served for over four years as the Director of Fiscal Services at the Yucaipa-Calimesa Joint Unified School District and for over seven years as an Accountant and Fiscal Analyst for the San Bernardino County Office of Education. Mr. Ayala's professional background includes eight years in management level positions with a major bank and over fifteen years in public accounting. Mr. Ayala holds a Bachelor of Arts degree in Economics from California State University, San Bernardino and he holds a California Certified Public Accounting license.

**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 and a local portion derived from the District's share of the 1% local *ad valorem* tax authorized by the State Constitution. In addition, school districts may be eligible for other special categorical funding from State and federal government programs. The District receives approximately 85% of its general fund revenues from State funds, budgeted at approximately \$138 million in fiscal year 2010-11. As a result, decreases or deferrals in State revenues, or in State legislative appropriations made to fund education, may significantly affect District 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.

**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. Historically, the budget required a two-thirds vote of each house of the Legislature for passage. However, on November 2, 2010, the State's voters approved Proposition 25, which amends the State Constitution to lower the vote requirement necessary for each house of the Legislature to pass a budget bill and send it to the Governor. Specifically, the vote requirement was lowered from two-thirds to a simple majority (50 percent plus one) of each house of the Legislature. The lower vote requirement also would apply to trailer bills that appropriate funds and are identified by the Legislature "as related to the budget in the budget bill." The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. Under Proposition 25, a two-thirds vote of the Legislature is still 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 2010-11 Budget Act on October 8, 2010, the latest budget approval in State history.

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 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 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.”

In recent years, the State’s response to fiscal difficulties has had a significant impact on Proposition 98 funding and settle-up treatment. 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 and 2009 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 (QEIA), 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 the year-end apportionment from June 30 to July 2; by suspending Proposition 98, as the State did in fiscal year 2004-05 and fiscal year 2010-11; and by proposing to amend the Constitution’s definition of the guaranteed amount and settle-up requirement under certain circumstances. See also “—Fiscal Year 2010-11 Deferrals” below.

The District cannot predict how State income or State education funding will vary over the term to maturity of the Bonds, and the District takes no responsibility for informing owners of the 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.

***Legal Challenge to State Funding Education.*** On May 20, 2010, a plaintiff class of numerous current California public school students and the Alameda Unified School District, the Alpine Union School District, the Norte County Unified School District, the Folsom Cordova Unified School District, the Hemet Unified School District, the Porterville Unified School District, the Riverside Unified School District, the San Francisco Unified School District and the Santa Ana Unified School District, together

with the California Congress of Parents, Teachers & Students, the Association of California School Administrators and the California School Boards Association filed suit in Alameda County Superior Court challenging the system of financing for public schools in California as unconstitutional. In *Robles-Wong, et al. v. State of California* (“Robles-Wong”), the plaintiffs seek declaratory and injunctive relief, including a permanent injunction compelling the State to abandon the existing system of public school funding and replace it with a system that is based on what is needed to meet the State’s program requirements and the needs of individual students. The District cannot predict the outcome of the Robles-Wong litigation, however, if successful, the lawsuit could result in a change in how school funding of education is implemented in the State.

***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 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 Legislature proposed an amendment to the State Constitution, which the State’s voters approved as Proposition 1A at the November 2004 election. That measure was generally superseded by the passage of a new initiative constitutional amendment at the November 2010 election, known as “Proposition 22.”

The effect of Proposition 22 is to prohibit the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services. It prevents the State from redirecting redevelopment agency property tax increment to any other local government, including school districts, or from temporarily shifting property taxes from cities, counties and special districts to schools, as in the ERAF program. This is intended to, among other things, stabilize local government revenue sources by restricting the State’s control over local property taxes. One effect of this amendment will be to deprive the State of fuel tax revenues to pay debt service on most State bonds for transportation projects, reducing the amount of State general fund resources available for other purposes, including education.

Prior to the passage of Proposition 22, the State invoked Proposition 1A to divert \$1.935 billion in local property tax revenues in 2009-10 from cities, counties, and special districts to the State to offset State general fund spending for education and other programs, and included another diversion in the adopted 2009-10 State budget of \$1.7 billion in local property tax revenues from local redevelopment agencies. The lawsuit was decided against the CRA on May 1, 2010. Redevelopment agencies had sued the State over this latter diversion. 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 college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State’s general fund.

***2010-11 State Budget.*** The following information is adapted from a report on the adopted State budget prepared by the Legislative Analyst. The State’s fiscal year 2010-11 budget projects \$89 billion of resources available, and \$86 billion of expenditures, with an ending general fund balance of \$1.3 billion. To achieve balance, the state budget includes \$7.8 billion in expenditure cuts, including a reduction of \$1.8 billion in State employee payroll, benefit and related costs, primarily derived from future union agreements or other administrative actions, \$450 million in savings from reduced general fund departmental hiring, and \$130 million in savings from reduced departmental operating costs related to the workforce cap. The budget also assumes the State will receive \$5.4 billion of new federal funding (most of which has yet to be approved by Congress), assumes \$3.3 billion of increased revenue, including \$1.4

billion in higher assumed baseline State revenues, and assumes the State will be authorized and able to make \$2.7 billion of largely one-time loans, transfers and funding shifts.

The spending cuts described above include a \$3.4 billion reduction in education costs due to suspension of the Proposition 98 minimum guarantee. Despite suspension of Proposition 98, ongoing Proposition 98 funding is budgeted to increase \$115 million from the estimated fiscal year 2009-10 funding level to \$49.7 billion, of which the State expects to contribute \$36.2 billion, with local property taxes contributing \$13.4 billion. However, had the Legislature not suspended Proposition 98, the estimated guaranteed amount would have been \$53.8 billion.

The adopted fiscal year 2010-11 State budget projects that fiscal year 2009-10 spending for education did not fully fund that year's minimum guaranteed amount, creating a new settle-up obligation estimated at \$1.8 billion. The adopted fiscal year 2010-11 State budget provides \$300 million toward this obligation, which will be provided in the form of \$90 million for annual education mandate costs, and \$210 million for school districts' and community colleges' unpaid prior-year mandate claims, to be distributed on an equal per-student basis.

State Proposition 98 funding for K-12 schools is budgeted to be \$32.2 billion, or about 1.9% higher than the \$31.6 billion spent in 2009-10. Local property tax revenue, however, is expected to decline about 4.8% from the 2009-10 level of \$12.1 billion to contribute \$11.5 billion to K-12 schools in fiscal year 2010-11. K-12 education is also slated to receive \$1.5 billion in special one-time federal funding, \$1.2 billion of which is from recent federal grants provided to help retain teaching jobs, and \$272 million is from the last round of federal stabilization funding from the 2009 federal stimulus package.

The reliance on one-time solutions in fiscal year 2009-10 has resulted in the need for fiscal year 2010-11 reductions. These reductions are mostly treated as deferrals of payments rather than cuts. The adopted State budget defers \$1.7 billion of funding from spring of 2011 to July of 2011 (the next fiscal year). Virtually all other K-12 reductions are technical adjustments designed to align appropriations with anticipated program costs, such as for the K-3 Class Size Reduction program.

***State Cash Management Legislation.*** On March 1, 2010, the Governor signed a bill (and on March 4, 2010, subsequently signed a clean-up bill to clarify certain provisions of such bill) to provide additional cash management flexibility to State fiscal officials (the "Cash Management Bill"). The Cash Management Bill authorizes deferral of certain payments during the 2010-11 fiscal year for school districts (not to exceed \$2.5 billion in the aggregate at any one time, and a maximum of three deferrals during the fiscal year). The Cash Management Bill permits deferrals of payments to K-12 schools in July 2010, October 2010 and March 2011, for not to exceed 60, 90 and 30 days, respectively, but depending on actual cash flow conditions at the time, the State Controller, Treasurer and Director of Finance may either accelerate or delay the deferrals up to 30 days, or reduce the amounts deferred. The Cash Management Bill also permits the State to move a planned deferral to the prior month or to a subsequent month upon 30 days written notice by the State Department of Finance to the Legislative Budget Committee, except that the Cash Management Bill provides that the deferral planned for March 2011 must be paid prior to April 30. The Cash Management Bill provides for exceptions to the deferrals for school districts that can demonstrate hardship. The Cash Management Bill made it necessary for many school districts (and other affected local agencies) to increase the size and/or frequency of their cash flow borrowings during fiscal year 2010-11. Similar legislation has been enacted for fiscal year 2011-12. The legislation, however, sets forth a specific deferral plan for K-12 education payments. In the legislation, both the July 2011 and August 2011 K-12 payments of \$1.4 billion are deferred and the October 2011 payment of \$2.4 billion is deferred. In September 2011, \$700 million of the July deferral is to be paid, in January 2012, \$4.5 billion from the remaining July, August and October deferrals are paid, and in March

2012, \$1.4 billion is to be deferred and paid in April 2012. The District is authorized to borrow temporary funds to cover its annual cash flow deficits and, as a result of this legislation, the District might find it necessary to increase the size or frequency of its cash flow borrowings in fiscal year 2011-12.

***Proposed 2011-12 State Budget.*** The Governor released his proposed fiscal year 2011-12 State budget (the “2011-12 Proposed State Budget”) on January 10, 2011. The 2011-12 Proposed State Budget projects that the State will face a budget gap of \$25.4 billion in fiscal year 2011-12 as a result of a shortfall of \$8.2 billion attributable to fiscal year 2010-11 and a shortfall of \$17.2 billion attributable to fiscal year 2011-12. The 2011-12 Proposed State Budget provides that the 2010-11 State budget relied, in part, on unrealistic assumptions, including the receipt of \$3.6 billion in federal funds and \$1.7 billion in reductions that were not achieved, and indicates that \$26.4 billion in cuts, taxes and other budget measures will be necessary to close the fiscal year 2011-12 budget gap and provide for a reserve of \$1 billion.

The 2011-12 Proposed State Budget recognizes that fiscal year 2010-11 revenues are \$3.1 billion lower than were projected at the time of approval of the 2010-11 State budget, in part due to the recently enacted federal tax relief, unemployment insurance reauthorization, and the Job Creation Act of 2010, as well as the passage of Proposition 22, which prohibits the use of certain transportation funds to pay for debt service or from being loaned to the general fund, creating an additional budget shortfall of \$1.6 billion. The 2011-12 Proposed State Budget also anticipates that other workload adjustments including population and caseload changes will add \$2.1 billion to the budget gap. The 2011-12 Proposed State Budget reduces spending by \$12.5 billion, including substantial cuts to most major programs, such as \$1.7 billion to Medi-Cal, \$1.5 billion to California’s welfare-to-work program, \$1 billion to the University of California and California State University, \$750 million to the Department of Developmental Services and \$580 million to State operations and employee compensation. The 2011-12 Proposed State Budget proposes a total of \$14 billion in new revenues.

The 2011-12 Proposed State Budget calls for an accelerated timeline to restore balance to the State’s finances and assumes that all necessary statutory changes to implement budget measures will be adopted by the State Legislature and signed by the Governor by March of 2011 to allow certain ballot measures to be placed before the voters at a special election to be called for June 2011.

The 2011-12 Proposed State Budget includes some one-time savings and borrowing, including \$1.8 billion in borrowing from special funds, \$1.7 billion in property tax shifts, \$1.0 billion from the Proposition 10 reserve to fund children’s programs, and \$0.9 billion from Proposition 63 moneys to fund community mental health services. \$8.2 billion of the budget gap is expected to be one-time in nature.

The 2011-12 Proposed State Budget projects the State will have sufficient cash to repay the entire \$10 billion of State revenue anticipation notes as scheduled in May and June 2011. However, absent corrective action, the State will face substantial challenges in meeting all general fund cash needs beginning in July of 2011 so that, in addition to the current budget proposals, the State will need to obtain external financing early in the 2011-12 fiscal year. Such legislation made it necessary for many school districts (and other affected local agencies) to increase the size and/or frequency of their cash flow borrowings during fiscal year 2010-11. The Governor proposed that legislation similar to the Cash Management Bill enacted for fiscal year 2010-11 be enacted for fiscal year 2011-12 and, on March 24, 2011, the Governor signed such legislation into law as part of a budget trailer bill. The legislation sets forth a specific deferral plan for K-12 education payments. See “–State Cash Management Legislation” above.

The 2011-12 Proposed State Budget plan includes \$2.2 billion in new inter-year deferrals from 2011-12 to 2012-13, \$2.1 billion of which will derive from K-12 revenue limit payments and \$129

million from community colleges apportionment payments. Such deferrals are in addition to the \$1.7 billion of deferrals that were part of the 2010-11 State budget.

The 2011-12 Proposed State Budget recognizes that school funding has been disproportionately reduced since fiscal year 2007-08 and maintains Proposition 98 funding for K-12 programs at the same level for fiscal year 2011-12 as is in effect for fiscal year 2010-11. In an effort to maintain funding for schools, fund public safety services at the local level and to balance the budget, the 2011-12 Proposed State Budget anticipates that current tax rates will be continued for another five years and also proposes to apply the single sales factor income allocation rules uniformly to certain corporate taxpayers and to eliminate an ineffective tax expenditure program. These proposals are expected to generate revenues of \$12 billion. The Governor proposes to place a ballot measure before the voters in a special election to be held in June of 2011 calling for a constitutional measure to extend the four temporary tax increases adopted in February 2009. However, talks to get the proposed measure on the ballot in June of 2011 were not successful. Thus, further reductions in spending for K-12 education is likely.

The 2011-12 Proposed State Budget slightly lowers Proposition 98 programmatic funding for fiscal year 2011-12 (\$49.3 billion) from fiscal year 2010-11 (\$49.7 billion) and extends flexibility reforms (discussed below) adopted in 2009 to assist school districts to maintain their core services. Total funding for K-12 education is projected to be \$63.8 billion in fiscal year 2011-12, \$59.5 billion of which is State, federal and local property tax funding accounted for in the 2011-12 Proposed State Budget. Total per-pupil expenditures from all sources are projected to be \$11,154 in fiscal year 2010-11 and \$10,703 in fiscal year 2011-12, including funds provided for prior year “settle-up” obligations. K-12 Proposition 98 per-pupil expenditures in the 2011-12 Proposed State Budget are \$7,344 in 2011-12, down slightly from \$7,358 per-pupil provided in fiscal year 2010-11.

Major workload adjustments for K-12 education included in the 2011-12 Proposed State Budget include the following:

- Cost-of-Living Adjustment Increases. The 2011-12 Proposed State Budget does not provide a cost-of-living-adjustment (“COLA”) for any K-14 program in fiscal year 2011-12. The projected COLA for 2011-12 is 1.67%, which would have provided an increase of \$964.5 million overall, to the extent Proposition 98 resources were sufficient to provide that adjustment.
- Property Tax. A decrease of \$47.9 million for school district and county office of education revenue limits is made in fiscal year 2010-11 as a result of higher offsets of property tax revenues. An increase of \$155.7 million for school district and county office of education revenue limits in fiscal year 2011-12 as a result of reduced offsets of local property tax revenues.
- Average Daily Attendance. An increase of \$81.4 million in fiscal year 2010-11 for school district and county office of education revenue limits is made as a result of an increase in projected ADA and an increase of \$357.5 million in fiscal year 2011-12 for school district and county office of education revenue limits as a result of continued projected growth in ADA for fiscal year 2011-12.
- Unemployment Insurance. An increase of \$351.8 million in fiscal year 2011-12 is made to fully fund the additional costs of unemployment insurance for local school districts and county offices of education.

- K-14 Mandates Funding. Ongoing funding of \$89.9 million is provided for K-14 mandates to provide level funding relative to fiscal year 2010-11, for reimbursement of state mandated local costs. Current law suspends for three additional years those programs that were suspended during fiscal year 2010-11.

Some significant non-general fund workload adjustments are as follows:

- School Construction Program. The workload budget includes a \$316 million decrease in fiscal year 2009-10 actual expenditures, a \$2.07 billion increase in fiscal year 2010-11 estimated expenditures and a \$1.97 billion decrease in fiscal year 2011-12 estimated expenditures for school facilities. These amounts are largely attributable to the anticipated allocation of remaining funds from the 1998, 2002, and 2004 bonds. No proposal was made by the Governor to place a school construction bond on the ballot for the 2012 election cycle.
- Child Nutrition Program. An increase of \$36.1 million in fiscal year 2011-12 to the State Department of Education (“SDE”) local assistance from federal funds to reflect growth of nutrition programs at schools and other participating agencies and an increase of \$12.0 million in fiscal year 2011-12 to the SDE local assistance from federal funds for the Fresh Fruit and Vegetable Program, which provides an additional free fresh fruit or vegetable snack to students during the school day.

The 2011-12 Proposed State Budget also proposes to extend various flexibility options for school districts for two additional years. Specifically, it extends authority in the following areas:

- Categorical flexibility. For fiscal years 2008-09 through 2012-13, local educational agencies were given broad flexibility to spend funds for approximately 40 K-12 categorical programs for any educational purpose. Under categorical flexibility, a district’s allocation for each program is based on its share of total program funding either in fiscal year 2007-08 or 2008-09, with the earlier year being used for certain participation-driven programs.
- Routine Maintenance Contributions. Local educational agencies were proposed to reduce the amount that districts must deposit into a restricted routine maintenance account for the 2008-09 through 2012-13 fiscal years, from 3% of general fund expenditures to 1%.
- Deferred Maintenance Requirement. The requirement that districts set aside ½% of their revenue limit funding for deferred maintenance was suspended for the 2008-09 to 2012-13 fiscal years.

The complete 2011-12 Proposed 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 there, and such information is not incorporated herein by such reference.

***LAO Overview of 2011-12 Proposed State Budget.*** The Legislative Analyst’s Office (“LAO”), a nonpartisan State office which provides fiscal and policy information and advice to the Legislature, released its report on the 2010-11 Proposed State Budget entitled “2011-12 Budget: Overview of the Governor’s Budget” on January 12, 2011 (the “2011-12 Budget Overview”) in which the LAO agreed that the \$25.4 billion State budget shortfall estimated in the 2011-12 Proposed State Budget was a reasonable estimate. In the 2011-12 Budget Overview, the LAO concurs with the Governor that the major reasons for the current State budget shortfall include the inability of the State to achieve certain previous budget measures, the expiration of various one-time and temporary budget measures approved in recent

years, and the failure of the State to obtain significant additional federal funding for key programs. Generally, the 2011-12 Budget Overview recognizes that the 2011-12 Proposed State Budget includes proposals impacting nearly every area of the fiscal year 2011-12 State budget and that the 2011-12 Proposed State Budget is a good starting point for legislative deliberations, recognizing that the focus on multiyear and ongoing measures are necessary to make substantial improvements in the State's budgetary situation. The 2011-12 Budget Overview supports the extension of the four temporary tax increases adopted in February 2009 to voters in a June 2011 special election and to the restructuring of the state local relationship in the delivery of services by shifting funding and responsibility to local governments for those services. The 2011-12 Budget Overview responds favorably to the 2011-12 Proposed State Budget proposals to "realign" state and local program responsibilities and to the proposed changes in local economic development efforts. Nonetheless, the LAO believes there are significant risks in the 2011-12 Proposed State Budget, especially in the context of the realignment and redevelopment proposals which involve many unresolved legal, financial and policy issues. The 2011-12 Budget Overview concludes that the State Legislature will have to make difficult decisions on both its spending and tax commitment and that the 2011-12 Proposed State Budget also presents an opportunity to reorder state and local government functions to improve the delivery of public services.

The 2011-12 Budget Overview recognizes that, while the 2011-12 Proposed State Budget includes revenue proposals resulting in a \$2 billion increase in the Proposition 98 minimum funding guarantee for schools above its current-law level, the 2011-12 Proposed State Budget would result in a small programmatic funding decline for K-12 schools and significant reductions for community colleges and child care programs. The 2011-12 Budget Overview also suggests that \$128 million of the anticipated Proposition 98 savings included in the 2011-12 Proposed State Budget cannot be realized and that the assumed \$74 million in savings due to the sunset of the Special Disabilities Adjustment program could violate federal maintenance of effort requirements. In addition, the 2011-12 Budget Overview recommends that the State Legislature could consider a different combination of policy changes to realize child care savings. With respect to community college funding, the 2011-12 Budget Overview supports the 2011-12 Proposed State Budget proposal to increase community college fees.

The 2011-12 Budget Overview is available on the LAO website at [www.lao.ca.gov](http://www.lao.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 there, and such information is not incorporated herein by such reference.

***Enacted Budget Trailer Bills.*** On March 24, 2011, the Governor signed into law several budget trailer bills, even though the fiscal year 2011-12 State budget is yet to be finalized. One bill signed into law, Senate Bill No. 70 (Chapter 7, Statutes of 2011), provides certain statutory changes in the area of education in order to enact modifications to the fiscal year 2010-11 State budget and fiscal year 2011-12 State budget. Among other things Senate Bill No. 70:

- Provides a revenue limit deficit factor of 19.892% for fiscal years 2011-12 and 2012-13 to reflect a \$106.6 million deficit for county offices of education (COEs). Provides a revenue limit deficit factor of 19.608% for fiscal year 2011-12 to reflect a deficit of \$7.7 billion for school districts.
- Defers an additional \$2.1 billion in K-12 funds from fiscal year 2011-12 to fiscal year 2012-13. Specifically, Senate Bill No. 70 shifts \$1.3 billion in March 2012 payments and \$763 million in April 2012 payments to August 2012. This schedule is shorter than the 13 month deferral proposed in the 2011-12 Proposed State Budget.

- Extends various flexibility options to school districts for an additional two years (to fiscal year 2014-15), including categorical flexibility, instructional materials purchase and adoption requirements, routine and deferred maintenance requirements, surplus property, class size reduction, instructional minutes and local budget reserve requirements.
- Extends until fiscal year 2014-15, authorization for new schools, the majority of which are charter schools, to access flexible categorical program funding on par with existing schools.
- Appropriates \$5 million from the State general fund to augment the Charter School Revolving Loan Fund, which makes low-interest, start-up loans to new charter schools in order to meet the purposes of their charters.
- Establishes a zero percent cost-of-living adjustment (COLA) for K-12 programs in fiscal year 2010-11. Though the actual COLA of 1.67% is not provided, it is applied to the deficit factors established in the bill.
- Provides \$2.3 million in federal funds (\$1.5 million in Title VI and \$781,000 in Title II) for fiscal year 2010-11 for the California Longitudinal Pupil Achievement Data System (CALPADS).
- Applies an 8.9% reduction to categorical programs for basic aid districts in fiscal year 2010-11 and fiscal year 2011-12 commensurate to the revenue limit reduction rate for other school districts in fiscal year 2010-11 and fiscal year 2011-12. Specifies the intent to restore these reductions at the same time, and in direct proportion to restoration of revenue limit reductions.
- Authorizes a statutory appropriation for the K-3 Class Size Reduction program for fiscal year 2011-12. The statute authorizes the Superintendent of Public Instruction to certify the funding needed for the program in fiscal year 2011-12 to ensure full funding for the program.
- Reduces ongoing Proposition 98 funding for special education by about \$13.1 million in fiscal year 2011-12 and backfills with one-time Proposition 98 savings from various programs to cover fiscal year 2010-11 program adjustments.
- Suspends the statutory division of Proposition 98 funding among K-12 educational agencies, community colleges, and other state agencies, and instead conforms the division of funding based upon actual budget appropriations in fiscal year 2011-12.
- Requires the state to adjust the Proposition 98 calculation so that any shift in local property taxes previously received by redevelopment agencies has no effect on the Proposition 98 minimum guarantee in fiscal year 2011-12.

***Changes in State Budget.*** The final fiscal year 2011-12 State budget, which requires approval by a majority vote of each house of the State Legislature, may differ substantially from the Governor's budget proposals. Accordingly, the District cannot predict the impact that the 2011-12 Proposed State Budget, or subsequent budgets, will have on its finances and operations. The State Budget will be affected by national and State economic conditions and other factors.

**Future Budgets and Budgetary Actions.** The District cannot predict what actions will be taken in the future 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 over which the District will have no 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 2010-11 and in future fiscal years. Continued State budget shortfalls in fiscal year 2010-11 and future fiscal years could have a material adverse financial impact on the District.

**Allocation of State Funding to School Districts.** Under Education Code Section 42238 and following, each school district is 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 (“A.D.A.”). The base revenue limit is 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 is 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 increase due to growth in local property assessed valuation, the additional revenue is offset by a decline in the State’s contribution. Enrollment can fluctuate due to factors such as population growth or decline, competition from private, parochial, and public charter schools, inter-district transfers in or out, and other causes. Losses in enrollment will cause a school district to lose operating revenues, without necessarily permitting the district to make adjustments in fixed operating costs.

The following table sets forth the District’s actual A.D.A., enrollment and base revenue limit per unit of A.D.A. for fiscal years 2006-07 through 2010-11, for kindergarten through grade 12 (“K-12”), including special education.

**COLTON JOINT UNIFIED SCHOOL DISTRICT  
(San Bernardino and Riverside Counties, California)  
Average Daily Attendance, Enrollment And Base Revenue Limit  
Fiscal Years 2006-07 Through 2010-11**

Fiscal Year	Average Daily Attendance <sup>(1)</sup>	Enrollment	Base Revenue Limit Per Unit of Average Daily Attendance
2006-07	[22,896]	24,565	\$5,540.64
2007-08	[22,747]	24,528	5,792.64
2008-09 <sup>(2)</sup>	[22,772]	24,362	6,121.64
2009-10 <sup>(3)</sup>	[        ]	[24,253]	[6,383.64]
2010-11 <sup>(4)</sup>	[        ]	[23,597]	[6,358.64]

<sup>(1)</sup> A.D.A. for the second period of attendance, typically in mid-April of each school year.

<sup>(2)</sup> The District had a 7.844% base revenue limit deficit factor in fiscal year 2008-09, resulting in a funded base revenue limit of \$5,641.45. A deficit factor is applied to the base revenue limit if provided in the State Budget for a given fiscal year when appropriation of funds in the State Budget for such is not sufficient to pay all claims for State aid. The deficit factor is applied to reduce the allocation of State aid to the amount appropriated.

<sup>(3)</sup> Figures are unaudited. The District had a 18.355% base revenue limit deficit factor and a 4.25% cost of living adjustment in fiscal year 2009-10, which resulted in net funding of a negative 7.75% and a funded base revenue limit of \$4,958.23, which includes a one time base revenue limit reduction of \$252.83.

<sup>(4)</sup> Figures are projections. The District also expects a 17.963% base revenue limit deficit factor and a negative 0.39% cost of living adjustment in fiscal year 2010-11, which results in a funded base revenue limit of \$5,216.44.

Source: The District.

In its 2010-11 second interim report, the District projects that it will receive approximately \$116.8 million in aggregate revenue limit income in fiscal year 2010-11, or approximately 65% of its

general fund revenues. This amount represents an increase of approximately 3.43% from the \$112,982,317 the District received in 2009-10. State funds for special programs are currently projected to be \$ \_\_\_\_\_ for 2010-11. The District also expects to receive a small portion of its budget from State lottery funds, 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 currently projected at \$ \_\_\_\_\_ for fiscal year 2010-11.

### **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 one-percent property tax, received pursuant to Sections 75 and following and Sections 95 and following of the California Revenue and Taxation Code. Education Code Section 42238(h) itemizes the local revenues that are counted towards 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; ultimately, a school district whose local property tax revenues exceed its base revenue limit is entitled to receive no State aid, and receives 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 are known as "basic aid districts." Districts that receive some State aid are commonly referred to as "revenue limit districts."

The District is not a "basic aid district." Local property tax revenues account for approximately \_\_\_\_% of the District's aggregate revenue limit income, and are budgeted to be \$ \_\_\_\_ million, or \_\_\_\_% of total general fund revenue in fiscal year 2010-11. For a discussion of legal limitations on the ability of the District to raise revenues through local property taxes, see "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS" below.

### **Tax Increment Revenues**

Under the Community Redevelopment Law of the State of California (being Part 1 of Division 24 of the California Health and Safety Code, as amended), a city or county can create a redevelopment agency in territory within one or more school districts. Upon formation of a "project area" of a redevelopment agency, all property tax revenues attributable to the growth in assessed value of taxable property within the project area (known as "tax increment") belong to the redevelopment agency, causing a loss of tax revenues to other local taxing agencies, including school districts, from that time forward. Taxes collected for payment of debt service on school bonds are not affected or diverted by the operation of a redevelopment agency project area. Certain school districts may enter into "pass-through agreements" with their local redevelopment agencies in order to receive a portion of the tax increment revenue that would otherwise belong to the redevelopment agency, and in some cases the pass-through is mandated by statute. The tax increment revenues allocable to school districts is intended to alleviate any financial burden or detriment associated with additional facilities needed to accommodate the growth induced by the redevelopment project. There are 14 project areas established within the territory of the District.

The District is able to receive a portion of the tax increment, either through statutory or contractual entitlements, collected to finance certain redevelopment projects existing within the District. Currently, the District is receiving payments from several redevelopment projects in Colton, Rialto and San Bernardino. The tax increment revenues received by the District do not represent yearly fixed payment amounts but depend on variable formulas, which among other things, depend on the growth in the assessed valuations in the respective redevelopment projects. For fiscal years 2006-07, 2007-08, 2008-

09 and 2009-10 the District received \$975,464, \$887,510, \$1,527,723 and \$\_\_\_\_\_, respectively, in tax increment revenues and projects it will receive \$\_\_\_\_\_ in tax increment revenues for fiscal year 2010-11.

**Developer Fees**

The District collects developer fees to finance essential school facilities within the District. The following table of developer fee revenues reflects the collection of fees from fiscal years 2006-07 through fiscal year 2010-11.

**COLTON JOINT UNIFIED SCHOOL DISTRICT  
(San Bernardino and Riverside Counties, California)  
Developer Fees  
Fiscal Years 2006-07 through 2010-11**

Year	Total Revenues
2006-07	\$1,007,836
2007-08	806,990
2008-09	331,490
2009-10	[222,159]
2010-11 <sup>(1)</sup>	[        ]

<sup>(1)</sup> Projected.  
Source: The District.

**Significant Accounting Policies and Audited Financial Reports**

The State Department of Education imposes by law uniform financial reporting and budgeting requirements for K through 12 school 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, 2010, 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, Rancho Cucamonga, California, for fiscal years 2005-06 through 2009-10. Vavrinek, Trine, Day & Co., LLP has not been requested to consent to the use or to the inclusion of its report in this Official Statement, and it has neither audited nor reviewed this Official Statement. The District is required by law to adopt its audited financial statements after a public meeting to be conducted no later than January 31 following the close of each fiscal year.

**COLTON JOINT UNIFIED SCHOOL DISTRICT**  
**(San Bernardino and Riverside Counties, California)**  
**Statement of General Fund Revenues, Expenditures and Changes in Fund Balance**  
**Fiscal Years 2005-06 through 2009-10**

	Fiscal Year 2005-06	Fiscal Year 2006-07	Fiscal Year 2007-08	Fiscal Year 2008-09	Fiscal Year 2009-10
<b>REVENUES</b>					
Revenue limit sources	\$ 120,080,116	\$ 128,793,678	\$ 142,007,307	\$ 128,980,223	\$ 112,982,318
Federal sources	13,696,423	13,880,491	13,188,074	22,681,253	19,291,218
Other state sources	27,832,034	39,429,815	40,015,053	36,489,279	33,640,653
Other local sources	11,514,174	13,294,822	13,830,954	11,680,531	13,018,352
<b>Total Revenues</b>	<u>173,122,747</u>	<u>195,398,806</u>	<u>209,041,388</u>	<u>199,831,286</u>	<u>178,932,541</u>
<b>EXPENDITURES</b>					
Current					
Instruction	101,296,393	114,298,110	121,114,904	120,208,340	114,383,737
Instruction-related activities:					
Supervision of instruction	6,343,822	7,495,152	9,320,892	9,779,902	6,891,997
Instructional library, media and technology	1,406,810	1,575,837	1,588,565	1,587,453	1,069,337
School site administration	10,233,458	11,854,210	12,123,794	11,836,019	11,019,374
Pupil Services:					
Home-to-school transportation	3,246,309	3,845,437	3,857,618	3,600,198	3,489,977
Food services	7,490	7,958	6,705	5,938	6,036
All other pupil services	10,483,347	12,507,947	12,988,670	13,197,042	12,642,973
General administration:					
Data processing	2,372,156	3,066,708	3,388,096	2,764,022	2,734,523
All other general administration	6,586,048	6,843,187	7,531,170	7,226,286	7,148,652
Plant services	18,712,320	20,770,547	21,850,216	20,857,889	19,798,764
Facility acquisition and construction	116,205	202,838	489,730	1,162,871	6,900
Ancillary services	1,442,895	1,421,339	1,523,800	1,410,514	1,339,895
Community services	223,411	236,005	231,603	217,194	200,989
Other outgo	1,734,915	2,042,497	2,272,441	3,263,111	2,799,931
Debt service					
Principal	489,037	509,658	435,000	-	-
Interest and other	257,969	339,084	52,447	-	-
<b>Total Expenditures</b>	<u>164,952,585</u>	<u>187,016,514</u>	<u>198,775,651</u>	<u>197,116,079</u>	<u>183,533,085</u>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<u>8,170,162</u>	<u>8,382,292</u>	<u>10,265,737</u>	<u>2,715,207</u>	<u>(4,600,544)</u>
<b>Other Financing Sources(Uses):</b>					
Transfers in	-	-	-	26,907	2,975,357
Transfers out	(2,186,341)	(1,196,035)	(1,228,229)	(1,791,927)	(3,393,552)
Other uses	-	-	-	-	-
<b>Net Financing Sources (Uses)</b>	<u>(2,186,341)</u>	<u>(1,196,035)</u>	<u>(1,228,229)</u>	<u>(1,765,020)</u>	<u>(418,195)</u>
<b>NET CHANGE IN FUND BALANCES</b>	5,983,821	7,186,257	9,037,508	950,187	(5,018,739)
<b>Fund Balance—Beginning</b>	10,987,229	16,971,050	24,157,307	33,194,815	34,145,002
<b>Fund Balance—Ending</b>	<u>\$ 16,971,050</u>	<u>\$ 24,157,307</u>	<u>\$ 33,194,815</u>	<u>\$ 34,145,002</u>	<u>\$ 29,126,263</u>

Source: District Audited Financial Reports for fiscal years 2005-06 through 2009-10.

The following table shows the general fund balance sheets of the District for the fiscal years ended June 30, 2006, 2007, 2008, 2009 and 2010.

**COLTON JOINT UNIFIED SCHOOL DISTRICT**  
**Summary of General Fund Balance Sheet**  
**Fiscal Years 2005-06 Through 2009-10**

	Fiscal Year 2005-06	Fiscal Year 2006-07	Fiscal Year 2007-08	Fiscal Year 2008-09	Fiscal Year 2009-10
<b>ASSETS</b>					
Deposits and investments	\$ 25,989,227	\$ 32,622,047	\$ 32,301,746	\$ 19,090,554	\$ 27,970,366
Receivables	5,318,188	10,185,313	17,108,504	32,043,591	37,077,670
Due from other funds	663,313	214,795	321,765	368,374	422,180
Prepaid expenditures	17,076	1,326	70,208	1,109,378	-
Stores Inventories	153,552	191,462	157,594	172,056	152,574
<b>Total Assets</b>	<b>\$ 32,141,356</b>	<b>\$ 43,214,943</b>	<b>\$ 49,959,817</b>	<b>\$ 52,783,953</b>	<b>\$ 65,622,790</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 13,761,396	\$ 12,584,746	\$ 13,342,015	\$ 15,871,040	\$ 14,997,975
Due to Other Funds	244,699	2,904,522	2,527,543	370,234	21,315,222
Deferred Revenue	1,164,211	3,568,368	895,444	2,397,677	183,330
<b>Total Liabilities</b>	<b>15,170,306</b>	<b>19,057,636</b>	<b>16,765,002</b>	<b>18,638,951</b>	<b>36,496,527</b>
<b>FUND BALANCES</b>					
Reserved	2,976,878	8,602,113	8,006,308	11,896,094	6,519,970
Unreserved:					
Designated	11,091,835	15,555,194	25,188,507	22,248,908	22,606,293
Undesignated, reported in:					
General Fund	2,902,337	-	-	-	-
<b>Total Fund Balances</b>	<b>16,971,050</b>	<b>24,157,307</b>	<b>33,194,815</b>	<b>34,145,002</b>	<b>29,126,263</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 32,141,356</b>	<b>\$ 43,214,943</b>	<b>\$ 49,959,817</b>	<b>\$ 52,783,953</b>	<b>\$ 65,622,790</b>

Source: District Audited Financial Reports for fiscal years 2005-06 through 2009-10.

**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 San Bernardino County Superintendent of Schools.

The County Superintendent must review and approve or disapprove the budget no later than August 15. The County Superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. If the budget is disapproved, it is returned to the District with recommendations for revision. The District is then required to revise the budget, hold a public hearing thereon, adopt the revised budget, and file it with the County Superintendent no later than September 8. Pursuant to State law, the County Superintendent has available various remedies by which to impose and enforce a budget that complies with State criteria, depending on the circumstances, if a budget is disapproved. After approval of an adopted budget, the school district's administration may submit budget revisions for governing board approval.

Subsequent to approval, the County Superintendent will monitor each district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the district can meet its current or subsequent year financial obligations. If the County Superintendent determines that a district cannot meet its current or subsequent year's obligations, the County Superintendent will notify the district's governing board of the determination and may then do either or both of the following: (a) assign a fiscal advisor to enable the district to meet those obligations, or (b) if a study and recommendations are made and a district fails to take appropriate action to meet its financial obligations, the County Superintendent will so notify the State Superintendent of Public Instruction, and then may do any or all of the following for the remainder of the fiscal year: (i) request additional information regarding the district's budget and operations; (ii) develop and impose, after also consulting with the district's governing board, revisions to the budget that will enable the district to meet its financial obligations; and (iii) stay or rescind any action inconsistent with such revisions. However, the County Superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the County Superintendent assumed authority.

A State law adopted in 1991 (known as "A.B. 1200") imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200, each school district is required to file interim certifications with the County Superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The County Superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that is deemed unable to meet its financial obligations for the remainder of the fiscal year or subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or two subsequent fiscal years. A school district that receives a qualified or negative certification may not issue tax and revenue anticipation notes or certificates of participation without approval by the County Superintendent. The District filed a qualified certification in its second interim report for fiscal year 2010-11.

The following table summarizes the District's adopted General Fund Budgets for fiscal years 2008-09 and 2009-10, unaudited actuals for fiscal years 2008-09 and 2009-10 and second interim report for fiscal year 2010-11.

**COLTON JOINT UNIFIED SCHOOL DISTRICT**  
**(San Bernardino and Riverside Counties, California)**  
**General Fund Budgets for Fiscal Years 2008-09 and 2009-10,**  
**Unaudited Actuals for Fiscal Years 2008-09 and 2009-10**  
**and Second Interim Report for Fiscal Year 2010-11**

	2008-09 Original Adopted Budget	2008-09 Unaudited Actuals	2009-10 Original Adopted Budget	2009-10 Unaudited Actuals	2010-11 Second Interim Report
<b>REVENUES</b>					
Revenue Limit Sources	\$132,531,182.00	\$128,980,221.66	\$120,292,918.00	\$112,982,316.76	\$ 116,855,735.00
Federal Revenue	12,661,806.00	22,883,197.05	26,095,918.00	19,571,634.21	21,557,562.00
Other State Revenue	31,965,559.00	33,686,062.32	26,362,835.00	29,594,608.83	30,439,139.00
Other Local Revenue	13,020,965.00	12,744,597.71	11,577,650.00	12,753,490.07	10,296,001.00
<b>TOTAL REVENUES</b>	<b>190,179,512.00</b>	<b>198,294,078.74<sup>(1)</sup></b>	<b>184,329,321.00</b>	<b>\$174,902,049.87</b>	<b>\$179,148,437.00</b>
<b>EXPENDITURES</b>					
Certificated Salaries	99,724,896.00	97,987,900.77	97,899,948.00	94,405,943.46	93,827,489.00
Classified Salaries	30,888,955.00	29,970,618.07	30,807,865.00	28,569,146.41	28,285,785.00
Employee Benefits	37,021,403.00	36,070,143.50	37,393,042.00	34,732,365.96	37,087,749.00
Books and Supplies	9,429,300.00	10,097,167.05	8,831,418.00	6,073,142.39	9,295,108.00
Services, Other Operating Expenditures	14,294,011.00	14,360,159.43	14,965,700.00	13,346,515.96	16,005,312.00
Capital Outlay	843,328.00	1,623,584.46	226,641.00	172,504.16	787,777.00
Other Outgo (excluding Transfers of Indirect Costs)	2,886,031.00	4,009,397.64	2,643,610.00	3,548,925.02	2,713,385.00
Other Outgo (Transfers of Indirect Costs)	(681,943.00)	(663,692.02)	(701,783.00)	(596,956.58)	(653,743.00)
<b>TOTAL EXPENDITURES</b>	<b>194,405,981.00</b>	<b>193,455,278.90<sup>(1)</sup></b>	<b>192,066,441.00</b>	<b>180,251,586.78</b>	<b>187,348,862.00</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES</b>					
	(4,226,469.00)	4,838,799.84	(7,737,120.00)	(5,349,536.91)	(8,200,425.00)
<b>OTHER FINANCING SOURCES/USES</b>					
Interfund Transfers					
Transfer In	-	26,906.60	-	2,975,356.51	5,610,984.00
Transfers Out	1,290,721.00	1,045,641.00	916,417.00	2,644,558.00	2,082,587.00
Other Sources/Uses					
Sources	-	-	-	-	-
Uses	-	-	-	-	-
Contributions	-	-	-	-	-
<b>TOTAL, OTHER SOURCES (USES)</b>	<b>(1,290,721.00)</b>	<b>(1,018,734.40)</b>	<b>(916,417.00)</b>	<b>330,798.51</b>	<b>3,528,397.00</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>					
	(5,517,190.00)	3,820,065.44	(8,653,537.00)	(5,018,738.40)	(4,672,028.00)
<b>BEGINNING FUND BALANCE</b>					
As of July 1 – Unaudited	29,852,163.48	33,194,815.22	21,121,678.00	37,014,880.66	29,126,263.26
Audit Adjustments	-	-	-	(2,869,879.00) <sup>(1)</sup>	-
As of July 1 – Audited	29,852,163.48	33,194,815.22	21,121,678.00	34,145,001.66	29,126,263.26
Other Restatements	-	-	-	-	-
Adjusted Beginning Fund Balance	29,852,163.48	33,194,815.22	21,121,678.00	34,145,001.66	29,126,263.26
<b>ENDING BALANCE, June 30</b>	<b>\$ 24,334,973.48</b>	<b>\$ 37,014,880.66<sup>(1)</sup></b>	<b>\$ 12,468,141.00</b>	<b>\$ 29,126,263.26</b>	<b>\$ 24,454,235.26</b>

<sup>(1)</sup> [Total revenues and total expenditures do not match the District's audited financial statements because the District does not include contributions of 4.517% of teacher payroll to the State Teachers' Retirement System made by the State on behalf of the District in its internal financial reports, amounting to \$4,407,087 and \$4,030,492 in fiscal years 2008-09 and 2009-10, respectively. The District's audited financial statements include such amounts as revenue and as an expenditure. In addition, the District has made a downward adjustment to its fiscal year 2008-09 revenues in its audited financial statements (and, therefore, its June 30, 2009, audited ending balance and July 1, 2009 audited beginning balance) to reflect a legislative reduction of State categorical funds in the amount of \$2,869,879 after the close of the District's fiscal year.]

<sup>(2)</sup> [While the District is projecting maintaining required reserves designated for economic uncertainties and positive ending general fund balances in fiscal years 2010-11 and 2011-12, it is not for fiscal year 2012-13 and, as a result of the continuing reductions in State education spending, the District is projecting unrestricted general fund deficit spending of \$1,927,081, \$18,419,325 and \$27,617,370 in fiscal years 2010-11, 2011-12 and 2012-13, respectively, in its second interim report. See the discussion of the District's fiscal year 2010-11 second interim report immediately following this table.]

Source: District Adopted General Fund Budgets for fiscal years 2008-09 and 2009-10; unaudited actuals for fiscal years 2008-09 and 2009-10; and second interim report for fiscal year 2010-11.

[While the District is projecting maintaining required reserves designated for economic uncertainties and positive ending general fund balances in fiscal years 2010-11 (4.9%) and 2011-12 (3.2%), it is not for fiscal year 2012-13 (-11.4%) and, as a result of the continuing reductions in State education spending, the District is projecting unrestricted general fund deficit spending of \$1,927,081, \$18,419,325 and \$27,617,370 in fiscal years 2010-11, 2011-12 and 2012-13, respectively, in its second interim report. Furthermore, the District is meeting fiscal year 2010-11 State required reserves primarily through the use of one time only carryover balances to meet ongoing operational needs. In its second interim report, the District is projecting that, in order to meet its financial obligations and minimum State required reserves and remain fiscally solvent, it will need to implement expenditure reductions of approximately \$ \_\_\_\_\_ million in fiscal year 2011-12 and of another additional approximately \$ \_\_\_\_\_ million in fiscal year 2012-13. The reductions are projected to be accomplished primarily through decreases in salaries and benefits (which decreases have not yet been negotiated and agreed to) or, alternatively, through program and service reductions, which may entail layoffs.

As a result of filing a qualified second interim report for fiscal year 2010-11, the District is required to submit a third interim financial report no later than June, 1, 2011, which will reflect any further progress regarding the implementation of expenditure reductions. In its acceptance of the District's second interim report, the County Superintendent of Schools indicated that the District's deficit spending is not within the established state standards for fiscal years 2011-12 and 2012-13 and that the ongoing level deficit spending requires the District to make immediate reductions within fiscal year 2011-12 in order to reasonably make the level of ongoing reductions needed to retain fiscal solvency in fiscal year 2011-12. The County Superintendent of Schools also noted that the District is projecting an increase in ADA in fiscal years 2011-12 and 2012-13 by 0.16% and 0.61%, respectively, and, given the District's historical trend of declining ADA over the last three years, recommended that the District not include such increases in its projections until the District sees actual increases, which could result in the need to make additional expenditure reductions.

As part of the third interim financial report, the District is required to submit a fiscal solvency action plan that clearly identifies governing board approved expenditure reductions. The fiscal solvency report must indicate which of such reductions are one time and which are ongoing, for which fiscal year the reductions will occur and whether the reductions need to be negotiated with the District's collective bargaining units. As indicated above, the District's expenditure reductions are expected to be accomplished primarily through decreases in salaries and benefits (which decreases have not yet been negotiated and agreed to) or, alternatively, through program and service reductions, which may entail layoffs. The District is unable to predict the outcome of negotiations with its collective bargaining units.]

## District Debt Structure

**Long-Term Debt Summary.** The changes in the District’s long-term obligations during fiscal year 2009-10 consisted of the following:

	Balance July 1, 2009 <sup>(1)</sup>	Additions	Deductions	Balance June 30, 2010	Due in One Year
2001 General Obligation Bonds, Series A	\$ 26,130,000	\$ -	\$ 330,000	\$ 25,800,000	\$ 345,000
Premium on issuance	465,613	-	27,389	438,224	-
2001 General Obligation Bonds, Series B	23,026,126	180,723	485,000	22,721,849	590,000
Premium on issuance	381,685	-	19,084	362,601	-
2001 General Obligation Bonds, Series C	49,512,028	910,621	1,990,000	48,432,649	1,275,000
Premium on issuance	3,321,391	-	116,540	3,204,851	-
2008 General Obligation Bonds, Series A	-	49,062,914	-	49,062,914	295,000
Premium on insurance	-	2,017,783	80,711	1,937,072	-
2001 Certificates of Participation	6,805,000	-	470,000	6,335,000	470,000
Capital Leases	311,548	-	50,459	261,089	50,459
Supplemental Early Retirement Plan	5,534,570	4,872,015	1,109,378	9,297,207	2,081,317
Other Postemployment Benefits	3,479,364	3,074,217	1,763,944	4,789,637	-
Accumulated Vacation - Net	1,422,973	85,699	-	1,508,672	-
	<u>\$120,390,298</u>	<u>\$60,203,972</u>	<u>\$6,442,505</u>	<u>\$174,151,765</u>	<u>\$5,106,776</u>

<sup>(1)</sup> Excludes the 2008B Bonds (defined below) issued on September 14, 2010.

Source: District.

Payments on the general obligation bonds are payable from the District’s Debt Service Fund with local *ad valorem* tax revenues. Payments for the 2001 Certificates of Participation are payable from the District’s General Fund. Capital lease obligations are payable from the District’s General Fund and the District’s Child Development Fund. The Supplemental Early Retirement Plan payments are payable from the District’s General Fund. Claims liability payments are payable from the Workers’ Compensation Internal Service Fund. The other postemployment benefits and accrued vacation are paid from the fund for which the employee worked.

**General Obligation Bonds.** On September 25, 2001, a two-thirds majority of the voters of the District approved \$102,000,000 principal amount of general obligation bonds (the “2001 Authorization”). On April 10, 2002, the District issued \$28,700,000 aggregate original principal amount of its 2001 General Obligation Bonds, Series A (the “2001A Bonds”) as the District’s first series under the 2001 Authorization. Proceeds from the sale of the 2001A Bonds were used to provide funds to acquire school sites, construct and repair school facilities and redeem a portion of the District’s 2001 Certificates (as defined below). The 2001A Bonds mature on August 1, 2026.

On July 14, 2004, the District issued \$23,177,726 aggregate original principal amount of its 2001 General Obligation Bonds, Series B (the “2001B Bonds”) as the District’s second series under the 2001 Authorization. The 2001B Bonds were issued as both current interest bonds and capital appreciation bonds. The 2001B Bonds mature on February 1, 2029. Proceeds from the sale of the 2001B Bonds were used to provide funds to acquire school sites, construct and repair school facilities.

On January 11, 2006, the District issued \$50,122,151 aggregate original principal amount of its 2001 General Obligation Bonds, Series C (the “2001C Bonds”) as the District’s third and final series under the 2001 Authorization. The 2001C Bonds were issued as both current interest bonds and capital appreciation bonds. The 2001C Bonds mature on February 1, 2038. Proceeds from the sale of the 2001C Bonds were used to provide funds to acquire school sites, construct and repair school facilities.

On November 4, 2008, the voters of the District approved \$225,000,000 principal amount of bonds (the “2008 Authorization”). On October 27, 2009, the District issued \$48,999,050.25 aggregate initial principal amount of its Election of 2008 General Obligation Bonds, Series A (the “2008A Bonds”) as the District’s first series under the 2008 Authorization. The 2008A Bonds were issued as both current interest bonds and capital appreciation bonds. The 2008A Bonds mature on August 1, 2034.

The following table summarizes the District’s general obligation bond debt that was outstanding as of June 30, 2010:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2009	Issued	Accreted	Redeemed	Bonds Outstanding June 30, 2010
4/10/02	8/1/26	3.00 – 5.23%	\$ 28,700,000	\$ 26,130,000	\$ -	\$ -	\$ 330,000	\$ 25,800,000
7/14/04	2/1/29	2.00 – 5.89%	23,177,726	23,026,126	-	180,723	485,000	22,721,849
1/11/06	2/1/38	3.17 – 5.12%	50,122,151	49,512,028	-	910,621	1,990,000	48,432,649
10/27/09	8/1/34	4.50 – 9.00%	48,999,050	-	48,999,050	63,864	-	49,062,914
Totals				<u>\$98,668,154</u>	<u>\$48,999,050</u>	<u>\$ 1,155,208</u>	<u>\$2,805,000</u>	<u>\$ 146,017,412</u>

<sup>(1)</sup> Excludes the 2008B Bonds (defined below) issued on September 14, 2010.  
Source: District Audited Financial Report for fiscal year 2008-09.

On September 14, 2010, the District issued its Election of 2008 General Obligation Bonds, Series B (the “Series 2008B Bonds”) in the initial aggregate principal amount of \$41,938,348.45 as the District second series of bonds issued under the 2008 Authorization. The 2008B Bonds were issued as current interest bonds, capital appreciation bonds and convertible capital appreciation bonds. The 2008B Bonds mature on August 1, 2046. Proceeds from the sale of the 2008A Bonds and the 2008B Bonds are being used to provide funds to finance specific school facility construction, repair and improvement projects.

For a table showing the scheduled debt service on all the District’s outstanding general obligation bonds, see “THE BONDS – Aggregate Debt Service” in the front portion of this Official Statement.

**Certificates of Participation.** On June 27, 2001, the District, pursuant to a lease/purchase agreement with the Colton Joint Unified School District Facilities Corporation (the “Corporation”), caused to be executed and delivered \$15,000,000 aggregate principal amount of certificates of participation (the “2001 Certificates”). The 2001 Certificates were executed and delivered to finance the acquisition of real property within the District and improvements thereon, to finance the acquisition of relocatable classrooms, kitchens and multipurpose rooms to be used by the District for educational purposes, fund a reserve fund for the 2001 Certificates and pay costs of issuance incurred in connection with the execution and delivery of the 2001 Certificates. At June 30, 2010 the principal balance of the 2001 Certificates outstanding was \$6,335,000. The 2001 Certificates mature through 2021 as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$490,000	\$304,922	\$794,922
2012	510,000	284,098	794,098
2013	530,000	261,785	791,785
2014	555,000	237,935	792,935
2015	580,000	212,266	792,266
2016 – 2020	3,365,000	605,066	3,970,066
2021	305,000	15,631	320,631
Total	<u>\$ 6,335,000</u>	<u>\$ 1,921,703</u>	<u>\$ 8,256,703</u>

**Capital Leases.** The District's liability on lease agreements with options to purchase are summarized below:

Balance, July 1, 2009	\$ 332,295
Payments	<u>57,459</u>
Balance, June 30, 2010	\$ 274,836

The capital leases have minimum lease payments as follows:

Year Ending June 30,	Lease Payment
2011	\$ 57,459
2012	57,459
2013	57,459
2014	57,459
2015	15,000
2016 – 2017	<u>30,000</u>
Total	274,836
Less: Amount Representing Interest	<u>13,747</u>
Present Value of Minimum Lease Payments	<u>\$261,089</u>

**Supplemental Employee Retirement Plan (SERP).** During fiscal years 2008-09 and 2009-10, the District adopted a supplemental retirement plan whereby certain eligible certificated and classified employees are provided an annuity to supplement the retirement benefits they are entitled to through the State Teachers' Retirement System, California State Public Employees' Retirement System, or other retirement system. The criteria for participation are as follows: full-time certificated and classified employees of the District, at least 55 years of age by the date of retirement, with at least five years of continuous service with the District by date of retirement. The annuities offered to the employees are to be paid over a five-year period. The annuities, which were purchased for 106 and 75 employees who retired by June 30, 2009 and June 30, 2010, respectively, were purchased from United of Omaha Life Insurance Company.

The outstanding liability as of June 30, 2010, amounted to \$9,297,207 and is payable as follows:

Year Ending June 30,	Amount
2011	\$ 2,081,317
2012	2,081,317
2013	2,081,317
2014	2,081,317
2015	<u>971,939</u>
Total	\$ 9,297,207

**Other Post Employment Benefits (OPEBs).** In addition to the retirement plan benefits with CalSTRS, CalPERS and APPLE (each, as defined below), the District provides certain post retirement healthcare benefits, in accordance with District employment contracts, to eligible employees. Certificated employees who retire from the District on or after attaining age 55 with at least 15 years of service, are (i) eligible for 10 years of benefits or until the retiree's sixty-fifth birthday, whichever occurs first, if such employee reached age 50 prior to July 1, 2007, and (ii) are eligible for 5 years of benefits or until the retiree's sixty-fifth birthday, whichever occurs first, if such employee reaches age 50 after July 1, 2007. The benefits consist of health insurance benefits and are provided in the form of a subsidy by the District up to the cost of HMO Employee Plus One medical coverage. Dependents are eligible to receive benefits. Part-time employees' subsidy is pro-rated based on a percentage of scheduled hours worked. Selected

retirees receive lifetime benefits. Currently there are four retirees receiving lifetime benefits. Retirees may elect to continue coverage after the age of sixty-five with no direct subsidy from the District.

Classified employees who retire from the District on or after attaining age 50 with at least 15 years of service, also receive health insurance benefits in the form of the subsidy by the District up to the cost of HMO Employee Plus One medical coverage. Such benefits are provided for 10 years or until the retiree's sixty-fifth birthday, whichever occurs first. Dependents are eligible to receive benefits. Part-time employees' subsidy is pro-rated based on a percentage of scheduled hours worked. Retirees may elect to continue coverage after the age of sixty-five with no direct subsidy from the District.

As of June 30, 2010, 99 retirees and beneficiaries met these eligibility requirements and were receiving benefits, and there were 3,033 active plan members.

The Governmental Accounting Standards Board ("GASB") released its Statement Number 45 ("Statement Number 45"), which requires municipalities to account for other post-employment benefits (meaning other than pension benefits) liabilities much like municipalities are required to account for pension benefits. The District implemented the Statement Number 45 requirements in fiscal year 2007-08. See Note 11 to the District's financial statements attached hereto as Appendix B – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2010."

LECG-SMART (the "Actuary"), has prepared the District's most recent actuarial valuation of the District's retiree health insurance benefits and reports that, as of July 1, 2009, the District had an unfunded actuarial accrued liability of \$25,629,250. As of the valuation date, the District had not identified any funds as plan assets under Statement Number 45. The valuation assumed a discount rate or assumed rate of return on investments of 5.0%, and assumed an 8.0% long term average increase for healthcare benefits, trending down to an ultimate 5.0% increase for 2012 and later years. Under the District's actuarial valuation, its annual required contribution for fiscal year 2009-10 was \$3,121,121. However, the District's current funding policy is to contribute an amount sufficient to pay the current year's retiree claim costs and plan expenses. The District has not established an irrevocable trust to prefund its OPEB liability, and no prefunding of benefits has been made by the District. The District's previous contributions, on a pay-as-you-go basis, for these benefits for fiscal years 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10 were \$595,025, \$600,795, \$805,324, \$1,107,512 and \$1,763,944, respectively.

For further information about the District's OPEB obligations, see Note 11 to the District's financial statements attached hereto as Appendix B – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2010."

***Accumulated Unpaid Employee Vacation.*** The accumulated unpaid employee vacation for the District at June 30, 2010, amounted to \$1,508,672.

## **Employment**

As of June 30, 2010, the District employed 1,213 represented certificated professionals and 638 represented classified employees, and 125 management employees. For the year ended June 30, 2010, the total certificated and classified payrolls (excluding benefits) were \$[94,405,943] and \$[28,569,146], respectively.

District employees are represented by employee bargaining units as follows:

Name of Bargaining Unit	Number of Employees Represented	Current Contract Expiration Date
California School Employees Association	559	June 30, 20__ <sup>(1)</sup>
California Teachers Association	1,187	June 30, 20__ <sup>(1)</sup>

<sup>(1)</sup> [The District is in ongoing negotiations with its collective bargaining units with respect to fiscal year 2010-11. The District currently projects that, in order to meet its financial obligations and minimum State required reserves and remain fiscally solvent, it will need to implement expenditure reductions of approximately \$\_\_\_\_ million in fiscal year 2011-12 and of another additional approximately \$\_\_\_\_ million in fiscal year 2012-13. The reductions are projected to be accomplished primarily through decreases in salaries and benefits (which decreases have not yet been negotiated and agreed to) or, alternatively, through program and service reductions, which may entail layoffs. The District is unable to predict the outcome of negotiations with its collective bargaining units. See “– District Budget Process and County Review.”]  
Source: The District.

### Retirement Benefits

The District participates in retirement plans with the State Teachers’ Retirement System (“CalSTRS”), which covers all full-time certificated District employees, and the State Public Employees’ Retirement System (“CalPERS”), which covers certain classified employees. Classified school personnel who are employed four or more hours per day may participate in CalPERS. The District also contributes to the Accumulation Program for Part-time and Limited Service Employees (“APPLE”), which is a defined contribution pension plan.

**CalSTRS.** Contributions to CalSTRS are fixed in statute. Teachers contribute 8% of salary to CalSTRS, while school districts contribute 8.25%. In addition to the teacher and school contributions, the State contributes 4.517% of teacher payroll to CalSTRS (calculated on payroll data from two fiscal years ago). Unlike typical defined benefit programs, however, neither the CalSTRS employer nor the State contribution rate varies annually to make up funding shortfalls or assess credits for actuarial surpluses. The State does pay a surcharge when the teacher 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 systemwide unfunded liability resulting from recent benefit enhancements.

Because of the downturn in the stock market, an actuarial valuation as of June 30, 2003 showed a \$118 million shortfall in the baseline benefits—one-tenth of 1% of accrued liability. Consequently, the surcharge kicked in for the first time in the fiscal year 2004-05 at 0.524% for three quarterly payments, which amounted to an additional \$92 million from the State’s general fund in fiscal year 2004-05. However, in addition to the small shortfall in pre-enhancement benefits (triggering the surcharge), the June 30, 2003, valuation also showed a substantial \$23 billion unfunded liability for the entire system, including enhanced benefits. As indicated above, there is no required contribution from teachers, school districts or the State to fund this unfunded liability.

As of June 30, 2009, an actuarial valuation for the entire system, including enhanced benefits, showed an estimated unfunded actuarial liability of \$40.5 billion, an increase of \$18 billion from the June 30, 2008 valuation. 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.

CalSTRS has developed options to address the shortfall but most would require legislative action. In addition, in the Governor’s 2005–06 Proposed State Budget and the 2005-06 May Revise of the 2005-06 Proposed Budget, the Governor proposed increasing the fixed contribution rate from 8.25% to 10.25%

for school districts. Subsequently, the final 2005-06 State Budget was adopted with a contribution rate of 8.25%. In addition to the proposal by the Governor to increase the fixed contribution rate for school districts, other proposals have been suggested that would modify the District's obligation to make contributions to CalSTRS to closely parallel the full cost of the retirement benefits provided by CalSTRS, which proposals would include components for unfunded liability. If these proposals were adopted, the District's annual obligations to CalSTRS would likely increase substantially.

The District's employer contributions to CalSTRS for fiscal years 2006-07, 2007-08, 2008-09 and 2009-10 were \$7,621,394, \$8,002,058, \$8,051,253 and \$7,793,670, respectively, and were equal to 100% of the required contributions for each year. The District projects that its employer contributions to CalSTRS for fiscal year 2010-11 will be approximately \$[\_\_\_\_\_].

**CalPERS.** All qualifying classified employees of K through 12 school districts in the State are members in CalPERS, and all of such districts participate in the same plan. As such, all such districts share the same contribution rate in each year. However, unlike school districts' participating in CalSTRS, the school districts' contributions to CalPERS fluctuate each year and include a normal cost component and a component equal to an amortized amount of the unfunded liability.

According to the CalPERS State and Schools Actuarial Valuation as of June 30, 2009, the CalPERS Plan for Schools had a funded ratio of 65% on a market value of assets basis. The funded ratio as of June 30, 2008 and June 30, 2007 was 93.8% and 107.8%, respectively. In June 2009, the CalPERS Board of Administration adopted a new employer rate smoothing methodology for local governments and school employer rates. It was designed to ease the impact of the investment losses which were then expected in fiscal year 2008-09 on affiliated public employers while strengthening the long-term financial health of the pension fund. Under the new methodology, investment losses will be amortized and paid off over a fixed and declining 30-year period instead of a rolling 30-year amortization period.

The District's employer contributions to CalPERS for fiscal years 2006-07, 2007-08, 2008-09 and 2009-10 were \$2,855,928, \$3,012,541, \$3,088,415 and \$3,033,990, respectively, and were equal to 100% of the required contributions for each year. The District projects that its employer contributions to CalPERS for fiscal year 2010-11 will be approximately \$[\_\_\_\_\_].

**APPLE.** The District also contributes to the Accumulation Program for Part-time and Limited Service Employees, which is a defined contribution pension plan. A defined benefit contribution pension plan provides pension benefits in return for services rendered, provides an individual account of each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined benefit contribution plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account.

As established by federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The District has elected to use APPLE as its alternative plan. Contributions made by the District and an employee vest immediately. The District contributes 2.25% of an employee's gross earnings. An employee is required to contribute 5.25% of his or her gross earnings to the pension plan.

During the 2009-10 fiscal year, the District's required and actual contributions amounted to \$43,599, which was 2.25% of its current year covered payroll. Employees required and actual contributions amounted to \$101,731, which was 5.25% of the covered payroll.

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 APPENDIX B - "EXCERPTS FROM FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2010, Note 13.

### **Insurance, Risk Pooling and Joint Powers Agreements and Joint Ventures**

The District participates in three joint ventures under joint powers agreements ("JPAs"): the Alliance of Schools for Cooperative Insurance Programs (ASCIP), the Colton-Redlands-Yucaipa Regional Occupational Program (CRYROP), and the High Desert and Inland Employee/Employer Public Joint Labor Management Trust (HD&IE/ET).

*Alliance of Schools for Cooperative Insurance Programs.* The District pays an annual premium to ASCIP for property and liability coverage.

*Colton-Redlands-Yucaipa Regional Occupational Program.* Payments for regional occupational program services are paid to CRYROP.

*High Desert and Inland Employee/Employer Public Joint Labor Management Trust.* HD&IE/ET is a joint powers agency that provides health benefit coverage for its members.

The relationships between the District and the JPAs are such that the JPAs are not a component unit of the District for financial reporting purposes. The JPAs are governed by a board consisting of a representative from each member district. The governing board controls the operations of its JPAs independent of any influence by the member districts beyond their representation on the governing board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionately to its participation in the JPAs.

## **CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS**

### **Limitations on Revenues**

On June 6, 1978, California voters approved Proposition 13 ("Proposition 13"), which added Article XIII A to the State Constitution ("Article XIII A"). Article XIII A limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness, and (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Article XIII A defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that

there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

***County of Orange v. Orange County Assessment Appeals Board No. 3.*** Section 51 of the Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently “recapture” such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor’s measure of the restoration of value of the damaged property. The constitutionality of this procedure was challenged in a lawsuit brought in 2001 in the Orange County Superior Court, and in similar lawsuits brought in other counties, on the basis that the decrease in assessed value creates a new “base year value” for purposes of Proposition 13 and that subsequent increases in the assessed value of a property by more than 2% in a single year violate Article XIII A. On appeal, the California Court of Appeal upheld the recapture practice in 2004, and the State Supreme Court declined to review the ruling, leaving the recapture law in place.

***Legislation Implementing Article XIII A.*** Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

Beginning in the 1981-82 fiscal year, assessors in the State no longer record property values on tax rolls at the assessed value of 25% of market value which was expressed as \$4 per \$100 assessed value. All taxable property is now shown at full market value on the tax rolls. Consequently, the tax rate is expressed as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

### **Article XIII B of the California Constitution**

An initiative to amend the State Constitution entitled “Limitation of Government Appropriations” was approved on September 6, 1979, thereby adding Article XIII B to the State Constitution (“Article XIII B”). Under Article XIII B state and local governmental entities have an annual “appropriations limit” and are not permitted to spend certain monies 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 monies 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.

The District’s budgeted appropriations from “proceeds of taxes” (sometimes referred to as the “Gann limit”) for the 2009-10 fiscal year are equal to the allowable limit of \$\_\_\_\_\_, and estimates an

appropriations limit for 2010-11 of \$\_\_\_\_\_. Any proceeds of taxes received by the District in excess of the allowable limit are absorbed into the State's allowable limit.

### **Article XIIC and Article XIID of the California Constitution**

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIIC and XIID ("Article XIIC" and "Article XIID," 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 XIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4. Article XIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIC or XIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIII A of the California Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

### **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 through 12 school 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% percentage, 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 school Appropriations Limits for the next year would automatically be increased by the amount of such transfer. These additional monies 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 school 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 school 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 school districts a certain amount of general fund revenues, as described below.

Under prior law, K-14 school 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.

### **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 HISTORY, OPERATION AND FINANCIAL INFORMATION — State Funding of Education; State Budget Process.”

### **Future Initiatives**

Article XIII A, Article XIII B, Article XIII C, Article XIII D, as well as Propositions 98 and 111 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, 2010**

**APPENDIX C**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

*Upon issuance and delivery of the Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel to the Colton Joint Unified School District, proposes to render its final approving opinion with respect to the Bonds in substantially the following form:*

[Closing Date]

Board of Education  
Colton Joint Unified School District

\$ \_\_\_\_\_  
COLTON JOINT UNIFIED SCHOOL DISTRICT  
(San Bernardino and Riverside Counties, California)  
Election of 2008 General Obligation Bonds, Series C  
(Qualified School Construction Bonds – Direct Payment to District)  
(Federally Taxable)

Members of the Board of Education:

Respectfully submitted,

Stradling Yocca Carlson & Rauth

**APPENDIX D**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

## APPENDIX E

### SUMMARY OF COUNTY OF SAN BERNARDINO INVESTMENT POLICIES AND PRACTICES AND DESCRIPTION OF INVESTMENT POOL

#### The San Bernardino County Treasury Pool

*The following information has been provided by the Auditor-Controller/Recorder/Treasurer/Tax Collector of the County (the "County Treasurer"), and the District takes no responsibility for the accuracy or completeness thereof. Further information may be obtained from the County Treasurer.*

**General.** The County Treasurer is responsible for the investment of the funds of the County, all school districts and community college districts and certain special districts in the County, which are required under state law to be deposited into the County treasury ("Involuntary Depositors"). In addition, certain agencies 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"). No particular deposits are segregated for separate investment.

The Treasury Pool is presently assigned the following credit quality ratings:

- Standard & Poor's Ratings Group - "AAAF" (credit quality) and "S1+" (volatility)
- Moody's Investors Service - "Aaa" (credit quality) and "MR1" (volatility)
- Fitch Ratings, Inc. - "AAA" (credit quality) and "V1" (volatility)

These ratings are assessments of the overall credit quality of the Treasury Pool's portfolio. The ratings thus reflect the level of protection against losses from credit defaults. These ratings reflect only the views of the respective rating agencies and any explanation of the significance of such ratings may be obtained from such rating agencies as follows: Standard & Poor's Ratings Services, a Division of the McGraw Hill Companies, Inc., 55 Water Street, New York, New York 10041, Moody's Investors Services, Inc., 7 World Trade Center, 250 Greenwich Street, Public Finance Group, 23rd Floor, New York, New York 10007 and Fitch Ratings, Inc., One State Street Plaza, New York, New York 10004.

Under State law, Depositors in the Treasury Pool are permitted to withdraw funds that they have deposited on 30 days notice. The County does not expect that the Treasury 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 Treasury Pool.

The County has established a Treasury Oversight Committee as required by State law. The members of the Oversight Committee include the County Administrative Officer, two members of the public and the Superintendent of Schools or his designee. The role of the Oversight Committee is to review and monitor the County's Investment Policy (the "Investment Policy") that is prepared by the Treasurer.

#### ***Investments of the Treasury Pool.***

Authorized Investments. Investments of the Treasury Pool are placed in those securities authorized by various sections of the California Government Code and the Investment Policy, which

include obligations of the United States Treasury, Agencies of the United States Government, local 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 and shares of beneficial interest in diversified management companies (mutual funds). Generally, investments in repurchase agreements cannot exceed a term of 180 days and the security underlying the agreement shall be valued at 102% or greater of the funds borrowed against the security. The value of the repurchase agreement shall be adjusted no less than weekly. In addition, reverse repurchase agreements generally may not exceed 10% of the base value of the portfolio and the term of the agreement may not exceed 92 calendar days. Securities lending transactions are considered reverse repurchase agreements for purposes of this limitation. Base value is defined as the total cash balance excluding any amounts borrowed (i.e., amounts obtained through selling securities by way of reverse repurchase agreements or other similar borrowing methods).

Legislation that 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. Therefore, there can be no assurances that the current investments in the Treasury Pool will not vary significantly from the investments described herein.

The Investment Policy. The Investment Policy currently states the primary goals of the Treasurer when investing public funds to be as follows: the primary objective is to safeguard the principal of the funds under the Treasurer's control, the secondary objective is to meet the liquidity needs of the Treasury Pool Participants, and the third objective is to achieve a return on the funds under the control of the Treasurer within the parameters of prudent risk management. The Investment Policy contains a requirement that 40% of the Treasury Pool should be invested in securities maturing in one year or less, and the entire portfolio should maintain an effective duration of less than 1.5 years. With respect to reverse repurchase agreements, the Investment Policy provides for a maximum maturity of 92 days (unless the reverse repurchase agreement includes a written guarantee of a minimum earning or spread for the entire period of such agreement) and a limitation on the total amount of reverse repurchase agreements to 10% of the total investments in the Treasury Pool.

The Treasury Pool also does not own any reverse repurchase agreements, nor has the County engaged in securities lending. The Treasury Pool has not purchased and does not own any asset-backed securities, mortgage-backed securities, collateralized debt obligations, collateralized loan obligations, or any other securities backed by or derived from sub-prime or Alt-A mortgages. FNMA, FHLMC, FHLB and FFCB holdings are senior unsecured obligations.

***Certain Information Relating to Treasury Pool.*** The following table reflects information with respect to the Treasury Pool as of the close of business March 31, 2011. As described above, a wide range of investments is authorized by state law. Therefore, there can be no assurances that the investments in the Treasury Pool will not vary significantly from the investments described below. In addition, the value of the various investments in the Treasury Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described below. In addition, the values specified in the following tables were based upon estimates of market values provided to the County by a third party. Accordingly, there can be no assurance that if these securities had been sold on March 31, 2011, the Treasury Pool necessarily would have received the values specified. The Treasury Pool has no exposure to any defaulted securities, nor does it own any securities of institutions in liquidation.

<u>Security Type</u>	<u>Par Value</u>	<u>Market Value</u>
Bankers Acceptances	\$ 0.00	\$ 0.00
Certificates of Deposit	725,000,000.00	724,980,666.50
Collateralized Certificates of Deposit	0.00	0.00
Commercial Paper	890,000,000.00	889,782,540.00
Corporate Notes	0.00	0.00
Federal Agencies	2,466,074,000.00	2,478,176,633.09
Money Market Funds	115,000,000.00	115,000,000.00
Municipal Debt	0.00	0.00
Repurchase Agreements	0.00	0.00
TLGP Corporate Debt	100,000,000.00	101,002,200.00
U.S. Treasuries	250,000,000.00	251,843,620.35
Cash	239,483,558.66	239,483,558.66
TAGP/FDIC NOW	0.00	0.00
	<hr/>	<hr/>
Total Investments	<u>\$4,785,557,558.66</u>	<u>\$4,800,269,218.60*</u>

\*Does not include accrued interest of \$10,760,651.83.

**Neither the District nor the Underwriters have made an independent investigation of the investments in the Pools and has made no assessment of the current Investment Policy. The value of the various investments in the Pools will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer, with the consent of the Treasury Oversight Committee and the County Board of Supervisors, may change the Investment Policy at any time. Therefore, there can be no assurance that the values of the various investments in the Pools will not vary significantly from the values described herein.**

**APPENDIX F**  
**COUNTY 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 Bonds or (b) certificates representing ownership interest in or other confirmation of ownership interest in the 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, NY, will act as securities depository for the 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 Standard & Poor’s highest rating: AAA. 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) and [www.dtc.org](http://www.dtc.org).

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 Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer 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 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 Issuer or 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, Agent or Issuer, 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 Issuer or 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 Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer 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.

## CONTINUING DISCLOSURE CERTIFICATE

**THIS CONTINUING DISCLOSURE CERTIFICATE** (this “Disclosure Certificate”) is executed and delivered by the Colton Joint Unified School District (the “District”) in connection with the issuance of \$\_\_\_\_\_ aggregate principal amount of Colton Joint Unified School District (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series C (Qualified School Construction Bonds – Direct Payment to District) (Federally Taxable) (the “Bonds”). The Bonds are being issued pursuant to a resolution (the “County Resolution”) adopted by the Board of Supervisors of the County of San Bernardino (the “County”) on June 7, 2011, at the request of the Board of Education of the District by its resolution (the “District Resolution”) adopted on May 19, 2011. The District covenants and agrees as follows:

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

**Section 2. Definitions.** In addition to the definitions set forth in the County 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 the District, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

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

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

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

“Official Statement” shall mean the Official Statement, dated \_\_\_\_\_, 2011 (including all exhibits or appendices thereto), relating to the offer and sale of Bonds.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

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

**Section 3. Provision of Annual Reports.** (a) The District shall, or shall cause the Dissemination Agent to, not later than eight months after the end of the District’s fiscal year (which due date shall be March 1 of each year, so long as the fiscal year ends on June 30), commencing with the report for the 2010-2011 Fiscal Year (which is due not later than March 1, 2012), 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 the same manner as for a Listed Event under Section 5(e) hereof. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Bonds by name and CUSIP number.

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

(c) The Dissemination Agent shall:

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

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

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

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

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

- (i) The adopted budget of the District for the then current fiscal year.
- (ii) The District's average daily attendance for the last completed fiscal year.
- (iii) The District's outstanding debt.
- (iv) Information regarding total assessed valuation of taxable properties within the District for the then current fiscal year, if and to the extent provided to the District by the County and the County of Riverside.
- (v) Information regarding twenty taxpayers with the greatest combined ownership of taxable property in the District for the then current fiscal year, if and to the extent provided to the District by the County and the County of Riverside.
- (vi) Information regarding total secured tax charges and delinquencies on taxable properties within the District for the then current fiscal year, if and to the extent provided to the District by the County and the County of Riverside.

(c) In addition to any of the information expressly required to be provided under subsections (a) and (b), the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been made available to the public on the MSRB's website. The District shall clearly identify each such other document so included by reference.

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

- (i) principal and interest payment delinquencies;
- (ii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) substitution of the credit or liquidity providers or their failure to perform;

- (v) issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
- (vi) tender offers;
- (vii) defeasances;
- (viii) rating changes; or
- (ix) bankruptcy, insolvency, receivership or similar event of the obligated person.

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

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, not later than ten business days after the occurrence of the event:

- (i) unless described in paragraph 5(a)(v) hereof, adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- (ii) modifications to rights of Bond Holders;
- (iii) optional, unscheduled or contingent Bond calls;
- (iv) release, substitution, or sale of property securing repayment of the Bonds;
- (v) non-payment related defaults;
- (vi) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or

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

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 4 hereof, as provided in Section 4(b) hereof.

(d) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 5(b) hereof, the District shall determine if such event would be material under applicable federal securities laws.

(e) If the District learns of the occurrence of a Listed Event described in Section 5(a) hereof, or determines that knowledge of a Listed Event described in Section 5(b) hereof would be material under applicable federal securities laws, the District shall within ten business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(vii) or (b)(iii) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the County Resolution.

**Section 6. Termination of Reporting Obligation.** The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(e) hereof.

**Section 7. Dissemination Agent.** The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the District.

**Section 8. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

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

(b) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

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

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e) hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**Section 9. Additional Information.** Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**Section 10. Default.** In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate; provided, that any such action may be instituted only in Superior Court of the State of California in and for the County of San Bernardino or in U.S. District Court in or nearest to the County of San Bernardino. A default under this Disclosure Certificate shall not be deemed an event of default under the County Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

**Section 11. Duties, Immunities and Liabilities of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and (if the Dissemination Agent is other than the District), the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District

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

**Section 12. Beneficiaries.** This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: \_\_\_\_\_, 2011

**COLTON JOINT UNIFIED SCHOOL  
DISTRICT**

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

**EXHIBIT A**

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

Name of Issuer: COLTON JOINT UNIFIED SCHOOL DISTRICT

Name of Issue: Colton Joint Unified School District (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series C (Qualified School Construction Bonds – Direct Payment to District) (Federally Taxable)

Date of Issuance: \_\_\_\_\_, 2011

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 \_\_\_\_\_, 2011. [The District anticipates that the Annual Report will be filed by \_\_\_\_\_.]

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

**COLTON JOINT UNIFIED SCHOOL  
DISTRICT**

**BOARD AGENDA**

**REGULAR MEETING  
May 19, 2011**

**ACTION ITEM**

**TO:** Board of Education

**PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division

**SUBJECT:** Award of Bid #11-06 to Golden Arrow Engineering, Inc. for the Birney Elementary School Parking Lot Improvements Project

**GOAL:** Facilities / Support Services

**STRATEGIC PLAN:** Strategy #1 – Communication  
Strategy #4 – Facilities

**BACKGROUND:** Bids for the Birney Elementary School Parking Lot Improvements Project were opened on May 12, 2011. The bid was conducted in accordance with Public Contract Code 20111 and advertised in accordance with Public Contract Code 20112. Bids were received from nine contractors.

The work contained in this bid includes expansion and separation of the bus circle and parking area at Birney Elementary School. A schedule showing the bids received and their amounts follows.

Golden Arrow Engineering	\$ 238,000
United Paving Co.	293,237
Bravo Concrete	304,000
Wheeler Paving, Inc.	331,800
4-Con Engineering	379,385
Laird Construction	392,293
Broughton Construction	409,893
NBI General Contractors	417,580
Mission Paving	422,000

**BUDGET IMPLICATIONS:** Bond Fund 21 – Measure G Expenditure: \$238,000

**RECOMMENDATION:** That the Board award Bid #11-06 to Golden Arrow Engineering, Inc. for the Birney Elementary School Parking Lot Improvements Project, in the amount of \$238,000.

**ACTION:** On motion of Board Member \_\_\_\_\_ and \_\_\_\_\_, the Board awarded Bid #11-06, as presented.



**BOARD AGENDA**

**REGULAR MEETING  
May 19, 2011**

**ACTION ITEM**

**TO:** Board of Education

**PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division

**SUBJECT:** **Approval of Agreement with Ninyo & Moore for Geotechnical Consulting Services at Bloomington High School New Cafeteria and Multipurpose Room Project**

**GOAL:** Facility / Support Services

**STRATEGIC PLAN:** Strategy #4 – Facilities

**BACKGROUND:** Division of the State Architect (D.S.A.) requires geotechnical testing and recommendations for the planning and design of construction projects. Ninyo & Moore will evaluate the subsurface soil and geologic conditions at the site and provide geotechnical recommendations for the design and construction of the proposed Cafeteria and Multipurpose Room project at Bloomington High School.

<u>Proposals Received</u>	
C.H.J. Inc.	\$18,990
John R. Byerly Inc.	\$13,300
Ninyo & Moore	\$12,200

**BUDGET IMPLICATIONS:** Bond Fund 21 – Measure G Expenditure: \$12,200

**RECOMMENDATION:** That the Board approve the agreement with Ninyo & Moore for geotechnical consulting services at Bloomington High School New Cafeteria and Multipurpose Room Project.

**ACTION:** On motion of Board Member \_\_\_\_\_ and \_\_\_\_\_, the Board approved the agreement, as presented.

April 20, 2011  
Proposal No. P-15015

Mr. Steven Redmond  
Colton Unified School District  
851 South Mt. Vernon Avenue, Suite 7A  
Colton, California 92324

Subject: Revised Proposal for Geotechnical Consulting Services  
Bloomington High School  
10750 Laurel Avenue  
Bloomington, California 92316



Dear Mr. Redmond:

In accordance with your request, we are pleased to submit this proposal to provide geotechnical consulting services associated with the Bloomington High School Project for the Colton Unified School District (CUSD) in Colton, California. The purpose of our geotechnical services will be to evaluate the subsurface soil and geologic conditions at the site and to provide geotechnical recommendations for the design and construction of the proposed structures and improvements, as well as to aid in evaluating the earthwork operations and the new foundations.

We understand that a new cafeteria and multi-purpose building and lunch shelter with plan areas of approximately 17,500 and 4,000 square feet will be constructed at the site. We also understand that permeable pavement and grass-crete may be used in parking, drives and plaza areas. Accordingly, percolation testing may be appropriate in accordance with the Water Quality Management Plan for the sites. Detailed plans, including locations of the structures or permeable pavements are currently not available. The general area of the proposed structures, is currently occupied by parking and portable classroom facilities. Grading for the new improvements is expected to consist of minor cuts and fills of less than 2 feet.

Based on a review of readily available geotechnical literature, we anticipate the existing school is underlain by relatively unconsolidated alluvial deposits comprised of silt, sand and gravel. The site is not located within a State of California Earthquake Fault Zone.

## **SCOPE OF SERVICES**

Our scope of services for the subject project will be performed in two phases consisting of 1) a geotechnical evaluation and 2) geotechnical observation and testing services during construction. Our evaluation will be performed in general conformance with the guidelines set forth in California Geological Survey Note 48, which pertains to the California Code of Regulations, Title 24, of the California Building Code (CBC). We will also provide geotechnical design and construction recommendations for the planned structures and associated improvements. Based on the information we have received to date regarding this project, our scope of services will include the following:

### **Geotechnical Evaluation**

The design investigation will include a subsurface evaluation to aid in evaluating the geologic and seismic hazards at the site. The purpose of the borings will be to provide foundation design parameters for the new structures. Our services for this phase will consist of the following:

- Project planning and coordination with the CUSD project manager and the project architect. We will also coordinate with CUSD to schedule our field work, review CUSD utility plans, and obtain access to the property.
- Performance of a site reconnaissance to mark proposed boring locations for utility clearance. At that time, we will meet with CUSD maintenance personnel to review the boring locations.
- Review of background data, including in-house geotechnical data, State of California Earthquake Fault Zone maps, State of California Seismic Hazards Zones Maps, topographic maps, geologic maps and literature, and stereoscopic aerial photographs.
- Subsurface exploration consisting of the drilling, logging and sampling of five hollow-stem auger borings to depths of up to approximately 50 feet, or refusal, whichever is shallower. The hollow-stem auger borings will be logged by a representative from our firm, and bulk and relatively undisturbed soil samples will be collected at selected depth intervals for laboratory testing. The borings will be capped with concrete where located in paved areas.
- In-situ percolation testing will be performed in one boring drilled in the area of the proposed permeable pavement areas.
- Laboratory testing of selected samples to evaluate in-place moisture and density, gradation, expansion index, consolidation, direct shear, and soil corrosivity.
- Compilation and geotechnical analysis of background information and field and laboratory data, including analyses to evaluate and provide recommendations for the following:
  - Suitability of the site for the proposed construction from a geotechnical standpoint.
  - Description of the geology and on-site soils anticipated at the site, including an evaluation of the geologic hazards present at the site.

- Evaluation of the depth to groundwater as encountered in the borings.
- Evaluation of the expansion potential of the near surface soils.
- Recommendations for earthwork and grading, as appropriate, including trench excavation, backfill and shoring, fill placement and compaction requirements, subgrade preparation for foundations, and bedding requirements for utilities and substructures.
- Evaluation of the seismic conditions at the site, including seismic design criteria based on the 2010 CBC.
- Evaluation of the potential for liquefaction.
- Evaluation of appropriate foundation types and allowable bearing capacity and estimated total and differential settlement for the site.
- Evaluation of the corrosion potential of the site soils and the appropriate type of concrete to be utilized during construction.
- Evaluation of the pavement subgrade characteristics and provide recommendations for new pavements, as appropriate.
- Preparation of one geotechnical evaluation report for the site presenting our findings, conclusions, and recommendations regarding the proposed improvements. The report will include our boring logs, including a visual classification of the soils encountered in accordance with the Unified Soil Classification System, boring location map, and our laboratory test results.
- Review of foundation plans to evaluate conformance to the recommendations of the geotechnical report.

### **Geotechnical Services During Construction**

Our geotechnical services during construction will be provided on an as-needed basis. We understand that no plans are available for the proposed construction. Accordingly, the following is a general description of the services we will provide.

- Project coordination, technical support, and management, including review of the project geotechnical reports, plans and specifications, distribution of test reports, and work scheduling.
- Regular distribution of test and inspection reports to the Project Inspector, Division of State Architect Field Representative, Structural Engineer/Architect, and Construction Manager, in accordance with Title 24.
- Attendance at pre-construction meetings and as-needed field meetings.
- Field soils technician services for observation, sampling and density testing during building pad preparation, trench backfill, structure backfill, subgrade preparation, and the placement and compaction of aggregate base and asphalt concrete. Field density tests will be performed to evaluate the contractor's compaction operations.

- Project engineer/geologist services for observation of foundation excavations.
- Project engineer/geologist services for observation of remedial excavation bottoms and to provide written recommendations, as appropriate.
- Laboratory testing, including expansion index, sieve analysis, sand equivalent and proctor density of materials sampled in the field, as appropriate.
- Preparation and submittal of the project close-out documents including the geotechnical report.

## **ASSUMPTIONS**

The following assumptions have been made in the preparation of our scope of services:

- Our field services for the site will be performed under one mobilization including the percolation testing. In the event the percolation testing is performed subsequent to the design evaluation, additional cost will incur.
- Access to the site will be provided and right-of-entry will be granted. Truck-mounted drilling equipment will be mobilized to readily accessible drilling locations.
- Our field services will be performed on a Saturday, if school is still in session when the work is authorized; otherwise, it will be performed during normal working hours (Monday through Friday, 7:00 a.m. to 5:00 p.m.), and will not require work on weekends or holidays.
- Permits will not be required.
- The proposed school project is subject to prevailing wage rates for our drilling subcontractor.
- Our firm will contact Underground Services Alert prior to performing our subsurface evaluation. However, the client or the District will provide our firm with any additional information regarding the presence of utilities. Ninyo & Moore will not be responsible for utilities encountered during subsurface exploration that have not been marked out or shown on the plans.
- Our exploratory borings will be backfilled with on-site materials. Borings in paved areas will be capped with concrete.
- Our evaluation will not include a groundwater evaluation for the purpose of dewatering permitting, dewatering rate analyses, dewatering design, or discharge treatment design. These services can be provided, if requested, as an additional scope of work.
- Our evaluation will not include any sampling, testing, or chemical analysis of soil, groundwater, surface water, or other materials for the purpose of evaluating possible hazards or risks. These services can be provided, if requested, as an additional scope of work.

## FEE

Our geotechnical consulting services for the geotechnical evaluation will be provided on a lump sum basis, based on the rates in the attached Schedule of Fees. Our fee for the scope of work described will be \$11,000 (eleven thousand dollars). A breakdown of our fee for this project is shown in Table 1. The fees for our geotechnical services during construction will be performed on a time-and-materials basis in accordance with the attached schedule of fees. Prior to construction, an estimate can be provided based on a schedule prepared by a contractor for work associated with geotechnical inspection and testing.

## SCHEDULE

Ninyo & Moore is prepared to begin our services upon receipt of your authorization to proceed. Assuming that there are no delays due to inclement weather or drill rig availability, we anticipate that our field work for this project will be completed within approximately one week of the notice to proceed. We anticipate that laboratory testing will be completed approximately two weeks after the field work is completed and our report will be issued approximately two weeks after the laboratory testing is completed. Preliminary design parameters can be provided after completion of the field evaluation upon request.

Ninyo & Moore appreciates the opportunity to submit this proposal and we would appreciate the opportunity to provide services for the Colton Unified School District.

Respectfully submitted,  
**NINYO & MOORE**



James J. Barton, P.G., C.E.G.  
Senior Geologist



Jalal Vakili, Ph.D., P.E.  
Principal Engineer

JJB/JV/sc

Attachments: Table 1 – Breakdown of Fee  
Schedule of Fees

Distribution: (1) Addressee (via e-mail)

**TABLE 1 - BREAKDOWN OF FEE**

<b>PROJECT COORDINATION AND BACKGROUND REVIEW</b>			
Project Engineer/Geologist/Environmental Scientist	3 hours @	\$ 123.00 /hour	\$ 369.00
<b>Subtotal</b>			<b>\$ 369.00</b>

<b>SITE RECONNAISSANCE AND MARKOUT FOR UTILITY CLEARANCE</b>			
Staff Engineer/Geologist/Environmental Scientist	4 hours @	\$ 96.00 /hour	\$ 384.00
Field Vehicle Usage	4 hours @	\$ 8.00 /hour	\$ 32.00
<b>Subtotal</b>			<b>\$ 416.00</b>

<b>FIELD SERVICES</b>			
<b>(Assumes 5 borings up to approximately 50 feet deep)</b>			
Staff Engineer/Geologist/Environmental Scientist	12 hours @	\$ 96.00 /hour	\$ 1,152.00
Drill Rig (Subcontractor)	9 hours @	\$ 320.00 /hour	\$ 2,880.00
Field Vehicle Usage	12 hours @	\$ 8.00 /hour	\$ 96.00
Supplies		Lump Sum	\$ 100.00
<b>Subtotal</b>			<b>\$ 4,228.00</b>

<b>LABORATORY ANALYSES</b>			
Tests to include moisture and dry density, expansion index, sieve analysis, consolidation, shear strength, and corrosivity.			\$ 2,200.00
<b>Subtotal</b>			<b>\$ 2,200.00</b>

<b>DATA COMPILATION AND ANALYSIS</b>			
Principal Engineer/Geologist/Environmental Scientist	2 hours @	\$ 139.00 /hour	\$ 278.00
Project Engineer/Geologist/Environmental Scientist	6 hours @	\$ 123.00 /hour	\$ 738.00
Staff Engineer/Geologist/Environmental Scientist	8 hours @	\$ 96.00 /hour	\$ 768.00
<b>Subtotal</b>			<b>\$ 1,784.00</b>

<b>REPORT PREPARATION</b>			
Principal Engineer/Geologist/Environmental Scientist	2 hours @	\$ 139.00 /hour	\$ 278.00
Project Engineer/Geologist/Environmental Scientist	6 hours @	\$ 123.00 /hour	\$ 738.00
Staff Engineer/Geologist/Environmental Scientist	6 hours @	\$ 96.00 /hour	\$ 576.00
Technical Illustrator/CAD Operator	4 hours @	\$ 69.00 /hour	\$ 276.00
Data Processing, Technical Editing, or Reproduction	4 hours @	\$ 44.00 /hour	\$ 176.00
<b>Subtotal</b>			<b>\$ 2,044.00</b>

<b>TOTAL FEE</b>			<b>\$ 11,041.00</b>
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**SCHEDULE OF FEES**

**HOURLY CHARGES FOR PERSONNEL**

Principal Engineer/Geologist/Environmental Scientist.....	\$ 139
Senior Engineer/Geologist/Environmental Scientist.....	\$ 133
Senior Project Engineer/Geologist/Environmental Scientist.....	\$ 127
Project Engineer/Geologist/Environmental Scientist.....	\$ 123
Senior Staff Engineer/Geologist/Environmental Scientist.....	\$ 109
Staff Engineer/Geologist/Environmental Scientist.....	\$ 96
GIS Analyst.....	\$ 96
Field Operations Manager.....	\$ 85
Nondestructive Examination Technician, UT, MT, LP.....	\$ 80
Pull Test Technician and Equipment.....	\$ 80
Supervisory Technician.....	\$ 74
Senior Field/Laboratory Technician.....	\$ 69
Technical Illustrator/CAD Operator.....	\$ 69
Field/Laboratory Technician.....	\$ 64
ACI Concrete Technician.....	\$ 64
Concrete/Asphalt Batch Plant Inspector.....	\$ 64
Special Inspector, Reinforced Concrete.....	\$ 64
Special Inspector, Pre-stressed Concrete.....	\$ 64
Special Inspector, Reinforced Masonry.....	\$ 64
Special Inspector, Structural Steel.....	\$ 64
Special Inspector, Welding, AWS.....	\$ 64
Special Inspector, Fireproofing.....	\$ 64
Geotechnical/Environmental/Laboratory Assistant.....	\$ 53
Information Specialist.....	\$ 52
Data Processing, Technical Editing, or Reproduction.....	\$ 44

**OTHER CHARGES**

Expert Witness Testimony.....	\$ 400 /hr
Concrete Coring Equipment (includes one technician).....	\$ 160 /hr
Special Preparation of Standard Test Specimens.....	\$ 64 /hr
Inclinometer Usage.....	\$ 32 /hr
Vapor Emission Kits.....	\$ 30 /kit
Rebar Locator (Pachometer).....	\$ 10 /hr
Nuclear Density Gauge Usage.....	\$ 9 /hr
Field Vehicle Usage.....	\$ 8 /hr
Direct Project Expenses.....	Cost plus 15 %
Laboratory testing, geophysical equipment, and other special equipment provided upon request.	

**NOTES (Field Services)**

For field and laboratory technicians and special inspectors, regular hourly rates are charged during normal weekday construction hours. Overtime rates at 1.5 times the regular rates will be charged for work performed outside normal construction hours and all day on Saturdays. Rates at twice the regular rates will be charged for all work in excess of 12 hours in one day or on Sundays and holidays. Lead time for any requested service is 24 hours. Field Technician rates are based on a 2-hour minimum. Special inspection rates are based on a 4-hour minimum for the first 4 hours and an 8-hour minimum for hours exceeding 4 hours. Field personnel are charged portal to portal.

**INVOICES**

Invoices will be submitted monthly and are due upon receipt. A service charge of 1.0 percent per month may be charged on accounts not paid within 30 days.

**TERMS AND CONDITIONS**

The terms and conditions of providing our consulting services include our limitation of liability and indemnities as presented in Ninyo & Moore's Work Authorization and Agreement.

**BOARD AGENDA**

**REGULAR MEETING  
May 19, 2011**

**ACTION ITEM**

**TO:** Board of Education

**PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division

**SUBJECT:** **Approval of Agreement with Ninyo & Moore for Geotechnical Consulting Services at Colton High School New Cafeteria and Multipurpose Room Project**

**GOAL:** Facility / Support Services

**STRATEGIC PLAN:** Strategy #4 – Facilities

**BACKGROUND:** Division of the State Architect (D.S.A.) requires geotechnical testing and recommendations for the planning and design of construction projects. Ninyo & Moore will evaluate the subsurface soil and geologic conditions at the site and provide geotechnical recommendations for the design and construction of the proposed Cafeteria and Multipurpose Room project at Colton High School.

Proposals Received

C.H.J. Inc.	\$21,600
John R. Byerly Inc.	\$13,300
Ninyo & Moore	\$12,300

**BUDGET IMPLICATIONS:** Bond Fund 21 – Measure G Expenditure: \$12,300

**RECOMMENDATION:** That the Board approve an agreement with Ninyo & Moore for geotechnical consulting services at Colton High School New Cafeteria and Multipurpose Room Project.

**ACTION:** On motion of Board Member \_\_\_\_\_ and \_\_\_\_\_, the Board approved the agreement, as presented.

April 20, 2011  
Proposal No. P-15014

Mr. Steven Redmond  
Colton Unified School District  
851 South Mt. Vernon Avenue, Suite 7A  
Colton, California 92324

Subject: Revised Proposal for Geotechnical Consulting Services  
Colton High School  
777 West Valley Boulevard  
Colton, California 92324



Dear Mr. Redmond:

In accordance with your request, we are pleased to submit this revised proposal to provide geotechnical consulting services associated with the Colton High School Project for the Colton Unified School District (CUSD) in Colton, California. The purpose of our geotechnical services will be to evaluate the subsurface soil and geologic conditions at the site and to provide geotechnical recommendations for the design and construction of the proposed structures and improvements, as well as to aid in evaluating the earthwork operations and the new foundations.

We understand that a new cafeteria and multi-purpose building and lunch shelter with plan areas of approximately 17,500 and 4,000 square feet will be constructed at the site. We also understand that permeable pavement and grass-crete may be used in parking, drives and plaza areas. Accordingly, percolation testing may be appropriate in accordance with the Water Quality Management Plan for the sites. Detailed plans, including locations of the structures or permeable pavements are currently not available. The general area of the proposed structures, is currently occupied by parking and portable classroom facilities. Grading for the new improvements is expected to consist of minor cuts and fills of less than 2 feet.

Based on a review of readily available geotechnical literature, we anticipate the existing school is underlain by relatively unconsolidated alluvial deposits comprised of silt, sand and gravel. The site is not located within a State of California Earthquake Fault Zone.

## **SCOPE OF SERVICES**

Our scope of services for the subject project will be performed in two phases consisting of 1) a geotechnical evaluation and 2) geotechnical observation and testing services during construction. Our evaluation will be performed in general conformance with the guidelines set forth in California Geological Survey Note 48, which pertains to the California Code of Regulations, Title 24, of the California Building Code (CBC). We will also provide geotechnical design and construction recommendations for the planned structures and associated improvements. Based on the information we have received to date regarding this project, our scope of services will include the following:

### **Geotechnical Evaluation**

The design investigation will include a subsurface evaluation to aid in evaluating the geologic and seismic hazards at the site. The purpose of the borings will be to provide foundation design parameters for the new structures. Our services for this phase will consist of the following:

- Project planning and coordination with the CUSD project manager and the project architect. We will also coordinate with CUSD to schedule our field work, review CUSD utility plans, and obtain access to the property.
- Performance of a site reconnaissance to mark proposed boring locations for utility clearance. At that time, we will meet with CUSD maintenance personnel to review the boring locations.
- Review of background data, including in-house geotechnical data, State of California Earthquake Fault Zone maps, State of California Seismic Hazards Zones Maps, topographic maps, geologic maps and literature, and stereoscopic aerial photographs.
- Subsurface exploration consisting of the drilling, logging and sampling of six hollow-stem auger borings to depths of up to approximately 50 feet, or refusal, whichever is shallower. The hollow-stem auger borings will be logged by a representative from our firm, and bulk and relatively undisturbed soil samples will be collected at selected depth intervals for laboratory testing. The borings will be capped with concrete where located in paved areas.
- In-situ percolation testing will be performed in two borings drilled in the area of the proposed permeable pavements.
- Laboratory testing of selected samples to evaluate in-place moisture and density, gradation, expansion index, consolidation, direct shear, and soil corrosivity.
- Compilation and geotechnical analysis of background information and field and laboratory data, including analyses to evaluate and provide recommendations for the following:
  - Suitability of the site for the proposed construction from a geotechnical standpoint.

- Description of the geology and on-site soils anticipated at the site, including an evaluation of the geologic hazards present at the site.
  - Evaluation of the depth to groundwater as encountered in the borings.
  - Evaluation of the expansion potential of the near surface soils.
  - Recommendations for earthwork and grading, as appropriate, including trench excavation, backfill and shoring, fill placement and compaction requirements, subgrade preparation for foundations, and bedding requirements for utilities and substructures.
  - Evaluation of the seismic conditions at the site, including seismic design criteria based on the 2010 CBC.
  - Evaluation of the potential for liquefaction.
  - Evaluation of appropriate foundation types and allowable bearing capacity and estimated total and differential settlement for the site.
  - Evaluation of the corrosion potential of the site soils and the appropriate type of concrete to be utilized during construction.
  - Evaluation of the subgrade characteristics and provide recommendations for new pavements, as appropriate.
- Preparation of one geotechnical evaluation report for the site presenting our findings, conclusions, and recommendations regarding the proposed improvements. The report will include our boring logs, including a visual classification of the soils encountered in accordance with the Unified Soil Classification System, boring location map, and our laboratory test results.
  - Review of foundation plans to evaluate conformance to the recommendations of the geotechnical report.

#### **Geotechnical Services During Construction**

Our geotechnical services during construction will be provided on an as-needed basis. We understand that no plans are available for the proposed construction. Accordingly, the following is a general description of the services we will provide.

- Project coordination, technical support, and management, including review of the project geotechnical reports, plans and specifications, distribution of test reports, and work scheduling.
- Regular distribution of test and inspection reports to the Project Inspector, Division of State Architect Field Representative, Structural Engineer/Architect, and Construction Manager, in accordance with Title 24.
- Attendance at pre-construction meetings and as-needed field meetings.

- Field soils technician services for observation, sampling and density testing during building pad preparation, trench backfill, structure backfill, subgrade preparation, and the placement and compaction of aggregate base and asphalt concrete. Field density tests will be performed to evaluate the contractor's compaction operations.
- Project engineer/geologist services for observation of foundation excavations.
- Project engineer/geologist services for observation of remedial excavation bottoms and to provide written recommendations, as appropriate.
- Laboratory testing, including expansion index, sieve analysis, sand equivalent and proctor density of materials sampled in the field, as appropriate.
- Preparation and submittal of the project close-out documents including the geotechnical report.

## **ASSUMPTIONS**

The following assumptions have been made in the preparation of our scope of services:

- Our field services for the site will be performed under one mobilization including the percolation testing. In the event the percolation testing is performed subsequent to the design evaluation, additional cost will incur.
- Access to the site will be provided and right-of-entry will be granted. Truck-mounted drilling equipment will be mobilized to readily accessible drilling locations.
- Our field services will be performed on a Saturday, if school is still in session when the work is authorized; otherwise, it will be performed during normal working hours (Monday through Friday, 7:00 a.m. to 5:00 p.m.), and will not require work on weekends or holidays.
- Permits will not be required.
- The proposed school project is subject to prevailing wage rates for our drilling subcontractor.
- Our firm will contact Underground Services Alert prior to performing our subsurface evaluation. However, the client or the District will provide our firm with any additional information regarding the presence of utilities. Ninyo & Moore will not be responsible for utilities encountered during subsurface exploration that have not been marked out or shown on the plans.
- Our exploratory borings will be backfilled with on-site materials. Borings in paved areas will be capped with concrete.
- Our evaluation will not include a groundwater evaluation for the purpose of dewatering permitting, dewatering rate analyses, dewatering design, or discharge treatment design. These services can be provided, if requested, as an additional scope of work.
- Our evaluation will not include any sampling, testing, or chemical analysis of soil, groundwater, surface water, or other materials for the purpose of evaluating possible

hazards or risks. These services can be provided, if requested, as an additional scope of work.

### **FEE**

Our geotechnical consulting services for the geotechnical evaluation will be provided on a lump sum basis, based on the rates in the attached Schedule of Fees. Our fee for the scope of work described will be \$11,200 (eleven thousand two hundred dollars). A breakdown of our fee for this project is shown in Table 1. The fees for our geotechnical services during construction will be performed on a time-and-materials basis in accordance with the attached schedule of fees. Prior to construction, an estimate can be provided based on a schedule prepared by a contractor for work associated with geotechnical inspection and testing.

### **SCHEDULE**

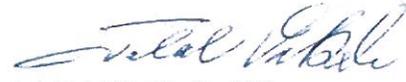
Ninyo & Moore is prepared to begin our services upon receipt of your authorization to proceed. Assuming that there are no delays due to inclement weather or drill rig availability, we anticipate that our field work for this project will be completed within approximately one week of the notice to proceed. We anticipate that laboratory testing will be completed approximately two weeks after the field work is completed and our report will be issued approximately two weeks after the laboratory testing is completed. Preliminary design parameters can be provided after completion of the field evaluation upon request.

Ninyo & Moore appreciates the opportunity to submit this proposal and we would appreciate the opportunity to provide services for the Colton Unified School District.

Respectfully submitted,  
**NINYO & MOORE**



James J. Barton, C.E.G.  
Senior Geologist



Jalal Vakili, Ph.D., P.E.  
Principal Engineer

JJB/JV/mlc/sc

Attachments: Table 1 – Breakdown of Fee  
Schedule of Fees

Distribution: (1) Addressee (via e-mail)

**TABLE 1 - BREAKDOWN OF FEE**

<b>PROJECT COORDINATION AND BACKGROUND REVIEW</b>			
Project Engineer/Geologist/Environmental Scientist	3 hours @ \$ 123.00 /hour	\$	369.00
<b>Subtotal</b>			<b>\$ 369.00</b>

<b>SITE RECONNAISSANCE AND MARKOUT FOR UTILITY CLEARANCE</b>			
Staff Engineer/Geologist/Environmental Scientist	4 hours @ \$ 96.00 /hour	\$	384.00
Field Vehicle Usage	4 hours @ \$ 8.00 /hour	\$	32.00
<b>Subtotal</b>			<b>\$ 416.00</b>

<b>FIELD SERVICES</b> (Assumes 6 borings up to approximately 50 feet deep)			
Staff Engineer/Geologist/Environmental Scientist	12 hours @ \$ 96.00 /hour	\$	1,152.00
Drill Rig (Subcontractor)	9.5 hours @ \$ 320.00 /hour	\$	3,040.00
Field Vehicle Usage	12 hours @ \$ 8.00 /hour	\$	96.00
Supplies	Lump Sum	\$	100.00
<b>Subtotal</b>			<b>\$ 4,388.00</b>

<b>LABORATORY ANALYSES</b>			
Tests to include moisture and dry density, expansion index, sieve analysis, consolidation, shear strength, and corrosivity.			\$ 2,200.00
<b>Subtotal</b>			<b>\$ 2,200.00</b>

<b>DATA COMPILATION AND ANALYSIS</b>			
Principal Engineer/Geologist/Environmental Scientist	2 hours @ \$ 139.00 /hour	\$	278.00
Project Engineer/Geologist/Environmental Scientist	6 hours @ \$ 123.00 /hour	\$	738.00
Staff Engineer/Geologist/Environmental Scientist	8 hours @ \$ 96.00 /hour	\$	768.00
<b>Subtotal</b>			<b>\$ 1,784.00</b>

<b>REPORT PREPARATION</b>			
Principal Engineer/Geologist/Environmental Scientist	2 hours @ \$ 139.00 /hour	\$	278.00
Project Engineer/Geologist/Environmental Scientist	6 hours @ \$ 123.00 /hour	\$	738.00
Staff Engineer/Geologist/Environmental Scientist	6 hours @ \$ 96.00 /hour	\$	576.00
Technical Illustrator/CAD Operator	4 hours @ \$ 69.00 /hour	\$	276.00
Data Processing, Technical Editing, or Reproduction	4 hours @ \$ 44.00 /hour	\$	176.00
<b>Subtotal</b>			<b>\$ 2,044.00</b>

<b>TOTAL FEE</b>			<b>\$ 11,201.00</b>
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**SCHEDULE OF FEES**

**HOURLY CHARGES FOR PERSONNEL**

Principal Engineer/Geologist/Environmental Scientist.....	\$ 139
Senior Engineer/Geologist/Environmental Scientist .....	\$ 133
Senior Project Engineer/Geologist/Environmental Scientist.....	\$ 127
Project Engineer/Geologist/Environmental Scientist .....	\$ 123
Senior Staff Engineer/Geologist/Environmental Scientist.....	\$ 109
Staff Engineer/Geologist/Environmental Scientist .....	\$ 96
GIS Analyst .....	\$ 96
Field Operations Manager .....	\$ 85
Nondestructive Examination Technician, UT, MT, LP.....	\$ 80
Pull Test Technician and Equipment .....	\$ 80
Supervisory Technician.....	\$ 74
Senior Field/Laboratory Technician .....	\$ 69
Technical Illustrator/CAD Operator .....	\$ 69
Field/Laboratory Technician.....	\$ 64
ACI Concrete Technician.....	\$ 64
Concrete/Asphalt Batch Plant Inspector .....	\$ 64
Special Inspector, Reinforced Concrete .....	\$ 64
Special Inspector, Pre-stressed Concrete .....	\$ 64
Special Inspector, Reinforced Masonry .....	\$ 64
Special Inspector, Structural Steel.....	\$ 64
Special Inspector, Welding, AWS.....	\$ 64
Special Inspector, Fireproofing .....	\$ 64
Geotechnical/Environmental/Laboratory Assistant.....	\$ 53
Information Specialist.....	\$ 52
Data Processing, Technical Editing, or Reproduction .....	\$ 44

**OTHER CHARGES**

Expert Witness Testimony .....	\$ 400 /hr
Concrete Coring Equipment (includes one technician).....	\$ 160 /hr
Special Preparation of Standard Test Specimens .....	\$ 64 /hr
Inclinometer Usage .....	\$ 32 /hr
Vapor Emission Kits .....	\$ 30 /kit
Rebar Locator (Pachometer).....	\$ 10 /hr
Nuclear Density Gauge Usage.....	\$ 9 /hr
Field Vehicle Usage .....	\$ 8 /hr
Direct Project Expenses .....	Cost plus 15 %
Laboratory testing, geophysical equipment, and other special equipment provided upon request.	

**NOTES (Field Services)**

For field and laboratory technicians and special inspectors, regular hourly rates are charged during normal weekday construction hours. Overtime rates at 1.5 times the regular rates will be charged for work performed outside normal construction hours and all day on Saturdays. Rates at twice the regular rates will be charged for all work in excess of 12 hours in one day or on Sundays and holidays. Lead time for any requested service is 24 hours. Field Technician rates are based on a 2-hour minimum. Special inspection rates are based on a 4-hour minimum for the first 4 hours and an 8-hour minimum for hours exceeding 4 hours. Field personnel are charged portal to portal.

**INVOICES**

Invoices will be submitted monthly and are due upon receipt. A service charge of 1.0 percent per month may be charged on accounts not paid within 30 days.

**TERMS AND CONDITIONS**

The terms and conditions of providing our consulting services include our limitation of liability and indemnities as presented in Ninyo & Moore's Work Authorization and Agreement.

**BOARD AGENDA**

**REGULAR MEETING  
May 19, 2011**

**ACTION ITEM**

**TO:** Board of Education

**PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division

**SUBJECT:** **Approval of Contract with AEI-CASC Consulting for Topographic Survey and Utility Mapping for Bloomington High School New Cafeteria and Multipurpose Room Project**

**GOAL:** Facilities / Support Services

**STRATEGIC PLAN:** Strategy #4 – Facilities

**BACKGROUND:** In preparation for the planning, design, and construction of the new cafeteria and multi-purpose room at Bloomington High School, surveys are necessary for the design of the project. AEI-CASC Consulting will provide a topographic survey and utility mapping of all underground utilities within the limit of the project area.

<u>Proposals Received</u>	
MVE Civil Solutions	\$6,950
Adkan Engineering	\$6,004
AEI-CASC Consulting	\$4,446

**BUDGET**

**IMPLICATIONS:** Bond Fund 21 – Measure G Expenditure: \$4,446

**RECOMMENDATION:** That the Board approve of contract with AEI-CASC Consulting Topographic Survey and Utility Mapping for Bloomington High School new Cafeteria and Multipurpose Room Project.

**ACTION:** On motion of Board Member \_\_\_\_\_ and \_\_\_\_\_ , the Board approved the agreement, as presented.

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## SCOPE OF SERVICES

### I. TOPOGRAPHIC SURVEY

AEI-CASC Consulting will provide field and office time to survey the existing conditions at 25' intervals on the area depicted on the District provided exhibit, including grade breaks, flow lines, ridges, valleys, and all physical features. The Survey will be tied to existing survey control that has been provided by the District. Survey information will be compiled and a 1' contours will be generated. Final product will include two (2) hard copies of the survey and a digital copy on CD media, delivered to the District in AutoCAD format.

### II. UTILITY MAPPING

AEI-CASC Consulting will provide mapping of all existing utilities using a combination of District provided utility plans, research at utility companies and survey field locations.

## PROJECT FEES

I. TOPOGRAPHIC SURVEY	\$2,646.00
II. UTILITY MAPPING	\$1,800.00
<b>TOTAL OF CONTRACT :</b>	<b><u>\$4,446.00</u></b>

### REIMBURSABLES:

Reproduction, delivery, and utility research related costs are in addition to the schedule of fees and will be billed in accordance with the attached standard hourly fee rate schedule.

All restaking, additional work, geological related services and items not included will be performed on request only and by signed field ticket authorization by Client's field representative and will be covered outside of this agreement.



# AEI-CASC CONSULTING

*Engineering our future*

**SURVEY SERVICES**  
BLOOMINGTON HIGH SCHOOL  
BLOOMINGTON, CALIFORNIA

**February 23, 2011**

Submitted To:

**COLTON JOINT UNIFIED SCHOOL DISTRICT**  
c/o Mr. Steven Redmond, R.A., AIA  
851 N. Mt. Vernon Avenue, Suite 8  
Colton, Ca 92324  
(909) 580-6682

Submitted By:

**AEI-CASC CONSULTING**  
Mr. Richard Furlong, P.L.S.  
937 S. Via Lata, Suite 500  
Colton, CA 92324  
(909) 783-0101 Ext. 5450





February 23, 2011

Mr. Steven Redmond, R.A., AIA  
Colton Joint Unified School District  
851 North Mt. Vernon Avenue, Suite 8  
Colton, Ca 92324  
(909) 580-6628

**RE: BLOOMINGTON HIGH SCHOOL - BLOOMINGTON, CALIFORNIA**

Dear Mr. Redmond,

Thank you for considering AEI-CASC Consulting to provide survey services for the above referenced project.

Enclosed please find our proposal, which includes the Scope of Services, Schedule of Fees, Hourly Rate Schedule, Consultant Agreement, and the Notice to Proceed. Please review the proposal and feel free to call if you have any questions.

If you wish to proceed, please sign and return the Consulting Agreement. We will return a fully executed copy of the agreement to you for your record.

Please do not hesitate to contact me should you have any questions.

Sincerely,

AEI-CASC CONSULTING

A handwritten signature in blue ink, appearing to read 'Richard S. Furlong', is written over the printed name.

Richard S. Furlong, P.L.S.  
Director of Field Operations

RSF/ss

Enclosures (Proposal No. 2011-0036)

## COMPANY OVERVIEW

Established in 1993 to provide professional engineering, surveying, and construction management to public agencies and the building industry, AEI-CASC is a corporation that has grown from a single office in Riverside to five offices serving California. Since 1998, AEI-CASC has been ranked by the Inland Empire Business Press as one of the top five Inland Empire civil engineering firms (based on local area gross revenues). Our entrepreneurial spirit and commitment to innovation are unique in the Civil Engineering industry, allowing us to keep costs competitive while offering superior services.

## SERVICES

AEI-CASC's Civil/Environmental Engineering Division provides a variety of services:

- **Planning Services:** From vision through implementation, AEI-CASC's Planning division provides comprehensive community planning, design and entitlement services to cities, counties, developers, private organizations and land owners.
- **Field and Office Surveying:** The AEI-CASC Survey & Mapping Division provides a wide range of field and office surveying services to facilitate projects through all phases. From right-of-way mapping to initial monument surveys; from topographic mapping to legal descriptions; from construction staking to as-built surveys. AEI-CASC is dedicated to providing highly skilled field crews with strong project management and state-of-the-art equipment to deliver efficient and successful projects.
- **Transportation:** AEI-CASC understands that agencies are challenged with the development and maintenance of a transportation network that provides safe travel routes, aesthetically pleasing community corridors, and efficient access to its businesses. AEI-CASC understands these challenges and brings exceptional design and management services to our public agency partners for Neighborhood Beautification, Traffic Safety, Pavement Rehabilitation, Street Improvements, and Highway Design projects.
- **Drainage/Flood Control:** The AEI-CASC drainage engineering team provides an extensive array of flood control services including Regional Master Drainage Plans, Flood Plain Management & Processing Debris Production and Sediment Transport Analysis, Detention and Debris Basins, Regional Facility Design, and Resource Agency Permit/Design Support.
- **Water and Wastewater:** AEI-CASC has prepared plans for hundreds of miles of sewer and water improvements. We take pride in combining engineering expertise, with a creative spirit, to provide our clients with innovative, cost-effective, and time-sensitive solutions. We work closely with our clients early in the project to reduce delays during final design and construction stages.
- **Water and Air Quality:** AEI-CASC unites theory with practice in guiding government agencies, private developers, and contractors through the regulatory requirements of the National Pollutant Discharge Elimination System (NPDES) permits. Services include: Document Preparation and Plan Checking Services, Storm Water Program Management, Program Development Assistance, Annual Reports, Expert Witness/Litigation Support, Best Management Practices Design, and Storm Water Sampling.
- **Municipal Plan Checking Services:** AEI-CASC works closely with our public agency clients providing seamless plan checking support services. Our experienced reviewers understand the need to provide thorough reviews as well as efficient turn-around time.
- **Construction Management:** AEI-CASC's highly qualified Construction Managers, Engineers, and Inspectors work as a team with our public agency clients utilizing extensive project controls to manage vital issues of cost, time, quality, technology and communication.

**MASTER CONSULTING SERVICES AGREEMENT**

This agreement ("Agreement") made this \_\_\_\_ day of February 2011 by and between AEI-CASC Engineering, Inc., dba AEI-CASC Consulting ("Consultant") and Colton Joint Unified School District ("Client").

Client and Consultant agree as follows:

- A. Consultant agrees to perform the scope of services as requested and per the attached SCOPE OF SERVICES; client agrees to compensate consultant for such services per the attached SCHEDULE OF FEES and in accordance with our Hourly Fee Rate Schedule dated January 1, 2011.
- B. This Agreement is subject to the terms and conditions contained in exhibits attached herewith and made a part hereof by reference.

**RECITALS**

**WHEREAS**, Client desires to obtain, from time to time, various consulting and other professional services (the "Services"), which Consultant is qualified to deliver and perform for Client's benefit;

**WHEREAS**, such Services will be provided in connection with certain projects (the "Project") to be identified by Client; and

**WHEREAS**, Consultant desires to enter into this Master Agreement to provide the Services from time to time;

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants herein contained, Consultant and Client agree as follows:

**SCOPE OF AGREEMENT**

1.1 **Scope.** This Agreement shall not be deemed to replace or supersede any existing or ongoing contracts between the Parties. This Agreement shall apply to Services performed under the attached scope.

1.2 **Confidentiality.** Client and Consultant entered into a Mutual Confidentiality Nondisclosure Agreement which is hereby made a part of this Agreement and included.

**MISCELLANEOUS PROVISIONS.**

2.1 **Entire Agreement.** This Agreement represents the entire agreement between Client and Consultant with respect to the subject matter, and supersedes all prior negotiations, binding documents, representations and agreements, whether written or oral with respect to the subject matter hereof. This Agreement may be amended or modified only by an amendment duly executed by the Parties.

2.2 **Notices.** All notices permitted or required under this Agreement shall be deemed given if hand delivered, sent by certified mail, return receipt requested, sent by Federal Express or another recognized overnight delivery service, sent via e-mail with confirmation or sent by facsimile (with transmission confirmed) and confirmed by first class mail, to the addresses listed below or the subsequent addresses of which the parties give each other notice:

To Client: Colton Joint Unified School District  
851 North Mt. Vernon Avenue, Suite 8  
Colton, Ca 92324  
(909) 580-6628 Office  
Attn: Mr. Steven Redmond, R.A., AIA

To Consultant: AEI CASC Consulting  
937 S. Via Lata, Suite 500  
Colton, CA 92324  
(909) 783-0101  
Attn: Richard Furlong, P.L.S.

IN WITNESS WHEREOF, Consultant and Client have executed this Agreement as of the date first above written.

**Client**  
**By:** \_\_\_\_\_  
**Date:** \_\_\_\_\_  
Name  
Title

**AEI-CASC Engineering, Inc. dba AEI-CASC Consulting**  
**By:** \_\_\_\_\_  
**Date:** \_\_\_\_\_  
Richard J. Sidor, P.E.  
Principal

## **Exhibit A**

### *Standard Terms and Conditions for Consulting Services*

#### **1. SERVICES**

Consultant will perform the Services mutually agreed upon between Consultant and Client and such agreement shall be as set forth in each Scope the form attached as Attachment A to this Exhibit.

#### **2. COMPENSATION**

Client will compensate Consultant as mutually agreed upon in each Scope. All services performed on a time and material basis shall be invoiced based on the rate schedule in Attachment B. If applicable, such rates shall be subject to a mutually agreed adjustment the beginning of each calendar year.

#### **3. TERMS OF PAYMENT**

Client will pay Consultant as follows:

##### ***3.1 Invoices and Time of Payment***

Consultant will issue monthly invoices pursuant to each Agreement. Invoices are due and payable within thirty (30) days from the date of invoice.

##### ***3.2 Interest***

3.2.1 Client will be charged interest at the rate of 1-1/2% per month, or that permitted by law if lesser, on all past-due amounts starting thirty (30) days after receipt of invoice. Payments will first be credited to interest, if any, and then to principal.

3.2.2 In the event of a disputed billing, only the disputed portion will be withheld from payment, and Client shall pay the undisputed portion. No interest will accrue on any disputed portion of the billing until mutually resolved, and Client and Consultant shall exercise reasonableness and act in good faith in resolving any disputed billings.

3.2.3 If Client fails to make payment in full within thirty (30) days of the date due for any undisputed billing, Consultant may, after giving fifteen (15) days' written notice to Client, suspend services under this Agreement until paid in full, including interest. In the event of suspension of services, Consultant will have no liability to Client for delays or damages caused by Client because of such suspension.

#### **4. OBLIGATIONS OF CONSULTANT**

##### ***4.1 Standard of Care***

The standard of care applicable to Consultant's Services will be the degree of skill and diligence normally employed by consultants performing the same or similar Services at the time said Services are performed. Consultant will re-perform any Services not meeting this standard without additional compensation, subject to Client providing Consultant written notice of such non-conformance within one (1) year from the date of completion of the Services hereunder. In any event, Consultant's liability under this Agreement shall be limited to the obligation to re-perform any negligent design. NO OTHER GUARANTEE, OR WARRANTY, EXPRESSED OR IMPLIED, IS INTENDED IN OR BY THIS AGREEMENT.

##### ***4.2 Consultant's Insurance***

Consultant will maintain throughout this Agreement the following insurance:

- (a) Worker's compensation and employer's liability insurance as required by the state where the work is performed.
- (b) Comprehensive automobile and vehicle liability insurance covering claims for injuries to members of the public and/or damages to

property of others arising from use of motor vehicles, including onsite and offsite operations, and owned, non-owned, or hired vehicles, with \$1,000,000 combined single limits.

(c) Commercial general liability insurance covering claims for injuries to members of the public or damage to property of others arising out of any covered negligent act or omission of Consultant or of any of its employees, agents, or subcontractors, with \$1,000,000 per occurrence and in the aggregate.

(d) Professional liability insurance of \$1,000,000 per occurrence and in the aggregate.

(e) Client will be named as an additional insured with respect to Consultant's liabilities hereunder in insurance coverage's identified in items (b) and (c) and Consultant waives subrogation against Client as to said policies.

##### ***4.3 Prompt Notice***

Consultant will give prompt written notice to Client when Consultant observes or reasonably should have become aware of any development that affects the scope or timing of the Services, or of any defect in the work of Consultant.

#### **5. OBLIGATIONS OF CLIENT**

##### ***5.1 Client-Furnished Data***

Client will disclose to Consultant all data in Client's possession that is reasonably required for Consultant's services on the Project and that is not subject to any restrictions on disclosure. Consultant will reasonably rely upon the accuracy, timeliness, and completeness of the information provided by Client. Such data may be provided subject to the confidentiality provisions set forth in Exhibit B.

##### ***5.2 Access to Facilities and Property***

Client will make its facilities accessible to Consultant as reasonably required for Consultant's performance of its services.

##### ***5.3 Timely Review***

Client will examine Consultant's studies, reports, sketches, drawings, specifications, proposals, and other documents; obtain advice of an attorney, insurance counselor, accountant, auditor, bond and financial advisors, and other consultants as Client deems appropriate; and render decisions required by Client in a timely manner.

##### ***5.4 Changes***

Client may make or approve changes within the general Scope in writing. If such changes affect Consultant's cost of or time required for performance of the services, an equitable adjustment will be made through an amendment to the Scope.

##### ***5.5 Construction***

Client agrees that according to generally accepted construction practices, construction contractor will be required to assume sole and complete responsibility for job site conditions during the course of construction of the project, including safety of all persons and property; that this requirement shall be made to apply continuously and not be limited to normal working hours, and Client further agrees to defend, indemnify and hold consultant harmless from all liability, real or alleged, concerning the performance of services on this project, excepting liability arising from the sole negligence of Consultant.

## **6. GENERAL LEGAL PROVISIONS**

### **6.1 Authorization to Proceed**

Execution of this Agreement and each Task Order by Client will be authorization for Consultant to proceed with each Task Order, unless otherwise provided for in this Agreement.

### **6.2 Force Majeure**

The parties are not responsible for damages or delay in performance not caused by a party's negligence and caused by acts of God, third party strikes, third party lockouts, accidents, or other events beyond the reasonable control of Consultant, which the Consultant is unable to overcome or mitigate through reasonable steps and which have a material impact on the activities contemplated under this Agreement. In any such event, Client may, in its sole discretion, determine to continue performance of the Services under any applicable Task Order pursuant to an equitable adjustment to the contract price and schedule.

### **6.3 Limitation of Liability**

6.3.1 To the maximum extent permitted by law, Consultant's liability for Client's damages will not, in the aggregate, exceed Consultant's contract value for each individual Task Order.

6.3.2 This article takes precedence over any conflicting article of this Agreement or any document incorporated into it or referenced by it.

6.3.3 This limitation of liability will apply whether Consultant's liability arises under breach of contract or warranty; tort; including negligence; strict liability; statutory liability; or any other cause of action, and shall include Consultant's officers, affiliated corporations, employees, and subcontractors.

### **6.4 Termination**

6.4.1 This Agreement may be terminated for convenience with thirty (30) days written notice or for cause if either party fails substantially to perform through no fault of the other and does not commence correction of such nonperformance within five (5) days of written notice and diligently complete the correction thereafter.

6.4.2 On termination, Consultant will be paid for all authorized Services performed up to the termination date plus reasonable termination expenses, Clientship of all work product related to such Services shall vest in Client and Consultant shall provide such work product, whether in hard copy or in electronic form, to Client promptly upon payment.

### **6.5 Suspension, Delay, or Interruption of Work**

Client may suspend, delay, or interrupt the Services of Consultant for the convenience of Client. In such event, Consultant's contract price and schedule shall be equitably adjusted.

### **6.6 No Third-Party Beneficiaries**

This Agreement gives no rights or benefits to anyone other than Client, Consultant and any lender under relevant financing documents, and their permitted successors and assigns subject to the express provisions herein relating to such successors and assigns, and has no third-party beneficiaries.

### **6.7 Indemnification**

6.7.1 Consultant agrees to indemnify Client for any claims, damages, losses, and costs, including, but not limited to, attorney's fees and litigation costs, arising out of claims by third parties for property damage or bodily injury, including death, to the proportionate extent caused by the negligence or willful misconduct of Consultant, Consultant's employees, affiliated corporations, and subcontractors in connection with this Agreement.

6.7.2 Client agrees to indemnify Consultant from any claims, damages, losses, and costs, including, but not limited to, attorney's fees and litigation costs, arising out of claims by third parties for property damage or bodily injury, including death, to the proportionate extent caused by the negligence or willful misconduct of Client, or its employees or contractors in connection with this Agreement.

6.7.3 Consultant will not be held liable for problems that occur if Consultant's recommendations are not implemented. Accordingly, Client waives any claim against and agrees to defend and hold Consultant harmless from any claim or liability for injury or loss that results from failure to implement Consultant's recommendations or from implementation of Consultant's recommendations in a manner that is not in accordance with those recommendations. Client also agrees to compensate Consultant for any time spent and expenses incurred by Consultant in defense of any such claim, with such compensation to be based upon Consultant's prevailing fee schedule and expense reimbursement policy.

6.7.4 If the Client chooses to employ a fast track process (in which some of the construction work commences prior to completion of the Consultant's design services), the Client agrees to waive all claims against the Consultant for design changes and modifications to portions of the work already constructed. The Client further agrees to compensate the Consultant for all additional services required to modify, correct, or adjust the construction documents and coordinate them in order to meet the Client's program requirements because of the Client's decision to construct the project in a fast track manner. Furthermore, the Consultant assumes no liability for Client's actions in proceeding with any construction activities prior to final approval of applicable plans and/or specifications, or prior to construction staking.

6.7.5 Record documents (sometimes referred to as "as-builts"), if included as a part of the Consultant's work, will reflect those changes that have been provided by the contractor or the Client to the Consultant. Record documents will show significant changes made during construction and should not be construed to reflect precise field conditions. Because these record documents are based upon unverified information provided by others, the Consultant cannot and does not warrant their accuracy. These record drawings or "as-builts" are based solely on information provided by the Client and/or others and AEI-CASC is not responsible for inaccurate or incorrect information.

Any problems or issues arising from this inaccurate or incorrect information will be the responsibility of the Client and/or whoever provided said information.

6.7.6 Consultant shall not be liable for damages resulting from the actions or inactions of governmental agencies including, but not limited to, permit processing, environmental impact reports, dedications, general plans and amendments thereto, zoning matters, annexations or consolidations, use or conditional use permits, project or plan approvals, standards or policy changes, and building/construction permits. The Client agrees that it is the responsibility of the Client to secure and maintain, in good standing, all government approvals and permits and to apply for any extensions as necessary.

### **6.8 Assignment**

This is a bilateral personal services agreement. Except for affiliated entities, neither party shall have the power to or will assign any of the duties or rights or any claim arising out of or related to this Agreement, whether arising in tort, contract or otherwise, without the written consent of the other party.

### **6.9 Consequential Damages**

To the maximum extent permitted by law, Consultant and Consultant's affiliated corporations, officers, employees, and subcontractors shall not be liable for Client's special, indirect, or consequential damages, whether such damages arise out of breach of contract or warranty, tort including negligence, strict or statutory liability, or any other cause of action.

### **6.10 Waiver**

Client waives all claims against Consultant, including those for latent defects that are not brought within one (1) year of substantial completion of the Services or final payment to Consultant, whichever is earlier.

### **6.11 Jurisdiction**

The substantive law of the state of California shall govern the validity of this Agreement, its interpretation and performance, and any other claims related to it.

### **6.12 Severability and Survival**

6.12.1 If any of the Provisions contained in this Agreement are held for any reason to be invalid, illegal, or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby.

6.12.2 Limitations of liability, indemnities, and other express representations shall survive termination of this Agreement for any cause.

### **6.13 Dispute Resolution**

The parties will use their best efforts to resolve amicably any dispute, including use of alternative dispute resolution options.

### **6.14 Ownership of Work Product**

Consultant retains any and all ownership and rights to the digital data that has been developed during the process of accomplishing the scope of services defined in the project contract and/or addendums. Any use and/or copies of the digital data will be made at the sole discretion of Consultant.

## **7. ATTACHMENTS AND SCHEDULES**

The following attachments and schedules are hereby made a part of this Agreement:

Attachment B – Scope

Attachment C – Rate Schedule

**Exhibit A, Attachment C**

AEI-CASC Engineering, Inc.

dba AEI-CASC Consulting

Hourly Fee Rate Schedule

<b><u>General</u></b>		<b><u>Construction Management</u></b>	
President/Principal	\$180.00	Resident Engineer	\$132.00
Clerical/Miscellaneous Office Work	\$65.00	Assistant Resident Engineer	\$122.00
		Senior Field Inspector	\$104.00
		Field Inspector 1	\$89.00
		Field Inspector 2	\$98.00
<b><u>Civil</u></b>		<b><u>Planning</u></b>	
Engineering Director	\$149.00	Planning Director	\$143.00
Senior Project Manager/ Project Manager	\$141.00	Project Manager	\$130.00
Assistant Project Manager/Senior Project Engineer	\$122.00	Senior Planner	\$122.00
Senior Designer/Project Engineer/Calculator	\$113.00	Planner	\$108.00
Design Engineer/Designer	\$108.00	Assistant Planner	\$93.00
CADD Designer	\$99.00		
Senior CADD Drafter	\$92.00		
CADD Drafter	\$70.00		
<b><u>Water Quality Services</u></b>		<b><u>Survey</u></b>	
Engineering Director	\$149.00	Three Person Survey/GPS Crew	\$263.00
Senior Project Manager/ Project Manager	\$141.00	Two Person Survey/GPS Crew	\$237.00
Assistant Project Manager/Senior Project Engineer	\$122.00	One Person Survey/GPS Crew	\$206.00
		Senior Project Manager/ Project Manager	\$141.00
Project Engineer	\$115.00	Survey Analyst	\$113.00
Scientist	\$108.00		
Senior Field Inspector	\$104.00		
Environmental Analyst I	\$89.00	<b><u>Other</u></b>	
Environmental Analyst II	\$98.00	Litigation Consultant/Expert Witness	\$363.00
Field Inspector I	\$89.00	Computer Time	\$33.00
Field Inspector II	\$98.00		
Two Person Sampling Crew	\$194.00		

**REIMBURSABLE EXPENSES**

The following expenses will be billed at cost plus 15%:

- **Reproduction Services:** Includes blueprinting, copying, printing and plotting. In-house plots will be billed at \$6.00 per sheet for each client set and for a final in-house review set. The client is welcome to contract directly with an outside reprographic firm for those services not provided in-house.
- **Rental Equipment and Fees:** Any equipment rental and any fees advanced by our firm including plan check and filing fees.
- **Commercial Delivery Services:** Including Express Mail, Federal Express, UPS and independent courier services.
- **In-House Pick-Up and Delivery Services:** These services provided by our firm will be reimbursed at \$44.00 per hour. In addition, mileage will be billed at \$.66 per mile with no markup.
- **Travel Expenses:** Mileage to and from the job site will be billed at a rate of \$.66 per mile with no markup and travel time for survey crews will be billed at \$90.00 per hour, per man, each-way. Airfare will be billed at cost plus 15%.
- **Per Diem:** Per diem for overnight stays will be billed at \$134 per day, per man.
- **Waiver of Subrogation:** If the client requires a *Waiver of Subrogation for Workman's Compensation Insurance*, the client will be required to pay the additional insurance premium for this request. The approximate amount for the waiver is \$250.00.

**NOTE:** Invoicing will be submitted on a monthly, progressive cycle.



## NOTICE TO PROCEED

This Preliminary Agreement is being put into place in order for AEI-CASC Consulting to initiate work on Bloomington High School Project. Due to the fact that we are currently negotiating the contract for the above listed project, by signing this document, Colton Joint Unified School District agrees to the following terms. If a contract is not negotiated and recorded within 30 days of this Notice to Proceed, either party has the right to suspend work efforts.

Attached you will find the following items:

- Scope of Work
- Schedule of Fees

The following items are the preliminary terms prior to the written contract to be executed. By signing below, Colton Joint Unified School District agrees to these terms and AEI-CASC Consulting will initiate all work efforts.

- Invoices submitted to Client are due within 30 days from date of invoice. If Client fails to pay Consultant within thirty days, Client agrees Consultant shall have the right to consider such default in payment a material breach of these terms and conditions, and, upon written notice, the duties, obligations, and responsibilities of Consultant under these terms and conditions are terminated or suspended, at the sole discretion of the consultant. In such an event, Client shall promptly pay consultant for all fees, charges, and services provided by Consultant.
- Any additional services that will be needed from the Client, which is currently out of the original Scope of Work provided, will be put into writing by a representative of Colton Joint Unified School District. Further dollars needed for items listed on the original Scope of Work will be billed on a time and materials basis, only as incurred according to our hourly fee rate schedule.
- If at any time during this Notice to Proceed, AEI-CASC Consulting or Colton Joint Unified School District should feel the need to terminate all work efforts, a written notice by either party will be mandatory. In addition, all outstanding invoices and current incurred dollars must be paid in full prior to release of any information regarding the project.

**COLTON JOINT UNIFIED SCHOOL  
DISTRICT**

**AEI-CASC CONSULTING**

\_\_\_\_\_  
(Name/Title)

\_\_\_\_\_  
Michelle Furlong/Operations Manager

“ATTACHMENT A”  
Additional Authorized Representatives

The Client hereby designates their authorized representatives to act on behalf with respect to the services and responsible under this Agreement. The following designated representatives are authorized to execute contracts, receive notices, transmit information and make decisions regarding the Project on behalf of their respective parties. They shall be called upon in the order listed.

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

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

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

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

COLTON JOINT UNIFIED SCHOOL DISTRICT

*Corporate Seal*

\_\_\_\_\_

Corporate Secretary

**BOARD AGENDA**

**REGULAR MEETING  
May 19, 2011**

**ACTION ITEM**

**TO:** Board of Education

**PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division

**SUBJECT:** **Approval of Contract with AEI-CASC Consulting for Topographic Survey and Utility Mapping for Colton High School New Cafeteria and Multipurpose Room Project**

**GOAL:** Facilities / Support Services

**STRATEGIC PLAN:** Strategy #4 – Facilities

**BACKGROUND:** In preparation for the planning, design, and construction of the new cafeteria and multi-purpose room at Colton High School, surveys are necessary for the design of the project. AEI-CASC Consulting will provide a topographic survey and utility mapping of all underground utilities within the limit of the project area.

<u>Proposals Received</u>	
MVE Civil Solutions	\$12,900
Adkan Engineering	\$ 8,596
AEI-CASC Consulting	\$ 6,348

**BUDGET**

**IMPLICATIONS:** Bond Fund 21 – Measure G Expenditure: \$6,348

**RECOMMENDATION:** That the Board approve of contract with AEI-CASC Consulting Topographic Survey and Utility Mapping for Colton High School new Cafeteria and Multipurpose Room Project.

**ACTION:** On motion of Board Member \_\_\_\_\_ and \_\_\_\_\_ , the Board approved the agreement, as presented.

## SCOPE OF SERVICES

### I. TOPOGRAPHIC SURVEY

AEI-CASC Consulting will provide field and office time to survey the existing conditions at 25' intervals on the area depicted on the District provided exhibit, including grade breaks, flow lines, ridges, valleys, and all physical features. The Survey will be tied to existing survey control that has been provided by the District. Survey information will be compiled and a 1' contours will be generated. Final product will include two (2) hard copies of the survey and a digital copy on CD media, delivered to the District in AutoCAD format.

### II. UTILITY MAPPING

AEI-CASC Consulting will provide mapping of all existing utilities using a combination of District provided utility plans, research at utility companies and survey field locations.

## PROJECT FEES

I. TOPOGRAPHIC SURVEY	\$3,528.00
II. UTILITY MAPPING	\$2,820.00
<b>TOTAL OF CONTRACT :</b>	<b><u>\$6,348.00</u></b>

### REIMBURSABLES:

Reproduction, delivery, and utility research related costs are in addition to the schedule of fees and will be billed in accordance with the attached standard hourly fee rate schedule.

All restaking, additional work, geological related services and items not included will be performed on request only and by signed field ticket authorization by Client's field representative and will be covered outside of this agreement.

**MASTER CONSULTING SERVICES AGREEMENT**

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Client and Consultant agree as follows:

- A. Consultant agrees to perform the scope of services as requested and per the attached SCOPE OF SERVICES; client agrees to compensate consultant for such services per the attached SCHEDULE OF FEES and in accordance with our Hourly Fee Rate Schedule dated January 1, 2011.
- B. This Agreement is subject to the terms and conditions contained in exhibits attached herewith and made a part hereof by reference.

**RECITALS**

**WHEREAS**, Client desires to obtain, from time to time, various consulting and other professional services (the "Services"), which Consultant is qualified to deliver and perform for Client's benefit;

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**WHEREAS**, Consultant desires to enter into this Master Agreement to provide the Services from time to time;

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1.1 **Scope.** This Agreement shall not be deemed to replace or supersede any existing or ongoing contracts between the Parties. This Agreement shall apply to Services performed under the attached scope.

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To Client: COLTON JOINT UNIFIED SCHOOL DISTRICT  
851 North Mt. Vernon Avenue, Suite 8  
Colton, Ca 92324  
(909) 580-6628 Office  
Attn: Mr. Steven Redmond, R.A., AIA

To Consultant: AEI CASC Consulting  
937 S. Via Lata, Suite 500  
Colton, CA 92324  
(909) 783-0101  
Attn: Richard Furlong, P.L.S.

IN WITNESS WHEREOF, Consultant and Client have executed this Agreement as of the date first above written.

**Client**  
**By:** \_\_\_\_\_  
**Date:** \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

**AEI-CASC Engineering, Inc. dba AEI-CASC Consulting**  
**By:** \_\_\_\_\_  
**Date:** \_\_\_\_\_  
Richard J. Sidor, P.E.  
Principal

## **Exhibit A**

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##### **3.2 Interest**

3.2.1 Client will be charged interest at the rate of 1-1/2% per month, or that permitted by law if lesser, on all past-due amounts starting thirty (30) days after receipt of invoice. Payments will first be credited to interest, if any, and then to principal.

3.2.2 In the event of a disputed billing, only the disputed portion will be withheld from payment, and Client shall pay the undisputed portion. No interest will accrue on any disputed portion of the billing until mutually resolved, and Client and Consultant shall exercise reasonableness and act in good faith in resolving any disputed billings.

3.2.3 If Client fails to make payment in full within thirty (30) days of the date due for any undisputed billing, Consultant may, after giving fifteen (15) days' written notice to Client, suspend services under this Agreement until paid in full, including interest. In the event of suspension of services, Consultant will have no liability to Client for delays or damages caused by Client because of such suspension.

#### **4. OBLIGATIONS OF CONSULTANT**

##### **4.1 Standard of Care**

The standard of care applicable to Consultant's Services will be the degree of skill and diligence normally employed by consultants performing the same or similar Services at the time said Services are performed. Consultant will re-perform any Services not meeting this standard without additional compensation, subject to Client providing Consultant written notice of such non-conformance within one (1) year from the date of completion of the Services hereunder. In any event, Consultant's liability under this Agreement shall be limited to the obligation to re-perform any negligent design. NO OTHER GUARANTEE, OR WARRANTY, EXPRESSED OR IMPLIED, IS INTENDED IN OR BY THIS AGREEMENT.

##### **4.2 Consultant's Insurance**

Consultant will maintain throughout this Agreement the following insurance:

- (a) Worker's compensation and employer's liability insurance as required by the state where the work is performed.
- (b) Comprehensive automobile and vehicle liability insurance covering claims for injuries to members of the public and/or damages to

property of others arising from use of motor vehicles, including onsite and offsite operations, and owned, non-owned, or hired vehicles, with \$1,000,000 combined single limits.

(c) Commercial general liability insurance covering claims for injuries to members of the public or damage to property of others arising out of any covered negligent act or omission of Consultant or of any of its employees, agents, or subcontractors, with \$1,000,000 per occurrence and in the aggregate.

(d) Professional liability insurance of \$1,000,000 per occurrence and in the aggregate.

(e) Client will be named as an additional insured with respect to Consultant's liabilities hereunder in insurance coverage's identified in items (b) and (c) and Consultant waives subrogation against Client as to said policies.

##### **4.3 Prompt Notice**

Consultant will give prompt written notice to Client when Consultant observes or reasonably should have become aware of any development that affects the scope or timing of the Services, or of any defect in the work of Consultant.

#### **5. OBLIGATIONS OF CLIENT**

##### **5.1 Client-Furnished Data**

Client will disclose to Consultant all data in Client's possession that is reasonably required for Consultant's services on the Project and that is not subject to any restrictions on disclosure. Consultant will reasonably rely upon the accuracy, timeliness, and completeness of the information provided by Client. Such data may be provided subject to the confidentiality provisions set forth in Exhibit B.

##### **5.2 Access to Facilities and Property**

Client will make its facilities accessible to Consultant as reasonably required for Consultant's performance of its services.

##### **5.3 Timely Review**

Client will examine Consultant's studies, reports, sketches, drawings, specifications, proposals, and other documents; obtain advice of an attorney, insurance counselor, accountant, auditor, bond and financial advisors, and other consultants as Client deems appropriate; and render decisions required by Client in a timely manner.

##### **5.4 Changes**

Client may make or approve changes within the general Scope in writing. If such changes affect Consultant's cost of or time required for performance of the services, an equitable adjustment will be made through an amendment to the Scope.

##### **5.5 Construction**

Client agrees that according to generally accepted construction practices, construction contractor will be required to assume sole and complete responsibility for job site conditions during the course of construction of the project, including safety of all persons and property; that this requirement shall be made to apply continuously and not be limited to normal working hours, and Client further agrees to defend, indemnify and hold consultant harmless from all liability, real or alleged, concerning the performance of services on this project, excepting liability arising from the sole negligence of Consultant.

## **6. GENERAL LEGAL PROVISIONS**

### **6.1 Authorization to Proceed**

Execution of this Agreement and each Task Order by Client will be authorization for Consultant to proceed with each Task Order, unless otherwise provided for in this Agreement.

### **6.2 Force Majeure**

The parties are not responsible for damages or delay in performance not caused by a party's negligence and caused by acts of God, third party strikes, third party lockouts, accidents, or other events beyond the reasonable control of Consultant, which the Consultant is unable to overcome or mitigate through reasonable steps and which have a material impact on the activities contemplated under this Agreement. In any such event, Client may, in its sole discretion, determine to continue performance of the Services under any applicable Task Order pursuant to an equitable adjustment to the contract price and schedule.

### **6.3 Limitation of Liability**

6.3.1 To the maximum extent permitted by law, Consultant's liability for Client's damages will not, in the aggregate, exceed Consultant's contract value for each individual Task Order.

6.3.2 This article takes precedence over any conflicting article of this Agreement or any document incorporated into it or referenced by it.

6.3.3 This limitation of liability will apply whether Consultant's liability arises under breach of contract or warranty; tort; including negligence; strict liability; statutory liability; or any other cause of action, and shall include Consultant's officers, affiliated corporations, employees, and subcontractors.

### **6.4 Termination**

6.4.1 This Agreement may be terminated for convenience with thirty (30) days written notice or for cause if either party fails substantially to perform through no fault of the other and does not commence correction of such nonperformance within five (5) days of written notice and diligently complete the correction thereafter.

6.4.2 On termination, Consultant will be paid for all authorized Services performed up to the termination date plus reasonable termination expenses. Clientship of all work product related to such Services shall vest in Client and Consultant shall provide such work product, whether in hard copy or in electronic form, to Client promptly upon payment.

### **6.5 Suspension, Delay, or Interruption of Work**

Client may suspend, delay, or interrupt the Services of Consultant for the convenience of Client. In such event, Consultant's contract price and schedule shall be equitably adjusted.

### **6.6 No Third-Party Beneficiaries**

This Agreement gives no rights or benefits to anyone other than Client, Consultant and any lender under relevant financing documents, and their permitted successors and assigns subject to the express provisions herein relating to such successors and assigns, and has no third-party beneficiaries.

### **6.7 Indemnification**

6.7.1 Consultant agrees to indemnify Client for any claims, damages, losses, and costs, including, but not limited to, attorney's fees and litigation costs, arising out of claims by third parties for property damage or bodily injury, including death, to the proportionate extent caused by the negligence or willful misconduct of Consultant, Consultant's employees, affiliated corporations, and subcontractors in connection with this Agreement.

6.7.2 Client agrees to indemnify Consultant from any claims, damages, losses, and costs, including, but not limited to, attorney's fees and litigation costs, arising out of claims by third parties for property damage or bodily injury, including death, to the proportionate extent caused by the negligence or willful misconduct of Client, or its employees or contractors in connection with this Agreement.

6.7.3 Consultant will not be held liable for problems that occur if Consultant's recommendations are not implemented. Accordingly, Client waives any claim against and agrees to defend and hold Consultant harmless from any claim or liability for injury or loss that results from failure to implement Consultant's recommendations or from implementation of Consultant's recommendations in a manner that is not in accordance with those recommendations. Client also agrees to compensate Consultant for any time spent and expenses incurred by Consultant in defense of any such claim, with such compensation to be based upon Consultant's prevailing fee schedule and expense reimbursement policy.

6.7.4 If the Client chooses to employ a fast track process (in which some of the construction work commences prior to completion of the Consultant's design services), the Client agrees to waive all claims against the Consultant for design changes and modifications to portions of the work already constructed. The Client further agrees to compensate the Consultant for all additional services required to modify, correct, or adjust the construction documents and coordinate them in order to meet the Client's program requirements because of the Client's decision to construct the project in a fast track manner. Furthermore, the Consultant assumes no liability for Client's actions in proceeding with any construction activities prior to final approval of applicable plans and/or specifications, or prior to construction staking.

6.7.5 Record documents (sometimes referred to as "as-builts"), if included as a part of the Consultant's work, will reflect those changes that have been provided by the contractor or the Client to the Consultant. Record documents will show significant changes made during construction and should not be construed to reflect precise field conditions. Because these record documents are based upon unverified information provided by others, the Consultant cannot and does not warranty their accuracy. These record drawings or "as-builts" are based solely on information provided by the Client and/or others and AEI-CASC is not responsible for inaccurate or incorrect information.

Any problems or issues arising from this inaccurate or incorrect information will be the responsibility of the Client and/or whoever provided said information.

6.7.6 Consultant shall not be liable for damages resulting from the actions or inactions of governmental agencies including, but not limited to, permit processing, environmental impact reports, dedications, general plans and amendments thereto, zoning matters, annexations or consolidations, use or conditional use permits, project or plan approvals, standards or policy changes, and building/construction permits. The Client agrees that it is the responsibility of the Client to secure and maintain, in good standing, all government approvals and permits and to apply for any extensions as necessary.

### **6.8 Assignment**

This is a bilateral personal services agreement. Except for affiliated entities, neither party shall have the power to or will assign any of the duties or rights or any claim arising out of or related to this Agreement, whether arising in tort, contract or otherwise, without the written consent of the other party.

**6.9 Consequential Damages**

To the maximum extent permitted by law, Consultant and Consultant's affiliated corporations, officers, employees, and subcontractors shall not be liable for Client's special, indirect, or consequential damages, whether such damages arise out of breach of contract or warranty, tort including negligence, strict or statutory liability, or any other cause of action.

**6.10 Waiver**

Client waives all claims against Consultant, including those for latent defects that are not brought within one (1) year of substantial completion of the Services or final payment to Consultant, whichever is earlier.

**6.11 Jurisdiction**

The substantive law of the state of California shall govern the validity of this Agreement, its interpretation and performance, and any other claims related to it.

**6.12 Severability and Survival**

6.12.1 If any of the Provisions contained in this Agreement are held for any reason to be invalid, illegal, or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby.

6.12.2 Limitations of liability, indemnities, and other express representations shall survive termination of this Agreement for any cause.

**6.13 Dispute Resolution**

The parties will use their best efforts to resolve amicably any dispute, including use of alternative dispute resolution options.

**6.14 Ownership of Work Product**

Consultant retains any and all ownership and rights to the digital data that has been developed during the process of accomplishing the scope of services defined in the project contract and/or addendums. Any use and/or copies of the digital data will be made at the sole discretion of Consultant.

**7. ATTACHMENTS AND SCHEDULES**

The following attachments and schedules are hereby made a part of this Agreement:

Attachment B – Scope  
Attachment C – Rate Schedule

**Exhibit A, Attachment C**

AEI-CASC Engineering, Inc.  
dba AEI-CASC Consulting  
Hourly Fee Rate Schedule

**General**

President/Principal	\$180.00
Clerical/Miscellaneous Office Work	\$65.00

**Civil**

Engineering Director	\$149.00
Senior Project Manager/ Project Manager	\$141.00
Assistant Project Manager/Senior Project Engineer	\$122.00
Senior Designer/Project Engineer/Calculator	\$113.00
Design Engineer/Designer	\$108.00
CADD Designer	\$99.00
Senior CADD Drafter	\$92.00
CADD Drafter	\$70.00

**Water Quality Services**

Engineering Director	\$149.00
Senior Project Manager/ Project Manager	\$141.00
Assistant Project Manager/Senior Project Engineer	\$122.00
Project Engineer	\$115.00
Scientist	\$108.00
Senior Field Inspector	\$104.00
Environmental Analyst I	\$89.00
Environmental Analyst II	\$98.00
Field Inspector I	\$89.00
Field Inspector II	\$98.00
Two Person Sampling Crew	\$194.00

**Construction Management**

Resident Engineer	\$132.00
Assistant Resident Engineer	\$122.00
Senior Field Inspector	\$104.00
Field Inspector 1	\$89.00
Field Inspector 2	\$98.00

**Planning**

Planning Director	\$143.00
Project Manager	\$130.00
Senior Planner	\$122.00
Planner	\$108.00
Assistant Planner	\$93.00

**Survey**

Three Person Survey/GPS Crew	\$263.00
Two Person Survey/GPS Crew	\$237.00
One Person Survey/GPS Crew	\$206.00
Senior Project Manager/ Project Manager	\$141.00
Survey Analyst	\$113.00

**Other**

Litigation Consultant/Expert Witness	\$363.00
Computer Time	\$33.00

**REIMBURSABLE EXPENSES**

The following expenses will be billed at cost plus 15%:

- **Reproduction Services:** Includes blueprinting, copying, printing and plotting. In-house plots will be billed at \$6.00 per sheet for each client set and for a final in-house review set. The client is welcome to contract directly with an outside reprographic firm for those services not provided in-house.
- **Rental Equipment and Fees:** Any equipment rental and any fees advanced by our firm including plan check and filing fees.
- **Commercial Delivery Services:** Including Express Mail, Federal Express, UPS and independent courier services.
- **In-House Pick-Up and Delivery Services:** These services provided by our firm will be reimbursed at \$44.00 per hour. In addition, mileage will be billed at \$.66 per mile with no markup.
- **Travel Expenses:** Mileage to and from the job site will be billed at a rate of \$.66 per mile with no markup and travel time for survey crews will be billed at \$90.00 per hour, per man, each-way. Airfare will be billed at cost plus 15%.
- **Per Diem:** Per diem for overnight stays will be billed at \$134 per day, per man.
- **Waiver of Subrogation:** If the client requires a *Waiver of Subrogation for Workman's Compensation Insurance*, the client will be required to pay the additional insurance premium for this request. The approximate amount for the waiver is \$250.00.

**NOTE:** Invoicing will be submitted on a monthly, progressive cycle.



## NOTICE TO PROCEED

This Preliminary Agreement is being put into place in order for AEI-CASC Consulting to initiate work on Colton High School Project. Due to the fact that we are currently negotiating the contract for the above listed project, by signing this document, Colton Joint Unified School District agrees to the following terms. If a contract is not negotiated and recorded within 30 days of this Notice to Proceed, either party has the right to suspend work efforts.

Attached you will find the following items:

- Scope of Work
- Schedule of Fees

The following items are the preliminary terms prior to the written contract to be executed. By signing below, Colton Joint Unified School District agrees to these terms and AEI-CASC Consulting will initiate all work efforts.

- Invoices submitted to Client are due within 30 days from date of invoice. If Client fails to pay Consultant within thirty days, Client agrees Consultant shall have the right to consider such default in payment a material breach of these terms and conditions, and, upon written notice, the duties, obligations, and responsibilities of Consultant under these terms and conditions are terminated or suspended, at the sole discretion of the consultant. In such an event, Client shall promptly pay consultant for all fees, charges, and services provided by Consultant.
- Any additional services that will be needed from the Client, which is currently out of the original Scope of Work provided, will be put into writing by a representative of Colton Joint Unified School District. Further dollars needed for items listed on the original Scope of Work will be billed on a time and materials basis, only as incurred according to our hourly fee rate schedule.
- If at any time during this Notice to Proceed, AEI-CASC Consulting or Colton Joint Unified School District should feel the need to terminate all work efforts, a written notice by either party will be mandatory. In addition, all outstanding invoices and current incurred dollars must be paid in full prior to release of any information regarding the project.

**COLTON JOINT UNIFIED SCHOOL  
DISTRICT**

**AEI-CASC CONSULTING**

\_\_\_\_\_  
(Name/Title)

\_\_\_\_\_  
Michelle Furlong/Operations Manager

“ATTACHMENT A”  
Additional Authorized Representatives

The Client hereby designates their authorized representatives to act on behalf with respect to the services and responsible under this Agreement. The following designated representatives are authorized to execute contracts, receive notices, transmit information and make decisions regarding the Project on behalf of their respective parties. They shall be called upon in the order listed.

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

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

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

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

COLTON JOINT UNIFIED SCHOOL DISTRICT

*Corporate Seal*

\_\_\_\_\_

Corporate Secretary



# AEI-CASC CONSULTING

*Engineering our future*

**SURVEY SERVICES**  
COLTON HIGH SCHOOL  
COLTON, CALIFORNIA

**February 23, 2011**

Submitted To:

**COLTON JOINT UNIFIED SCHOOL DISTRICT**  
c/o Mr. Steven Redmond, R.A., AIA  
851 N. Mt. Vernon Avenue, Suite 8  
Colton, Ca 92324  
(909) 580-6682

Submitted By:

**AEI-CASC CONSULTING**  
Mr. Richard Furlong, P.L.S.  
937 S. Via Lata, Suite 500  
Colton, CA 92324  
(909) 783-0101 Ext. 5450





February 23, 2011

Mr. Steven Redmond, R.A., AIA  
Colton Joint Unified School District  
851 North Mt. Vernon Avenue, Suite 8  
Colton, Ca 92324  
(909) 580-6628

**RE: COLTON HIGH SCHOOL - COLTON, CALIFORNIA**

Dear Mr. Redmond,

Thank you for considering AEI-CASC Consulting to provide survey services for the above referenced project.

Enclosed please find our proposal, which includes the Scope of Services, Schedule of Fees, Hourly Rate Schedule, Consultant Agreement, and the Notice to Proceed. Please review the proposal and feel free to call if you have any questions.

If you wish to proceed, please sign and return the Consulting Agreement. We will return a fully executed copy of the agreement to you for your record.

Please do not hesitate to contact me should you have any questions.

Sincerely,

AEI-CASC CONSULTING

A handwritten signature in blue ink, appearing to read 'Richard S. Furlong', is written over the printed name.

Richard S. Furlong, P.L.S.  
Director of Field Operations

RSF/ss

Enclosures (Proposal No. 2011-0035)

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## COMPANY OVERVIEW

Established in 1993 to provide professional engineering, surveying, and construction management to public agencies and the building industry, AEI-CASC is a corporation that has grown from a single office in Riverside to five offices serving California. Since 1998, AEI-CASC has been ranked by the Inland Empire Business Press as one of the top five Inland Empire civil engineering firms (based on local area gross revenues). Our entrepreneurial spirit and commitment to innovation are unique in the Civil Engineering industry, allowing us to keep costs competitive while offering superior services.

## SERVICES

AEI-CASC's Civil/Environmental Engineering Division provides a variety of services:

- **Planning Services:** From vision through implementation, AEI-CASC's Planning division provides comprehensive community planning, design and entitlement services to cities, counties, developers, private organizations and land owners.
- **Field and Office Surveying:** The AEI-CASC Survey & Mapping Division provides a wide range of field and office surveying services to facilitate projects through all phases. From right-of-way mapping to initial monument surveys; from topographic mapping to legal descriptions; from construction staking to as-built surveys. AEI-CASC is dedicated to providing highly skilled field crews with strong project management and state-of-the-art equipment to deliver efficient and successful projects.
- **Transportation:** AEI-CASC understands that agencies are challenged with the development and maintenance of a transportation network that provides safe travel routes, aesthetically pleasing community corridors, and efficient access to its businesses. AEI-CASC understands these challenges and brings exceptional design and management services to our public agency partners for Neighborhood Beautification, Traffic Safety, Pavement Rehabilitation, Street Improvements, and Highway Design projects.
- **Drainage/Flood Control:** The AEI-CASC drainage engineering team provides an extensive array of flood control services including Regional Master Drainage Plans, Flood Plain Management & Processing Debris Production and Sediment Transport Analysis, Detention and Debris Basins, Regional Facility Design, and Resource Agency Permit/Design Support.
- **Water and Wastewater:** AEI-CASC has prepared plans for hundreds of miles of sewer and water improvements. We take pride in combining engineering expertise, with a creative spirit, to provide our clients with innovative, cost-effective, and time-sensitive solutions. We work closely with our clients early in the project to reduce delays during final design and construction stages.
- **Water and Air Quality:** AEI-CASC unites theory with practice in guiding government agencies, private developers, and contractors through the regulatory requirements of the National Pollutant Discharge Elimination System (NPDES) permits. Services include: Document Preparation and Plan Checking Services, Storm Water Program Management, Program Development Assistance, Annual Reports, Expert Witness/Litigation Support, Best Management Practices Design, and Storm Water Sampling.
- **Municipal Plan Checking Services:** AEI-CASC works closely with our public agency clients providing seamless plan checking support services. Our experienced reviewers understand the need to provide thorough reviews as well as efficient turn-around time.
- **Construction Management:** AEI-CASC's highly qualified Construction Managers, Engineers, and Inspectors work as a team with our public agency clients utilizing extensive project controls to manage vital issues of cost, time, quality, technology and communication.

## BOARD AGENDA

REGULAR MEETING  
May 19, 2011

### ACTION ITEM

- TO:** Board of Education
- PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division
- SUBJECT:** **Authorize Assistant Superintendent of Business Services Division, Jaime R. Ayala to approve and execute the final tender agreement between Colton JUSD, Hartford Fire Insurance Company and Jaynes Corporation of California to complete the remaining portion of Hanan Construction's contract (Bid Package 10) at the Grand Terrace High School Project subject upon final review by legal counsel.**
- GOAL:** Facilities / Support Services
- STRATEGIC PLAN:** Strategy #4 – Facilities
- BACKGROUND:** Hanan Construction (Bid package 10) for Grand Terrace High School was selected to perform various general contract work at the Grand Terrace High School project with a contract value of \$5,780,000. Hanan's scope of work includes restroom partitions and accessories, doors and windows, ceramic tile lockers, stage rigging, seating, kitchen equipment, and athletic field equipment. Hanan Construction has contacted their surety (Hartford Fire Insurance Company) and the District to notify parties of a voluntary default on their scope of work. The surety has identified a qualified firm (Jaynes Corporation of California) to assume and complete the balance of the work for the Grand Terrace High School project. Hanan Construction, Jaynes Corporation, Vanir Construction Services, District, and the District's legal counsel have worked together to develop an agreement and address the completion of work under Hanan's original contract.
- Attached is the draft of the tender agreement, the approval of which will allow Jaynes Corporation of California to assume and complete the balance of the general contracting work at Grand Terrace High School under the terms and requirements of the District's existing agreement with Hanan Construction. Included in the terms of the agreement are the remaining scopes of work and contract duration for the completion of the full build-out of Grand Terrace High School's base campus. Legal counsel is in the process of reviewing the tender agreement.
- BUDGET IMPLICATIONS:** Impact to Bond Fund 21 – To be Determined.
- RECOMMENDATION:** That the Board authorize Assistant Superintendent of Business Services Division, Jaime R. Ayala to approve and execute the final tender agreement between Colton JUSD, Hartford Fire Insurance Company and Jaynes Corporation of California to complete the remaining portion of Hanan Construction's contract (Bid Package 10) at the Grand Terrace High School Project subject upon final review by legal counsel.
- ACTION:** On motion of Board Member \_\_\_\_\_ and \_\_\_\_\_, the Board approved the agreement, as presented.

**TENDER AGREEMENT**

This Agreement is made and entered into this 20<sup>th</sup> day of May, 2011 (“Effective Date”), by and between Colton Joint Unified School District (“Owner”), Hartford Fire Insurance Company, a Connecticut Corporation (“Hartford”) and Jaynes Corporation of California (“Contractor”).

**RECITALS**

A. Whereas, on or about March 26, 2009, Hanan Construction Company, Inc. (“Hanan”) entered into a written contract (“Contract”) with Owner to furnish all labor and material and perform all work for a certain work of improvement commonly referred to as Bid Package No. 10 General Construction High School No. 3 Bid #08-14 (“Project”). A true and correct copy of the Contract is attached hereto as Exhibit “A”; and

B. Whereas, on or about March 30, 2009, Hartford, as surety, issued a Performance Bond identified as bond no. 72BCSFH1226, in the penal sum of \$5,780,000 (“Performance Bond”) and a Payment Bond identified as bond no. 72BCSFH1226 in the penal sum of \$5,780,000 (“Payment Bond”) on behalf of Hanan, as principal, in connection with Hanan’s work on the project; and

C. Whereas Hanan has acknowledged its inability to complete the Project, voluntarily defaulted the Project to Hartford and requested that Hartford undertake completion; and

D. Whereas, pursuant to the case Shore v. Central Contra Costa Sanitary District, 208 Cal.App. 2d 465, 25 Cal.Rptr. 419 (1962), a completion contract with a takeover contractor is exempted from competitive bidding after a contractor defaults on a public project; and

D. Whereas, according to the records of the Owner the balance of the Contract, which includes earned but unpaid funds, as well as unearned funds and retention, as of the Effective Date is:

Original Contract Price	\$5,780,000.00
Approved Change Orders	(\$173,129.41)
Paid to Principal	(\$1,859,711.27)
“Contract Balance”	\$3,747,148.32

E. Whereas, Hartford has agreed, and hereby agrees, to tender to Owner the Contractor to complete the remaining uncompleted portion of the Contract, and the Owner has agreed to accept the tender of Contractor to complete the Contract, provided that Contractor is deemed to be satisfactory to the Owner and commits itself to complete the work set forth in the Contract upon the terms and conditions set forth in the Contract just as through Contractor had been Hanan in the first instance; and

F. Whereas, Hartford is desirous of satisfying its obligations in accordance with the terms and conditions of its Performance Bond and securing its complete exoneration there from; and

G. Whereas, Hartford claims it has processed the claims of subcontractors and suppliers of Hanan under and pursuant to the terms of its Payment Bond and otherwise financed the progression of the project for approximately 12 months.

## COVENANTS

### 1.0 Contractor agrees:

- 1.1 To furnish and pay for all labor, materials, tools, supplies, equipment, services and all other things necessary to perform and complete the Contract, in accordance with the terms and conditions of the Contract and Exhibit "C" for the sum of \$\_\_\_\_\_. Contractor agrees it is substituted for Hanan in the Contract such that Contractor's relationship to the Owner is the same as if Contractor was the original contracting party with the Owner in lieu of Hanan. Contractor agrees it will perform all requirements of the Contract. Contractor will not be responsible for the following items to the extent caused solely by Hanan, if any: liquidated damages, warranty work, latent defects, attorney's fees or unpaid material, suppliers, subcontractors or other bills, costs or expenses of Hanan prior to the Effective Date.
- 1.2 To perform, on a time and material basis, any necessary correction, repair, replacement or re-performance of work performed by Hanan that was not patent on the Effective Date. Contractor will not perform such work without the prior written authorization of Hartford. Contractor shall be paid by Hartford for such correction, repair, replacement or re-performed work pursuant to the time and materials rates identified in Exhibit "B".
- 1.3 All work will be performed in a workmanlike manner and in accordance with all plans, specifications, terms and conditions of the Contract and to perform all such work in accordance with the schedule attached hereto as Exhibit "C".
- 1.4 In addition to any indemnification provisions contained within the Contract, to indemnify the Owner and Hartford against any and all losses, liabilities, costs, expenses and attorneys' fees on account of any injury or claimed injury to persons or property damages incurred in respect to or arising out of the work of Contractor under the Contract and this Agreement, Contractor agrees to indemnify the Owner and Hartford against any and all claims, suits or liability on account of any act or omission of the Contractor, or of his officers, agents, employees or servants. Contractor's indemnity obligation commences on the Effective Date. Contractor agrees to maintain insurance of the same type and in the same amounts as required under the Contract and to cause the Owner and Hartford to be named as Additional Insureds thereon. Prior to commencing work pursuant to this Agreement, Contractor agrees to deliver to the Owner and Hartford policies of insurance or original endorsements therefore, showing such insurance to be in full force and effect, which policies or original endorsements shall provide that such insurance may not be canceled except upon ten (10) days written notice from the insurer to the Owner and Hartford.

- 1.5 To substantially complete performance of this Agreement and the Contract (“Substantial Completion”) within \_\_\_ calendar days from the date of the notice to proceed (“Notice to Proceed”) pursuant to this Agreement, (“Substantial Completion Deadline”) and to achieve final completion of performance of this Agreement and the Contract (“Final Completion”) within \_\_\_ calendar days from the date of the Notice to Proceed pursuant to this Agreement (“Final Completion Deadline”). The Notice to Proceed will be delivered to Contractor from the Owner and may be issued any time on or after the Effective Date. For purposes of this Agreement: (i) “Substantial Completion” shall mean the point at which the Project is sufficiently complete and functional as determined by the Owner, in accordance with the Contract to be used by the Owner for its intended purposes, except for minor corrective or completion items (“Punch List Items”) which do not impair the Owner’s ability to so use the Project and (ii) “Final Completion” shall mean the point at which (a) the Project is completed to the satisfaction of the Owner in accordance with the Contract, including all Punch List Items and (b) Contractor shall have delivered all required warranties and guarantees, equipment operation and maintenance manuals, required drawings and schedules and certificates. Without limitation to any provisions of the Contract, Contractor will be responsible for liquidated damages as provided for in the Contract. All completion dates and other time requirements set forth in this Paragraph shall be consistent with the current updated Project schedule which is attached hereto as Exhibit “C”.
- 1.6 With the exception of latent defects and warranty work, payment for all sums due the Contractor for work performed pursuant to this Agreement and the Contract will come from the Owner. The Owner shall pay Contractor for completed and approved services upon presentation of its itemized billing. Contractor shall submit to the Owner a written claim for compensation for services performed pursuant to the terms of the original Contract between Hanan and the Owner.
- 1.7 Contractor has familiarized itself with the Project, the work in place and the nature of the work to be performed, the availability and suitability of materials (on the site or otherwise), as well as the conditions of the work and the site, and Contractor acknowledges that it is not relying upon any representation of the Owner, Hartford or their respective agents and representatives in determining the quantity of the work remaining to be performed or the quality of the work previously performed.
- 1.8 Contractor is not relying upon any warranties or representations of the Owner or Hartford, their respective agents or representatives, concerning any materials store on site (if any), either as to the quantity, quality or suitability of any such material for use in the completion of construction, but Contractor is relying upon its right granted by the Owner to take possession and use any stored material in the prosecution of the work if any such material is deemed to be suitable by the Owner.
- 1.9 Contractor will provide a Performance Bond and a Payment Bond, for its completion of this Agreement from an agreed upon surety company. The Performance Bond and Payment Bond shall each have a penal sum equal to

100% of the contract price set forth in paragraph 1.1. The bonds shall name both the Owner and Hartford as dual obligees.

2.0 The Owner agrees:

- 2.1 To pay Contractor the sum of \$\_\_\_\_\_ for the performance of the work in accordance with the provisions of the aforesaid Contract and this Agreement.
- 2.2 Hartford is, through this Agreement, acting in its capacity as Surety on the behalf of Hanan and that by executing this Agreement, Hartford is not assuming any obligations for liabilities beyond those set forth in its Performance Bond and this Agreement.
- 2.3 The Owner fully exonerates the Performance Bond and releases all claims against Hartford's Performance Bond; except claims for warranties, patent (to the extent not repaired or remedied by Contractor), the obligations set forth in Paragraph 1.2 and latent defects caused by Hanan.
- 2.4 To pay to Hartford the sum of \_\_\_\_\_ within 30 days of the Effective Date. This amount includes a negotiated sum of \$155,956.89 to compensate Hartford, Hanan and Contractor for any and all costs arising out of or in any connected with revisions to the original Project schedule to the schedule attached hereto as Exhibit "C", as well as any claims that Hanan may have against the Owner related to the Project.

3.0 Hartford agrees:

- 3.1 To pay all valid Payment Bond claims in accordance with the terms and conditions of the Payment Bond issued by Hartford for the Project, and applicable law. This Agreement does not affect the terms, conditions or obligations of Hartford pursuant to its Payment Bond.
- 3.2 Honor claims arising from the work of Hanan, to the extent they exist, for warranties, patent and latent defects caused by Hanan, and all obligations under Paragraph 1.2.
- 3.3 To waive and release and forever discharge the Owner from any and all claims, demands, causes of action, damages and/or expenses, whether known or unknown, related to in any manner to the Project. Hartford further agrees to fully indemnify, defend and hold the Owner harmless from any claims, demands, causes of action, damages and/or expenses related in any manner to the Project from Hanan or any of its subcontractors, suppliers, materialmen, or other persons or entities that provided labor, work or materials on behalf of Hanan on the Project.

4.0 All Parties Agree:

- 4.1 This Agreement, including exhibits, represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations representations or agreements, either written or oral.
- 4.2 That this Agreement is solely for the benefit of the Owner, Contractor, and Hartford. This Agreement does not create any rights or increase the rights of third-party beneficiaries, nor shall it extend to or increase the rights of third-party claimants.
- 4.3 That Hartford is entering into this Agreement and making payments as specified in this Agreement in order to satisfy its obligations as surety under the Performance Bond and the Payment Bond. Accordingly, it is expressly recognized that any payments made and costs incurred by Hartford have been and are incurred to satisfy its obligations, and it is agreed that Hartford's rights to be equitably subrogated for all costs and expenses incurred and/or paid in connection with its Performance Bond and its Payment Bond are unaffected by this Agreement.
- 4.4 Any notice or communication to the Owner under this Agreement shall be addressed to:

Darryl Taylor, Director of Facilities  
Colton Unified School District  
851 S. Mt. Vernon Ave.  
Colton, CA 92324  
Telephone (909) 580-5000 ext 6640  
Facsimile (909) 433-9468

and the District's Attorney:

Terry T. Tao  
Atkinson, Andelson, Loya, Ruud & Romo  
12800 Center Court Drive, Suite 300  
Cerritos, CA 90703  
Telephone (562) 653-3200  
Facsimile (562) 653-3737

- 4.5 Any notice or communication to Hartford under this Agreement shall be addressed to:

Rick Levesque  
Director Bond Claims  
Hartford Fire Insurance Company  
7901 Skansie Ave., Ste. 145  
Gig Harbor, WA 98335  
Telephone: (253) 853-2203  
Facsimile: (866) 235-6173

4.6 Any notice or communication to Contractor under this Agreement shall be addressed to:

Jaynes Corporation of California

4.7 That each party to this Agreement and its legal counsel have reviewed and revised this Agreement. The rule of construction that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement, or any amendments or exhibits hereto.

4.8 That the persons executing this Agreement on its behalf is fully authorized by the party to do so.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

**HARTFORD FIRE INSURANCE COMPANY**

\_\_\_\_\_  
By: Rick Levesque  
Its: Director Bond Claim

**COLTON JOINT UNIFIED SCHOOL DISTRICT**

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

**JAYNES CORPORATION OF CALIFORNIA**

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



## BOARD AGENDA

REGULAR MEETING  
May 19, 2011

### ACTION ITEM

- TO:** Board of Education
- PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division
- SUBJECT:** **Approval of Architectural Services Agreement with Ruhnau Ruhnau Clarke & Associates for Design and Construction of the Walk-In Freezer and Refrigerator at the District Warehouse**
- GOAL:** Facilities / Support Services
- STRATEGIC PLAN:** Strategy #4 – Facilities
- BACKGROUND:** A Request for Proposals was issued for the design and construction of the walk-in freezer and refrigerator at the District warehouse from the following firms:
- Frick, Frick & Jette
  - NTD Architects (dba NTD Architecture)
  - Ruhnau Ruhnau Clarke & Associates
- Proposals were reviewed from the three firms. Based on experience and quality of service, staff recommends Ruhnau Ruhnau Clarke & Associates for architectural and engineering services for the design and construction of the walk-in freezer and refrigerator at the District warehouse.
- BUDGET IMPLICATIONS:** Fund 13 Cafeteria Fund Expenditure: \$33,500
- RECOMMENDATION:** That the Board approve the architectural services agreement with Ruhnau Ruhnau Clarke & Associates for design and construction of the walk-in freezer and refrigerator at the District warehouse.
- ACTION:** On motion of Board Member \_\_\_\_\_ and \_\_\_\_\_, the Board approved the agreement, as presented.

## ARCHITECTURAL SERVICES AGREEMENT

This AGREEMENT is made and entered into this 20th day of May in the year 2011 by and between the Colton Joint Unified School District, hereinafter referred to as "DISTRICT", and Ruhnau Ruhnau Clarke, hereinafter referred to as "ARCHITECT". The DISTRICT and the ARCHITECT are sometimes referred to herein as a "PARTY" or collectively as the "PARTIES". This AGREEMENT shall include all terms and conditions set forth herein.

**WHEREAS**, DISTRICT desires to obtain architectural services for the walk-in freezer/cooler at the Warehouse (hereinafter referred to as the "PROJECT"), located within the DISTRICT; and

**WHEREAS**, ARCHITECT is fully licensed to provide architectural services in conformity with the laws of the State of California;

**NOW, THEREFORE**, the PARTIES hereto agree as follows:

### ARTICLE I ARCHITECT'S SERVICES AND RESPONSIBILITIES

1. ARCHITECT's services shall consist of those services performed by ARCHITECT, ARCHITECT's employees and ARCHITECT's consultants as enumerated in this AGREEMENT and all Attachments to this AGREEMENT.

2. The ARCHITECT's services shall be performed in a manner which is consistent with professional skill and care and the orderly progress of the work. The ARCHITECT represents that he/she will follow the standards of his/her profession in performing all services under this AGREEMENT.

3. The architectural services and advice to be performed and provided pursuant to this AGREEMENT is more particularly set forth in Attachment "A" attached hereto and incorporated herein by this reference. ARCHITECT and DISTRICT both agree to be bound by all of the terms and conditions set forth in said Attachment "A" as it relates to the scope of services and total compensation amounts only. All other provisions shall be governed by the terms and conditions of this AGREEMENT. Any discrepancies or inconsistencies between this AGREEMENT and Attachment "A" shall be interpreted and governed by the terms and conditions of this AGREEMENT.

4. The ARCHITECT's services shall include the necessary architectural, design and/or engineering services necessary to produce a reasonably complete and accurate set of Construction Documents for the PROJECT defined as including but not limited to the following: The agreement between DISTRICT and Contractor awarded the PROJECT ("Contractor"), general and supplementary conditions of the Contract between DISTRICT and Contractor, drawings, specifications, addenda and other documents listed in the Agreement, and modifications issued after execution of the DISTRICT and Contractor Contract.

5. The services covered by this AGREEMENT shall be completed on or before a date to be agreed upon by the DISTRICT in writing.

6. If applicable, the ARCHITECT shall assist the DISTRICT in obtaining any required approvals from governmental agencies responsible for electrical, gas, water, sanitary or storm sewer, telephone, and public utilities.

7. If the PROJECT includes the replacement or repair of more than 25% of a roof or the replacement or repair of a roof that has a total cost of more than \$21,000, the ARCHITECT shall comply with the requirements set forth in Public Contract Code section 3000 et seq. including signing the required certification.

8. The ARCHITECT shall attend regular PROJECT coordination meetings between the ARCHITECT, its Consultants, the DISTRICT's representative(s), and other Consultants of the DISTRICT during PROJECT development.

9. The ARCHITECT shall provide services in connection with the work of a construction manager or separate consultants retained by DISTRICT.

10. If requested by the DISTRICT, the ARCHITECT shall provide detailed estimates of construction costs at no additional cost to DISTRICT.

11. The ARCHITECT shall certify to the best of its information pursuant to 40 Code of Federal Regulations §763.99(a)(7), that no asbestos-containing material was specified as a building material in any construction document for the PROJECT and will ensure that contractors provide DISTRICT with certification that all materials used in the construction of any school building are free from any asbestos-containing building materials ("ACBM's"). This certification shall be part of the final PROJECT submittal.

12. If requested by the DISTRICT, the ARCHITECT shall prepare for and make formal presentations to the Governing Board of the DISTRICT, attend public hearings and other public meetings. In addition, ARCHITECT shall attend and assist in legal proceedings that arise from errors or omissions of the ARCHITECT.

13. The duties, responsibilities and limitations of authority of the ARCHITECT shall not be restricted, modified or extended without written agreement between the DISTRICT and ARCHITECT.

14. The ARCHITECT shall comply with all federal, state and local laws, rules, regulations and ordinances that are applicable to the PROJECT.

15. The ARCHITECT shall provide general direction to project inspectors on the PROJECT.

16. The ARCHITECT will endeavor to secure compliance by Contractor with the Construction Documents, but does not guarantee the performance of Contractor's contracts.

17. The ARCHITECT shall be the DISTRICT's representative during construction and shall advise and consult with the DISTRICT. The ARCHITECT shall have authority to act on behalf of the DISTRICT only to the extent provided in this AGREEMENT unless otherwise modified in writing.

18. The ARCHITECT shall be the interpreter of the requirements of the Construction Documents and advise the DISTRICT as to the performance by the Contractor thereunder.

19. The ARCHITECT shall not issue orders to Contractor that might commit the DISTRICT to extra expenses or otherwise amend the Construction Documents without first obtaining the written approval of the DISTRICT.

20. The ARCHITECT shall advise the DISTRICT to reject work which does not conform to the Construction Documents. The ARCHITECT shall promptly inform the DISTRICT, whenever, in the ARCHITECT's opinion, it may be necessary, to stop the work to avoid the improper performance of the

Contractor. The ARCHITECT has authority to require additional inspection or testing of the work in accordance with the provisions of the Construction Documents, whether work is fabricated, installed or completed.

21. The ARCHITECT shall, at no additional cost, provide services made necessary by defect or deficiencies in the work of the Contractor which through reasonable care should have been discovered by the ARCHITECT and promptly reported to the DISTRICT and Contractor but which ARCHITECT failed to do.

22. The ARCHITECT shall provide written evaluation of the performance of the Contractor under the requirements of the Construction Documents when requested in writing by the DISTRICT.

23. The ARCHITECT shall be responsible for gathering information and processing forms required by applicable governing authorities, such as building departments, OPSC, and DSA, in a timely manner and ensure proper PROJECT close-out.

24. Not Used.

25. Project Close-Out

a. The ARCHITECT shall assist the DISTRICT in the delivery of the following described documents to the owner Architect for review prior to issuance of a "Certificate of Completion".

b. During the period the PROJECT is under construction the following documents are required:

i. Copies of the laboratory reports on all tests or laboratory inspections as returned and done on the PROJECT.

c. Upon completion of construction of the PROJECT, the following reports and/or documents are required:

i. Copy of the Notice of Completion.

ii. Weighmaster's Certificate.

## **ARTICLE II** **ADDITIONAL SERVICES**

1. ARCHITECT shall notify the DISTRICT in writing of the need for additional services required due to circumstances beyond the ARCHITECT's control. ARCHITECT shall obtain written authorization from the DISTRICT before rendering such services. The DISTRICT may require ARCHITECT to perform additional services which are, in the DISTRICT's discretion, necessary. Compensation for such services shall be negotiated and approved in writing by the DISTRICT. Such services shall include:

a. Making material revisions in reports or other documents when such revisions are required by the enactment or revision of laws, rules or regulations subsequent to the preparation and completion of such documents.

b. Preparing reports and other documentation and supporting data, and providing other services in connection with project modifications required by causes beyond the control of the ARCHITECT which are not the result of the direct or indirect negligence, errors or omissions on the part of ARCHITECT.

c. Providing any other services not otherwise included in this AGREEMENT or not customarily furnished in accordance with the generally accepted practice in the ARCHITECT's industry.

### **ARTICLE III - TERMINATION**

1. This AGREEMENT may be terminated by either PARTY upon fourteen (14) calendar days written notice to the other PARTY in the event of a substantial failure of performance by such other PARTY, including insolvency of ARCHITECT; or if the DISTRICT should decide to abandon or indefinitely postpone the PROJECT.

2. In the event of a termination based upon abandonment or postponement by DISTRICT, the DISTRICT shall pay to the ARCHITECT for all services performed and all expenses incurred under this AGREEMENT supported by documentary evidence, including payroll records, and expense reports up until the date of the abandonment or postponement plus any sums due the ARCHITECT for Board approved extra services. In ascertaining the services actually rendered hereunder up to the date of termination of this AGREEMENT, consideration shall be given to both completed work and work in process of completion and to complete and incomplete drawings and other documents whether delivered to the DISTRICT or in the possession of the ARCHITECT. In the event termination is for a substantial failure of performance, all damages and costs associated with the termination, including increased consultant and replacement architect costs shall be deducted from payments to the ARCHITECT.

3. In the event a termination for cause is determined to have been made wrongfully or without cause, then the termination shall be treated as a termination for convenience in accordance with Article III.4 below, and ARCHITECT shall have no greater rights than it would have had if a termination for convenience had been effected in the first instance. No other loss, cost, damage, expense or liability may be claimed, requested or recovered by ARCHITECT.

4. This AGREEMENT may be terminated without cause by DISTRICT upon fourteen (14) days written notice to the ARCHITECT. In the event of a termination without cause, the DISTRICT shall pay to the ARCHITECT for all services performed and all expenses incurred under this AGREEMENT supported by documentary evidence, including payroll records, and expense reports up until the date of notice of termination plus any sums due the ARCHITECT for Board approved extra services. In ascertaining the services actually rendered hereunder up to the date of termination of this AGREEMENT, consideration shall be given to both completed work and work in process of completion and to complete and incomplete drawings and other documents whether delivered to the DISTRICT or in the possession of the ARCHITECT. In addition, ARCHITECT will be reimbursed for reasonable termination costs through the payment of 3% beyond the sum due the ARCHITECT under this paragraph through 50% completion of the ARCHITECT's portion of the PROJECT and if 50% completion is reached, payment of 3% of the unpaid balance of the contract to ARCHITECT as termination cost. This 3% payment is agreed to compensate the ARCHITECT for the unpaid profit ARCHITECT would have made under the PROJECT on the date of termination and is consideration for entry into this termination for convenience clause.

5. In the event of a dispute between the PARTIES as to performance of the work or the interpretation of this AGREEMENT, or payment or nonpayment for work performed or not performed, the PARTIES shall attempt to resolve the dispute. Pending resolution of this dispute, ARCHITECT agrees to continue the work diligently to completion. If the dispute is not resolved, ARCHITECT agrees it will neither rescind the AGREEMENT nor stop the progress of the work, but ARCHITECT's sole remedy shall be to submit such controversy to determination by a court having competent jurisdiction of the dispute, after the PROJECT has been completed, and not before. The PARTIES may agree in writing to submit any dispute between the PARTIES to arbitration.

#### **ARTICLE IV - ARCHITECT'S DRAWINGS AND SPECIFICATIONS**

1. All documents including, but not limited to, plans, drawings, specifications, record drawings, models, mock-ups, renderings and other documents (including all computer file and/or AutoCAD files) prepared by the ARCHITECT or the ARCHITECT's Consultants for this PROJECT, shall be and remain the property of the DISTRICT pursuant to Education Code Section 17316 for the purposes of repair, maintenance, renovation, modernization or other purposes as they relate to the PROJECT. The DISTRICT, however, shall not be precluded from using the ARCHITECT's or ARCHITECT's Consultant's documents enumerated above for the purposes of additions, alignments or other development on the PROJECT site.

#### **ARTICLE V - ACCOUNTING RECORDS OF ARCHITECT**

1. Records of the ARCHITECT's direct personnel and reimbursable expenses pertaining to any extra services for this PROJECT, and records of accounts between the DISTRICT and the ARCHITECT shall be kept on a generally recognized accounting basis and shall be available to the DISTRICT or the DISTRICT's authorized representative at mutually convenient times.

#### **ARTICLE VI - COMPENSATION TO ARCHITECT**

1. Payment to the ARCHITECT will be as follows:

Preliminary Design:	25% of the fixed Architect Fee as set forth in Attachment "A" to this AGREEMENT
Construction Documents:	42% of the fixed Architect Fee, to be paid monthly based on actual level of completion, as set forth in Attachment "A" to this AGREEMENT
Agency Approval:	5% of the fixed Architect Fee as set forth in Attachment "A" to this AGREEMENT
Bidding Phase:	3% of the fixed Architect Fee as set forth in Attachment "A" to this AGREEMENT

Construction Admin: Balance of the fixed Architect Fee, to be paid monthly based on actual level of completion

TOTAL THROUGH RECORDATION OF NOTICE OF COMPLETION 100% of the fixed Architect Fee as set forth in Attachment "A" to this AGREEMENT

2. ARCHITECT's Fee shall be a lump sum fixed fee as negotiated by the PARTIES and set forth in Attachment "A". No further fee or cost adjustments shall be made regardless of the actual PROJECT Construction Costs or bids received. If, however, there are revisions to the scope of work directed in writing by the DISTRICT that are not the result of errors or omissions on the part of the ARCHITECT, the ARCHITECT's Fee will be adjusted as negotiated between the DISTRICT and the ARCHITECT in writing.

3. Reimbursable expenses that are in addition to compensation for basic and extra services, and shall be paid to the ARCHITECT at 1.05 times the expenses incurred by the ARCHITECT, ARCHITECT's employees and consultants for the following specified items:

- a. Fees advanced for securing approval of authorities having jurisdiction over the PROJECT; and
- b. Approved reproduction of drawings and specifications which includes sets of construction documents and all progress prints.
- c. Reimbursable expenses are estimated to be Five Thousand Dollars (\$5,000), and this amount shall not be exceeded without the prior written approval of the DISTRICT.

#### ARTICLE VII - MISCELLANEOUS

1. To the fullest extent permitted by law, ARCHITECT agrees to indemnify and hold DISTRICT harmless from all liability arising out of:

a. Workers Compensation and Employers Liability: Any and all claims under Workers' Compensation acts and other employee benefit acts with respect to ARCHITECT's employees or ARCHITECT's subcontractor's employees arising out of ARCHITECT's work under this AGREEMENT; and

b. General Liability: If arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of the ARCHITECT, the ARCHITECT shall indemnify and hold the DISTRICT harmless from any liability for damages for (1) death or bodily injury to person; (2) injury to, loss or theft of property; (3) any failure or alleged failure to comply with any provision of law or (4) any other loss, damage or expense arising under either (1), (2), or (3) above, sustained by the ARCHITECT or the DISTRICT, or any person, firm or corporation employed by the ARCHITECT or the DISTRICT upon or in connection with the PROJECT, except for liability resulting from the sole or active negligence, or willful misconduct of the DISTRICT, its officers, employees, agents or independent Architects who are directly employed by the DISTRICT. The ARCHITECT, at its own expense, cost, and risk, shall defend any and all claims, actions, suits, or other proceedings that may be brought or instituted against the DISTRICT (other than professional negligence covered by section c below), its officers, agents or employees that arise out of, pertain

to, or relate to the negligence, recklessness, or willful misconduct of the ARCHITECT, and shall pay or satisfy any judgment that may be rendered against the DISTRICT, its officers, agents or employees in any action, suit or other proceedings as a result thereof; and

c. Professional Liability: If arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of the ARCHITECT, the ARCHITECT shall indemnify and hold the DISTRICT harmless from any loss, injury to, death of persons or damage to property caused by any act, neglect, default or omission of the ARCHITECT, or any person, firm or corporation employed by the ARCHITECT, either directly or by independent contract, including all damages due to loss or theft, sustained by any person, firm or corporation including the DISTRICT, arising out of, or in any way connected with the PROJECT, including injury or damage either on or off DISTRICT property; but not for any loss, injury, death or damages caused by sole or active negligence, or willful misconduct of the DISTRICT. With regard to the ARCHITECT's obligation to indemnify for acts of professional negligence, such obligation does not include the obligation to provide defense counsel or to pay for the defense of actions or proceedings brought against the DISTRICT, but rather to reimburse the DISTRICT for attorney's fees and costs incurred by the DISTRICT in defending such actions or proceedings brought against the DISTRICT that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the ARCHITECT.

2. ARCHITECT shall purchase and maintain policies of insurance with an insurer or insurers, qualified to do business in the State of California and acceptable to DISTRICT which will protect ARCHITECT and DISTRICT from claims which may arise out of or result from ARCHITECT's actions or inactions relating to the AGREEMENT, whether such actions or inactions be by themselves or by any subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. The aforementioned insurance shall include coverage for:

a. The ARCHITECT shall carry Workers' Compensation and Employers Liability Insurance in accordance with the laws of the State of California. However, such amount shall not be less than ONE MILLION DOLLARS (\$1,000,000).

b. Comprehensive general and auto liability insurance with limits of not less than ONE MILLION DOLLARS (\$1,000,000) combined single limit, bodily injury and property damage liability per occurrence, including:

1. Owned, non-owned and hired vehicles;
2. Blanket contractual;
3. Broad form property damage;
4. Products/completed operations; and
5. Personal injury.

c. Professional liability insurance, including contractual liability, with limits of \$1,000,000, per occurrence. Such insurance shall be maintained during the term of this AGREEMENT and renewed for a period of at least five (5) years thereafter and/or at rates consistent with the time of execution of this AGREEMENT adjusted for inflation. In the event that ARCHITECT subcontracts any portion of ARCHITECT's duties, ARCHITECT shall require any such subcontractor to purchase and maintain insurance coverage as provided in this subparagraph. Failure to maintain professional liability insurance is a material breach of this AGREEMENT and grounds for immediate termination.

d. Valuable Papers Coverage. The ARCHITECT shall carry adequate insurance on all drawings and specifications as may be required to protect the DISTRICT in the amount of its full

equity in those drawings and specifications that are in the care, custody and control of the ARCHITECT. The ARCHITECT shall deliver to the DISTRICT a certificate of insurance as evidence of compliance with the requirements set forth herein. The cost of this insurance shall be paid by the ARCHITECT and the DISTRICT shall be named as a loss payee.

e. Each policy of insurance required in Article VII, Paragraph 2(b) above shall name the DISTRICT and its officers, agents and employees as additional insureds; shall state that, with respect to the operations of ARCHITECT hereunder, such policy is primary and any insurance carried by DISTRICT is excess and non-contributory with such primary insurance; shall state that not less than thirty (30) days' written notice shall be given to DISTRICT prior to cancellation; and, shall waive all rights of subrogation. ARCHITECT shall notify the DISTRICT in the event of material change in, or failure to renew, each policy. Prior to commencing work, ARCHITECT shall deliver to the DISTRICT certificates of insurance as evidence of compliance with the requirements herein. In the event ARCHITECT fails to secure or maintain any policy of insurance required hereby, the DISTRICT may, at its sole discretion, secure such policy of insurance in the name of and for the account of ARCHITECT, and in such event ARCHITECT shall reimburse the DISTRICT upon demand for the cost thereof.

f. In the event that ARCHITECT subcontracts any portion of ARCHITECT's duties, ARCHITECT shall require any such subcontractor to purchase and maintain insurance coverage for the types of insurance referenced in Article VII 2(a)(b)(c)(d), in amounts which are appropriate with respect to that subcontractor's part of work which shall in no event be less than \$500,000 per occurrence.

g. Failure to maintain professional liability insurance is a material breach of this AGREEMENT and grounds for immediate termination.

3. ARCHITECT, in the performance of this AGREEMENT, shall be and act as an independent contractor. ARCHITECT understands and agrees that ARCHITECT and all of ARCHITECT's employees shall not be considered officers, employees or agents of the DISTRICT, and are not entitled to benefits of any kind or nature normally provided employees of the DISTRICT and/or to which DISTRICT's employees are normally entitled, including, but not limited to, State Unemployment Compensation or Worker's Compensation. ARCHITECT assumes the full responsibility for the acts and/or omissions of ARCHITECT's employees or agents as they relate to the services to be provided under this AGREEMENT. ARCHITECT shall assume full responsibility for payment of all federal, state and local taxes or contributions, including unemployment insurance, social security and income taxes for the respective ARCHITECT's employees.

4. Nothing contained in this AGREEMENT shall create a contractual relationship with or a cause of action in favor of any third party against either the DISTRICT or ARCHITECT.

5. The DISTRICT and ARCHITECT, respectively, bind themselves, their partners, officers, successors, assigns and legal representatives to the other PARTY to this AGREEMENT with respect to the terms of this AGREEMENT. ARCHITECT shall not assign this AGREEMENT.

6. This AGREEMENT shall be governed by the laws of the State of California.

7. This AGREEMENT represents the entire AGREEMENT between the DISTRICT and ARCHITECT and supersedes all prior negotiations, representations or agreements, either written or oral. This AGREEMENT may be amended or modified only by an agreement in writing signed by both the DISTRICT and the ARCHITECT.

8. If either PARTY becomes involved in litigation arising out of this AGREEMENT or the performance thereof, each PARTY shall bear its own litigation costs and expenses, including reasonable attorney's fees.

The PARTIES, through their authorized representatives, have executed this AGREEMENT as of the day and year first written above.

ARCHITECT:

Ruhnau Ruhnau Clarke

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

\_\_\_\_\_

DISTRICT:

Colton Joint Unified School District

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

\_\_\_\_\_

APPROVED AS TO FORM:

Atkinson, Andelson, Loya, Ruud & Romo

\_\_\_\_\_  
Hugh W. Lee, Esq.  
Attorneys for the Colton Joint Unified School District

**ATTACHMENT "A"**

**(ARCHITECT'S PROPOSAL)**

April 12, 2011

*Via E-Mail and U.S. Mail*

Ruhnau Ruhnau Clarke

Mr. Dave Beeson, Director of Purchasing  
Colton Joint Unified School District  
1212 Valencia Drive  
Colton, CA 92324

Re: Walk-In Freezer/Cooler Replacement at Maintenance & Operations Warehouse  
Colton Joint Unified School District  
A/E Fee Proposal - REVISED

Dear Mr. Beeson:

We are pleased to provide an architectural/engineering fee proposal to design the walk-in freezer/cooler at the District's M&O Warehouse:

Our understanding of the scope of services is:

- Removal of the existing refrigerator and freezer
- Removal of existing masonry wall and provide paved transition
- Demolition of the existing concrete floor slab and replacement
- Design of a new walk-in refrigerator and freezer
- Submit to County Health Department for approval
- Local/city agency approval if required
- Upgrade electrical service as required
- Condensate tie-in to sewer or dry well
- Prepare estimate of probable construction cost
- Prepare preliminary schedule
- Assist in bidding
- Construction management

Excluded are:

- DSA review and approval
- Agency plan check fees or filing fees
- Fire sprinkler design
- Printing cost of bid document
- Hazardous material abatement

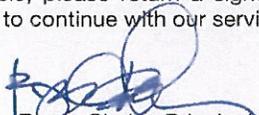
Our fee is for comprehensive services including consultants for structural, plumbing/mechanical, electrical and food service, with the exception of topographic surveys. We propose our compensation for the A/E service to be:

Fixed Fee: \$33,500.00

We also recommend a separate reimbursable amount of \$5,000.00.

Should you find this proposal acceptable, please return a signed copy of this letter as acceptance to proceed. Thank you for this opportunity to continue with our service to the District.

Sincerely,



Roger Clarke, Principal

Authorized to Proceed: \_\_\_\_\_  
Dave Beeson, Director of Purchasing

CC: File 1-15-00

**BOARD AGENDA**

**REGULAR MEETING  
May 19, 2011**

**ACTION ITEM**

**TO:** Board of Education

**PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division

**SUBJECT:** Approval of Two Year Contract Renewal with Davis Demographics & Planning, Inc. for Demographic Services (2011-13)

**GOAL:** Facilities / Support Services

**STRATEGIC PLAN:** Strategy #4 – Facilities

**BACKGROUND:** Davis Demographics & Planning, Inc. has provided services to the District for over seven years. Staff recommends a two year renewal.

Their services will include the following:

- Update 2011/12 enrollment
- District-wide base street map update
- Student file address-matching update
- Entry of any new residential development
- Preparation of student population projections
- Meetings with District staff to analyze current and future school capacities and enrollment data
- Prepare draft scenarios and new overlays
- SchoolSite Locator – web based locator service

The two year option is \$23,783 per year.  
The one year option is \$25,815 per year.

**BUDGET IMPLICATIONS:** Bond Fund 21 – Measure G Expenditure: \$23,783

**RECOMMENDATION:** That the Board approve a two year contract renewal with Davis Demographics & Planning, Inc. for demographic services (2011-13).

**ACTION:** On motion of Board Member \_\_\_\_\_ and \_\_\_\_\_, the Board approved the agreement, as presented.



**Colton Joint  
Unified School District**  
Colton, California

**Proposal For  
Demographic Study  
&  
Student Population Projection  
Update**

**Prepared by**



**Davis Demographics & Planning, Inc.**

**April 28, 2011**

**A. – Annual Student/Street Updates and Student population Projections**

To be completed using CBEDS students annually.

**I. Base Street Map Update**Street updates, continued address corrections and verification  
Est. 2 hours X \$160/hr

\$320

**II. Student File Address-Matching**Downloading all district data, matching, processing/correction  
of rejects Est. 25,000 students  
Est. 45 hours X \$160/hr

\$7,200

**III. Entry of District Supplied Residential Development Data**[Required data – new residential development projects and their  
locations are integral to developing accurate forecasts for  
growing/declining District areas].  
Estimate 20 hours x \$160/hour =

\$3,200

**IV. Preparation of Student Population Projections  
Research of Birthrate Trends and review of Historical  
Enrollment. Seven year Projections by Grade by  
Study Area, Existing Attendance Areas**Preparation of Brief Projection Report  
2 Copies of Report  
Est. 60 hours X \$160/hr

\$9,600

**NOT TO EXCEED****Annual Cost for Section A (Data Update, Projections and Report) \$20,320****TOTAL Annual Cost Section A (with 10% discount) \$18,288****B -Additional Consulting Services**Additional meetings and information beyond the items outlined above can be provided at our standard hourly  
rate and a per meeting costs.**I. Meetings with District Staff**On-site meetings and/or presentations with district staff, boundary committee or Board of Trustees.  
Per meeting cost includes 2 to 4 hours of meeting time with travel. Assuming 10 meetingsPer meeting fixed cost: \$450  
Total Cost 10 meetings: \$4,500**II. Consulting through Internet Meeting/Conference Calling**DDP can provide consulting services and boundary planning sessions through the Internet using screen-  
sharing technology and conference calling. This allows for interaction with staff to review options without the  
need for specific on-site meetings. Any time involved will be invoiced at our normal hourly fee and may  
require a few additional hours afterward to follow-up with any requests from these meetings. Any possible  
additional time will be discussed at the end of the conference call.

Per hour fee: \$160

**III. Requested Information or Data**Provide data, maps or information to the planning and transportation departments as requested by  
District staff.

Per hour fee: \$160

**C –SchoolSite Locator**

DDP's cost saving web based locator service

Annual Cost.....\$995

**TOTAL COST BREAKDOWN****A - Annual Cost for Sections A**

(Annual Data Updates and Student Population Forecasts)

Student, Street and Residential Development Updates and Annual Student Population Projections and Report = \$20,320

- 10% multi-year discount -\$2,032

**TOTAL Annual Cost Section A (with discount) \$18,288****B - Annual Cost for Sections B**

(Additional Services)

On-site meetings and/or presentations with district staff, boundary committee or Board of Trustees. The per meeting cost is for 2 to 4 hours of meeting time including travel. Assuming 10 meetings

Total Cost 10 meetings: \$4,500

Internet Meeting/Conference Calls, Requested Information, or Data Per hour fee: \$160

**TOTAL Annual Cost Section B \$4,500****plus \$160 per hour for additional requests****C - Annual Cost for Sections B**

DDP's cost saving web based locator service (see flyer)

Annual Cost.....\$995

**TOTAL Cost Section C \$995**

**TOTAL ANNUAL FEE**  
**Including Projection Updates / Consulting Services / SchoolSite Locator**

**\$23,783**

Plus \$160/hour for additional requests

**PROPOSAL NOTES:**

Any extra work including meetings, preparation for meetings, extra maps, etc. will be billed at our normal hourly rate of \$160/hour.

DDP's current compensation rate is \$160.00 per hour for all services inclusive of travel time to attend any meetings. The tasks outlined in this proposal and their costs are for estimate purposes only within the total scope of the proposal—task fees are not individual maximum fees—DDP retains the right to shift fees between the tasks in order to complete the overall scope of work outlined in the proposal. Any additional services or meetings not specifically outlined in this proposal shall be invoiced on a time-and-materials basis at DDP's current hourly rate. Travel costs shall include reimbursable airfare and \$200 per diem travel expenses. Reimbursable data fees may include a 15% administrative charge.

Any software quoted in this proposal may require a separate signed software license agreement. The cost of any software option is included as outlined in the proposal.

The performance of the services in this Agreement may require DDP to execute a separate end user license agreement directly with a third party vendor for the use of certain mapping and other data. This allows DDP to provide the services outlined in the proposal. Additional District access to this data may require an extra license agreement and payment by the District.

This proposal is valid for consideration through **6/30/2011** with contract and initiation of work commencing no later than **10/01/2011**. Acceptance of this proposal after the noted dates may require additional fees due to altered scheduling of DDP staffing.



# BOARD AGENDA

REGULAR MEETING  
May 19, 2011

## ACTION ITEM

- TO:** Board of Education
- PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division
- SUBJECT:** Approval of 2010-11 Third Interim Financial Report
- GOAL:** Budget Planning
- STRATEGY:** Strategy #1 – Communications
- BACKGROUND:** Pursuant to Education Code Section 42130, the governing board of each school district filing a qualified or negative certification for the second interim report, shall provide to the county superintendent of school and the State Superintendent of Public Instruction no later than June 1, financial statement projections of the district's fund and cash balances through June 30 for the period ending April 30.
- The Third Interim Financial Report is presented to the Board for approval following the Board's Qualified Certification of the Second Interim Financial Report on March 17, 2011.
- BUDGET IMPLICATIONS:** The Third Financial Interim Report presented indicates that the combined restricted and unrestricted General Fund balances at June 30, 2011, June 30, 2012 and June 30, 2013 are projected to be \$24,578,148, \$10,005,959, and (\$13,245,744) respectively.
- RECOMMENDATION:** That the Board of Education approve the 2010-11 Third Interim Financial Report.
- ACTION:** On motion of Board Member \_\_\_\_\_ and \_\_\_\_\_, the Board approved the 2010-11 Third Interim Financial Report.



## BOARD AGENDA

REGULAR MEETING  
May 19, 2011

### ACTION ITEM

**TO:** Board of Education

**PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division

**SUBJECT:** Approval to Implement a Supplemental Employee Retirement Program (SERP) for Certificated Non-Management Employees Per Resolution No. 11-52

**GOAL:** Budget Planning

**STRATEGIC PLAN:** Strategy #1 – Communication

**BACKGROUND:** In light of anticipated reductions in state funding for 2011-12, on-going General Fund expenditure reductions are needed. A SERP is one of the strategies that can be implemented as part of the overall strategy to reduce expenditures.

The SERP calls for a five-year annuity benefit based upon the retiree's salary. Included in the eligibility requirements will be a minimum age of 55 with 5 years of service and active employment with the district as of the date the plan is approved by the board.

27 certificated non-management employees enrolled in the plan.

**BUDGET IMPLICATIONS:** Cumulative General Fund savings from the SERP depends on the number of employees enrolling in the plan and the extent to which retirees are replaced with new employees. Furthermore, the cost to the district for the annuity that provides the supplemental retirement benefits is paid over a five year period. Therefore, the total savings from the offering of a SERP cannot be determined until the five years has elapsed.

**RECOMMENDATION:** That the Board Approve to Implement a Supplemental Employee Retirement Program (SERP) for Certificated Non-Management Employees Per Resolution No. 11-52.

**ACTION:** On motion of Board Member \_\_\_\_\_ and \_\_\_\_\_, the Board approved the resolution as presented.



## BOARD AGENDA

REGULAR MEETING  
May 19, 2011

### ACTION ITEM

**TO:** Board of Education

**PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division

**SUBJECT:** Approval to Implement a Supplemental Employee Retirement Program (SERP) for Certificated Management Employees Per Resolution No. 11-52

**GOAL:** Budget Planning

**STRATEGIC PLAN:** Strategy #1 – Communication

**BACKGROUND:** In light of anticipated reductions in state funding for 2011-12, on-going General Fund expenditure reductions are needed. A SERP is one of the strategies that can be implemented as part of the overall strategy to reduce expenditures.

The SERP calls for a five-year annuity benefit based upon the retiree's salary. Included in the eligibility requirements will be a minimum age of 55 with 5 years of service and active employment with the district as of the date the plan is approved by the board.

2 certificated management employees enrolled in the plan.

**BUDGET IMPLICATIONS:** Cumulative General Fund savings from the SERP depends on the number of employees enrolling in the plan and the extent to which retirees are replaced with new employees. Furthermore, the cost to the district for the annuity that provides the supplemental retirement benefits is paid over a five year period. Therefore, the total savings from the offering of a SERP cannot be determined until the five years has elapsed.

**RECOMMENDATION:** That the Board Approve to Implement a Supplemental Employee Retirement Program (SERP) for Certificated Management Employees Per Resolution No. 11-52.

**ACTION:** On motion of Board Member \_\_\_\_\_ and \_\_\_\_\_, the Board approved the resolution as presented.



## BOARD AGENDA

REGULAR MEETING  
May 19, 2011

ACTION ITEM  
Second Reading

- TO:** Board of Education
- PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division
- SUBJECT:** Proposed Amendment of Board Policy and Administrative Regulations:  
*AR 3460 Financial Reports and Accountability*
- GOAL:** Student Safety, Community Relations and Parent Involvement
- STRATEGIC PLAN:** Strategy #1 – Communication
- BACKGROUND:** The Administration is updating Board Policies and Administrative Regulations under the guidelines of the California School Boards' Association.
- Administrative Regulation 3460 – Financial Reports and Accountability. The Government Accounting Standards Board (GASB) issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, to become effective for financial statements with period beginning after June 15, 2010. Statement 54 is designed to improve financial reporting by establishing fund balance classifications that are easier to understand and apply. Basically, a hierarchy has been established clarifying the constraints that govern how a government entity can use amount reported as fund balance. Statement 54 established the following five new fund balance classifications: Nonspendable, Restricted, Committed, Assigned, and Unassigned.
- Based on the GASB recommendation and guidance received from the San Bernardino County Superintendent of Schools, our administrative regulation has been revised to reflect the new fund balance classifications to coincide with the revised financial reporting guidelines.
- BUDGET IMPLICATIONS:** No Impact to the General Fund.
- RECOMMENDATION:** That the Board approve the Proposed Amendment of Board Policy and Administrative Regulations:  
*AR 3460 Financial Reports and Accountability*
- ACTION:** On motion of Board Member \_\_\_\_\_ and \_\_\_\_\_, the Board approved the amendment, as presented.

**FINANCIAL REPORTS AND ACCOUNTABILITY**

**BP 3460**

The Governing Board is committed to ensuring the fiscal health of the District and providing public accountability. The Board shall adopt sound fiscal policies, oversee the District's financial condition, and ensure that the financial systems support the District's goals for student achievement.

The Superintendent or designee shall provide the Board with financial reports throughout the year in accordance with law and as otherwise requested by the Board.

The Superintendent or designee shall ensure that all financial reports are prepared in accordance with law and in conformity with generally accepted accounting principles and financial reporting standards stipulated by the Governmental Accounting Standards Board and the California Department of Education.

The Board shall regularly communicate the District's financial position to the public and shall use financial reports to determine what actions and budget amendments, if any, are needed to ensure the District's financial stability.

Deficit spending erodes the District's resources used to meet its fiscal obligations. In order to keep the District in a positive financial condition, it is necessary at a minimum to meet the State's unrestricted 3% reserve requirement. If District conditions predict fiscal distress or indicate that the District might not be able to meet its fiscal obligations, the Board and Superintendent or designee shall act quickly to identify and resolve these conditions. The Board shall work cooperatively with the County Superintendent of Schools to improve the District's fiscal health and may contract with an external individual or organization to advise the District on fiscal matters.

*Legal Reference:*

*EDUCATION CODE*

*14500-14508 Financial and compliance audits*

*17150 Public disclosure of non-voter-approved debt*

*33127 Standards and criteria for local budgets and expenditures*

*33128 Standards and criteria; inclusions*

*33129 Standards and criteria; use by local agencies*

*35035 Powers and duties of superintendent*

*41010-41023 Accounting system*

*41326 Emergency apportionment*

*41344 Repayment of apportionment significant audit exceptions*

*41344.1 Appeals of audit findings*

*41455 Examination of financial problems of local Districts*

*42100-42105 Requirement to prepare and file annual statement*

*42127.6 School District operations monitoring; financial obligation nonpayment*

*42130-42134 Financial reports and certifications*

*42140-42142 Public disclosure of fiscal obligations*

*GOVERNMENT CODE*

*3540.2 School District; qualified or negative certification; proposed agreement review and comment*

*16429.1 Local agency investment fund*

*53646 Reports of investment policy and compliance*

*CODE OF REGULATIONS, TITLE 5*

*15070 Submission of reports using standardized account code structure*

*15453-15463 Criteria and standards for school District interim reports*

**FINANCIAL REPORTS AND ACCOUNTABILITY - continued**

**BP 3460**

*Management Resources:*

**CSBA PUBLICATIONS**

*Maximizing School Board Governance: Fiscal Accountability, 2005*

**CDE COMMUNICATIONS**

*1208.00 Audit Resolution Process: Repayment Plans*

**GOVERNMENTAL ACCOUNTING STANDARDS BOARD**

*Statement 34, Basic Financial Statements and Management's Discussion and Analysis - For State and Local Governments, June 1999*

*Statement 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions, June 2004*

**U.S. GENERAL ACCOUNTING OFFICE AND PRESIDENT'S COUNCIL ON INTEGRITY AND EFFICIENCY (PCIE) PUBLICATIONS**

*Financial Audit Manual, revised 2003*

**STATE CONTROLLER PUBLICATIONS**

*Standards and Procedures for Audits of California K-12 Local Educational Agencies (annual publication)*

**WEB SITES**

*CSBA: <http://www.csba.org>*

*California Association of School Business Officials: <http://www.casbo.org>*

*California County Superintendents Educational Services Association: <http://www.ccsesa.org>*

*California Department of Education, Finance and Grants: <http://www.cde.ca.gov/fg>*

*Education Audit Appeals Panel: <http://www.eaap.ca.gov>*

*Fiscal Crisis and Management Assistance Team: <http://www.fcmat.org>*

*Governmental Accounting Standards Board: <http://www.gasb.org>*

*School Services of California: <http://www.sscal.com>*

*State Controller's Office: <http://www.sco.ca.gov>*

*U.S. Government Accounting Office: <http://www.gao.gov>*

(7/01 7/03) 11/04

Amended 4/17/08

Amended 4/20/06

Adopted 8/18/05

**FINANCIAL REPORTS AND ACCOUNTABILITY**

**AR 3460**

Interim Reports

The Superintendent or designee shall submit two interim fiscal reports to the Governing Board, the first report covering the District's financial and budgetary status for the period ending October 31 and the second report covering the period ending January 31. The reports and supporting data shall also be made available by the District for public review. (*Education Code 42130*)

Within 45 days after the close of the period reported, the Board shall assess the interim report on the basis of criteria adopted by the State Board of Education pursuant to Education Code 33127 and on current information regarding the adopted state budget, District property tax revenues if any, and ending balances for the preceding year. The Board shall approve the fiscal report and send it to the County Superintendent of Schools in a format or on forms prescribed by the Superintendent of Public Instruction. In addition, the Board shall submit its certification of the District's financial status based on current projections, in accordance with the following: (*Education Code 42130, 42131; 5 CCR 15453-15463*)

1. "Positive certification" indicating that the District will meet its financial obligations for the current fiscal year and two subsequent fiscal years
2. "Qualified certification" indicating that the District may not meet its financial obligations for the current fiscal year or two subsequent fiscal years
3. "Negative certification" indicating that the District will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year

If the second interim report of the fiscal year is accompanied by a qualified or negative certification as determined by the Board or subsequently by the County Superintendent, the Superintendent or designee shall, no later than June 1, provide to the County Superintendent, the Controller, and the Superintendent of Public Instruction a financial statement that reports data for the period ending April 30 and projects the District's fund and cash balances as of June 30. (*Education Code 42131*)

Whenever the District has a qualified or negative certification, it shall allow the county office of education at least 10 working days to review and comment on any proposed agreement with exclusive representatives of employees. The District shall provide the County Superintendent with all information relevant to provide an understanding of the financial impact of any final collective bargaining agreement. (*Government Code 3540.2*)

Annual Statement of Receipts and Expenditures

On a form prescribed by the Superintendent of Public Instruction, the Superintendent or designee shall prepare a statement of all receipts and expenditures of the District for the preceding fiscal year. On or before September 15, the Board shall approve this statement and file it with the County Superintendent. (*Education Code 42100*)

Appropriations Limit Report

The Board shall adopt a resolution by September 30 of each year to identify the estimated appropriations limit for the District for the current fiscal year and the actual appropriations limit of the District during the preceding year. Documentation used to identify these limits shall be made available to the public on the day of the Board

meeting. (*Education Code 42132*)

**ADMINISTRATIVE REGULATION - continued**

**AR 3460**

**FINANCIAL REPORTS AND ACCOUNTABILITY - continued**

Audit Report

By April 1 of each year, the Board shall either provide for an audit of the District's books and accounts or make arrangements with the County Superintendent to provide for that audit. (*Education Code 41020*)

The Superintendent or designee shall establish a timetable for the completion and review of the audit within the deadlines established by law.

To conduct the audit, the Board shall select a certified public accountant, or public accountant licensed by the State Board of Accountancy, from among those deemed qualified by the State Controller. (*Education Code 41020, 41020.5*)

The Board shall not select any public accounting firm to provide audit services if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for the District in each of the six previous fiscal years. (*Education Code 41020*)

While a firm is performing the audit of the District, it shall not provide any nonauditing, management or other consulting services except as provided in Government Accounting Standards, Amendment #3, published by the U.S. Government Accounting Office. (*Education Code 41020*)

The audit shall include an audit of income and expenditures by source of funds for all funds of the District, including the student body and cafeteria funds and accounts and any other funds under the control or jurisdiction of the District, as well as an audit of student attendance procedures. (*Education Code 41020*)

The District's audited financial reports shall include:

1. Management's discussion and analysis, which shall introduce the basic financial statements and provide an analytical overview of the District's financial activities, including:
  - a. An objective and easily readable analysis of the District's financial activities based on currently known facts, decisions, and conditions
  - b. Comparisons of the current year to the prior year
  - c. An analysis of the District's overall financial position, enabling a determination as to whether that position has improved or deteriorated as a result of the year's activities
  - d. An analysis of significant changes that occur in funds and significant budget variances
  - e. A description of capital asset and long-term debt activity during the year
  - f. A description of currently known facts, decisions, and conditions that are expected to have a significant effect on the District's financial position
2. Basic financial statements, including:

**ADMINISTRATIVE REGULATION - continued**

AR 3460

**Financial Reports And Accountability - continued**

- a. District-wide financial statements, consisting of a statement of net assets and a statement of activities which report all of the assets, liabilities, revenues, expenses, and gains and losses of the District
  - b. Fund financial statements, consisting of a series of statements that focus on information about the District's major governmental and enterprise funds, including its blended component units
  - c. Notes to the financial statements that are essential to a user's understanding of the basic financial statement
3. Supplementary information required by the Governmental Standards Accounting Board, including but not limited to budgetary comparison schedules

No later than December 15, the Superintendent or designee shall file the report of the audit for the preceding fiscal year with the County Superintendent, the California Department of Education, and the State Controller. (*Education Code 41020*)

By January 31 of each year, the Board shall review, at an open meeting, the annual District audit for the prior year, any audit exceptions identified in that audit, the recommendations or findings of any management letter issued by the auditor, and any description of correction or plans to correct any exceptions or any issue raised in a management letter. (*Education Code 41020.3*)

**Fund Balance**

In accordance with GASB Statement 54, external financial reports shall report fund balances in the general fund within the following classifications based on the relative strength of constraints placed on the purposes for which resources can be used:

1. Nonspendable fund balance, including amounts that are not expected to be converted to cash, such as resources that are not in a spendable form or are legally or contractually required to be maintained intact
2. Restricted fund balances, including amounts constrained to specified purposes by their providers or by law
3. Committed fund balance, including amounts constrained to specific purposes by the Board
4. Assigned fund balance, including amounts which the Board or its designee intends to use for a specific purpose.
5. Unassigned fund balance, including amounts that are available for any purpose.

**Nonspendable and Restricted Funds**

**PROPOSED Board Policy**  
**SECOND READING**

Nonspendable funds are those funds that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. It is the responsibility of the Chief Business Official to report all Nonspendable Funds appropriately in the District's financial statements.

Restricted funds are those funds that have constraints placed on their use either externally by creditors, grantors, contributors, or laws or regulations or other governments or by law through constitutional amendments or enabling regulation. It is the responsibility of the Chief Business Official to report all restricted funds appropriately in the District's financial statements.

Classifying Fund Balance Amounts

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it.

When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last; unless the governing board has provided otherwise in its commitment or assigned actions.

Authority to Commit Funds

The District's governing board has the authority to set aside funds for a specific purpose. Any funds set aside as Committed Fund Balance requires the passage of a resolution by a simple majority vote. The passage of a resolution must take place prior to June 30<sup>th</sup> of the applicable fiscal year. If the actual amount of the commitment is not available by June 30<sup>th</sup>, the resolution must state the process or formula necessary to calculate the actual amount as soon as information is available.

Stabilization Arrangement

Maintaining a Financial Stabilization Account is a necessity for sound financial management and fiscal accountability. The district's governing board has the authority to establish a Financial Stabilization Account that will be a Committed Fund Balance. A Financial Stabilization Account is established for the purposed of providing funds for an urgent event that affects the safety of the employee and student population (e.g. earthquake, wildfires, etc.). The level for the Financial Stabilization Account is up to 5% of General Fund Expenditures. The recognition of an urgent event must be established by the governing board or the Superintendent. If established by the Superintendent, the specific, urgent event must be reported to the board at their next meeting. A budget revision must be approved by the district's governing board. In the event the balance drops below the established minimum level, the district's governing board will develop a plan to replenish the Financial Stabilization Account balance to the established minimum level within four years.

Authority to Assign Funds

Authority is given to the district's Chief Business Office to assign funds for specific purposes. Any funds set aside as Assigned Fund Balance must be reported to the district's governing board at their next meeting. The governing board has the authority to remove or change the assignment of funds with a simple majority vote.

**PROPOSED Board Policy**  
**SECOND READING**

**BUSINESS AND NON-INSTRUCTIONAL OPERATIONS**

3000

The district's governing board has the authority to set aside funds for the intended use of a specific purpose. Any funds set aside as Assigned Fund Balance requires a simple majority vote and must be recorded in the minutes. The same action is required to change or remove the assignment.

**Unassigned Fund Balance**

Unassigned Fund Balance is the residual amount of Fund Balance in the General Fund. It represents the resources available for future spending. An appropriate level of Unassigned Fund Balance should be maintained in the General Fund in order to cover unexpected expenditures and revenue shortfalls.

Unassigned Fund Balance may be accessed in the event of unexpected expenditures up to the minimum established level upon approval of a budget revision by the District's governing board. In the event of projected revenue shortfalls, it is the responsibility of the Chief Business Official to report the projections to the district's governing board on a quarterly basis and shall be recorded in the minutes.

Any budget revision that will result in the Unassigned Fund Balance dropping below the minimum level will require the approval of two-thirds vote of the district's governing board.

The minimum Unassigned Fund Balance shall be equal to 3% of total General Fund expenditures and other financing uses. In the event that the balance drops below the established minimum level, the district's governing board will develop a plan to replenish the fund balance to the established minimum within two years.

**Non-Voter-Approved Debt Report**

Whenever the Board approves the issuance of certificates of participation bonds, revenue bonds, or any agreement for financing school construction, the Superintendent or designee shall notify the County Superintendent and the county auditor. The Superintendent or designee shall provide the Board, the county auditor, the County Superintendent, and the public with related repayment schedules and evidence of the District's ability to repay the obligation. Within 15 days, the County Superintendent and county auditor may comment publicly to the Board regarding the District's capability to repay the debt. (*Education Code 17150*)

**Accrued Benefits and Claims Report**

The Superintendent or designee shall plan for the implementation of the Governmental Accounting Standards Board Statement 45, including the procurement of a qualified actuary to perform the required actuarial study. In addition, the Superintendent or designee shall recommend actions to the Board to mitigate the financial impact to the District as a result of this change in the method of accounting for post-employment health and welfare benefits.

The Superintendent or designee shall annually provide the Board, at a public meeting, information and related actuarial reports showing the estimated accrued but unfunded cost of workers' compensation claims. The Board shall disclose, as a separate agenda item, whether or not it will reserve in the budget sufficient amounts to fund the present value of these claims or if it is otherwise decreasing the amount in its workers' compensation reserve fund. The Board shall annually certify to the County Superintendent the amount, if any, that it has decided to reserve in the budget for these costs. The Board shall submit to the County Superintendent any budget revisions that may be necessary to account for this budget reserve. (*Education Code 42141*)

Control of Deficit Spending

The District's Goal of Long and Short Term Budgeting says the District will plan and implement a budget that maximizes the opportunity for student performance at all levels within the District. The underlying assumption for the above statement to be realized is that the District will meet its long and short-term fiscal obligations before it can maximize any opportunity for student performance. The District's fiscal obligations are:

1. Meeting its 3% (State law) General Fund Unrestricted Reserve for Economic Uncertainties (GFUREU) requirement in the current and two subsequent years. Deficit spending erodes these reserves.
2. Meeting the terms of both collective bargaining agreements' section on Total Compensation and other labor group commitments within the annual change in funding allocation from the State and the change in student attendance.
3. Providing the basic educational environment of: materials & supplies, non-instructional services, student safety, equipment, and facilities.
4. Ensuring adequate cash flow to:
  - a. Repay short-term debt obligations;
  - b. Provide for sinking funds to pay for long term liabilities;
  - c. Provide for future new school facilities needs.
5. Use the District's revenues and resources to accomplish all of the above.
6. Any new programs meant for implementation must have corresponding budget adjustments or revenue augmentations in order to afford the new action.
7. All expenditures should be planned and last minute unbudgeted spending shall be put off until the following budget year.
8. Before any hiring of new positions, a review of existing positions shall be done to determine if a need exists and whether a restructuring of existing positions can gain a savings for the new positions and its responsibilities. A higher level disinterested management review shall occur to determine whether the

**ADMINISTRATIVE REGULATION - continued**

**AR 3460**

**FINANCIAL REPORTS AND ACCOUNTABILITY - continued**

necessary position is warranted. This is especially required in the District's encroachment programs.

9. A efficiency review of all programs shall be done annually by the responsible administrator to determine whether the intended results warrant continuation of the program.
10. All staffing and enrollment projections and corresponding adjustments for the following budget year shall be completed six months before the start of the next budget year.
11. All new staffing positions that cause deficit spending in the current and/or two subsequent years shall only be approved by the Assistant Superintendent Business Services.
12. All long-term commitment spending decisions must be based on a continuous revenue stream for the current and all future years.

**PROPOSED Board Policy**  
**SECOND READING**

BUSINESS AND NON-INSTRUCTIONAL OPERATIONS

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Amended 4/17/08

**BOARD AGENDA**

**REGULAR MEETING  
May 19, 2011**

**ADMINISTRATIVE REPORT**

**TO:** Board of Education

**PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division

**SUBJECT:** Approved Disbursements

**GOAL:** Budget Planning

**STRATEGIC PLAN:** Strategy #1 – Communication      Strategy #4 – Facilities  
Strategy #2 – Curriculum      Strategy #5 – College Career  
Strategy #3 – Decision Making      Strategy #6 – Character

**BACKGROUND:** The Board of Trustees payment report is available at the Board of Education meeting for review. Items listed in the payment report have been approved and paid.

Disbursements have been paid as listed, from batch # 1396 through Batch #1458 for the sum of \$4,945,390.72.

**BUDGET IMPLICATIONS:** \$4,945,390.72 paid from funds as listed in the payment report.

