

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
710 ENCINITAS BLVD., ENCINITAS, CA 92024  
BOARD OF DIRECTORS SPECIAL MEETING  
OF THE  
SAN DIEGUITO PUBLIC FACILITIES AUTHORITY  
MINUTES**

The special meeting of the Board of Directors of the San Dieguito Public Facilities Authority was called to order at 5:00 p.m. on Tuesday, June 8, 2006, by President Friedman, in the San Dieguito Union High School District Office Board Room, 710 Encinitas Boulevard, Encinitas, California.

**CALL TO ORDER**

President Friedman called the regular meeting to order at 5:00 p.m.

**Members Present**

Linda Friedman, President  
Barbara Groth  
Deanna Rich  
Joyce Dalessandro  
Beth Hergesheimer

**Administrators Present**

Peggy Lynch, Ed.D., Superintendent  
Eric J. Hall, Associate Supt./Business Services  
Terry King, Assoc. Supt./Human Resources  
Steve Ma, Executive Director, Planning Services  
John Addleman, Facilities Planning Analyst  
Sue Gleiforst, Recording Secretary

**Guests**

Craig Underwood

**DISCUSSION ITEMS/  
ACTION AGENDA/**

**APPROVAL OF MINUTES**  
2.

Motion by Mrs. Hergesheimer, second by Mrs. Dalessandro, that the minutes of the Board of Directors of the San Dieguito School Public Facilities Authority of May 8, 2006, be approved as written.

**AYES:** Dalessandro, Groth, Hergesheimer,  
Rich, Friedman

**ABSENT:** None

**NOES:** None

ABSTAIN: None  
Motion unanimously carried.

ADOPTION OF MASTER  
SWAP POLICY  
3.

Mr. Ma reviewed that at the April 4 workshop the Trustees had decided to enter into a "fixed rate structure," however, about a week after the workshop, long-term rates for the bond refunding increased, making this fixed rate refunding unattractive.

At the May 8 Public Facilities Workshop, the Trustees concurred that the administration move forward with the "interest rate swap" refunding. The bond team recommends that the Board adopt a Policy which identifies guidelines to provide procedural direction regarding the future use, procurement, execution, and management of interest rate swaps, options, and similar contractual agreements.

Mr. Underwood stated that the policy is flexible and can be amended. Adherence to the guidelines in this policy is generally required, however, developments in the financial markets, Authority circumstances or objectives or other events may produce situations not adequately anticipated in the guidelines. In these cases, the Authority will have the flexibility to deviate from these guidelines, provided authorization by the Board of Directors is obtained. The policy gives the staff guidance regarding things that the administration and board should consider.

The Authority, along with their advisors and counsel should, periodically or at least annually, review these guidelines and shall make modifications as appropriate due to changes in the business environment and market conditions.

Motion by Mrs. Dalessandro, second by Mrs. Hergesheimer that the Board adopt Policy 6300.1, "Master Swap Policy-Guidelines for Utilization of Interest Rate Swaps & Other Derivative Products," for the School Facilities Authority.

AYES: Dalessandro, Groth, Hergesheimer,  
Rich, Friedman

ABSENT: None

NOES: None

ABSTAIN: None

Motion unanimously carried.

MELLO ROOS 2006 BONDS/  
PROJECT LIST FOR TAX  
REVIEW

4.

Mr. Ma stated that the staff has amended the project list and has provided the Trustees with the revised copies. He stated that the district would not be limited to the items on this list; it is a recollection of potential projects that were discussed with the Board at previous facilities workshops.

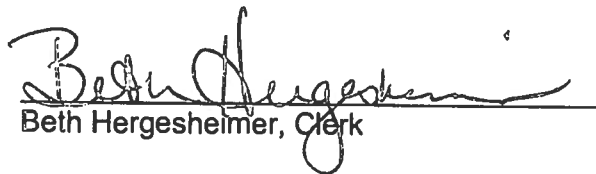
The tax counsel will require the district to report how the district intends to use the bond proceeds within three years. As part of the bond closing, the Authority will represent that these projects will be funded, however, the project list can change depending on priorities.

Refunding of the 1998 and 2004 Mello Roos bonds will generate proceeds to complete ongoing projects, as well as starting new ones. The ongoing projects include the completion of Canyon Crest Academy's main campus and the San Dieguito Academy's library/media center and multi-media system. The district has state eligibility for the modernization of Earl Warren Middle School and Sunset. The administration recommends moving forward with these two projects to leverage state funds. With respect to the new middle school in Pacific Highlands Ranch, the district should consider the timing of this school, given the existing middle school capacity in the south end of the district. The 94-2 covenant will remain in the 2006 bonds, therefore the Authority will be required to annually certify that a specified portion of the bond proceeds will be used on north end facilities.

ADJOURNMENT

5.

There being no further business to come before the Board of Directors of the San Dieguito Public Facilities Authority, President Friedman adjourned the meeting at 5:36 p.m.

  
Beth Hergesheimer, Clerk

  
Peggy Lynch, Superintendent and  
Secretary to the Board