April 24, 2012

The Honorable Anthony Cannella
12th Senate District
Room 3048 – State Capitol
Sacramento, CA 95814

**Re: SB 1240 (Cannella) – South Monterey County Joint Union High School District
Emergency Loan: Reduced Interest Rate - SUPPORT**

Dear Senator Cannella:

On behalf of the Monterey County Board of Supervisors and the constituents we represent I
write to support SB 1240, your bill to provide much needed financial relief to the South
Monterey County Joint Union High School District.

The loan to the SMCJUHSD from the California Infrastructure and Economic Development
Bank (I-Bank) authorized in June 2009 by SB 130 carries a current interest rate of 5.44% which
amounts to an annual debt service payment of approximately $1.2 million or $23.6 million over
the life of the loan. By changing the interest rate to 1% as authorized in SB 1240, the District
would be able to realize approximately $445,000 annually in debt service savings, or $8 million
in total. This is good news for a financially-battered school district that will benefit from all the
help the state can provide.

Thank you for your willingness to provide this relief to the District, relief that will allow them to
focus on improved academic achievement while helping to maintain class sizes conducive to
college and career preparations.

Sincerely,

Dave Potter, Chair
Monterey County Board of Supervisors

cc: The Honorable Sam Blakeslee
    The Honorable Luis Alejo
    The Honorable Bill Monning
    Monterey County Board of Supervisors
    Lew C. Bauman, County Administrative Officer, Monterey County
    Charles J. McKee, County Counsel, Monterey County
    Nicholas E. Chiulos, Director, Intergovernmental and Legislative Affairs, Monterey County
    Gail T. Borkowski, Clerk of the Board, Monterey County
    Dr. John C. Bernard, Ed. D., State Administrator, South Monterey County Joint Union High School District
    Brent R. Heberlee, Nossaman LLP
    John E. Arriaga, JEA & Associates