

PROPOSITION O



CITIZENS' BOND OVERSIGHT COMMITTEE 2012-2013 ANNUAL REPORT



DRAFT as of 10/9/13

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LETTER FROM THE COMMITTEE CHAIR

Letter from the Committee Chair

TO: Board of Trustees

[INSERT LETTER FROM THE CHAIR HERE]

Very Truly Yours,

Nick Marinovich
Chair of the Proposition O Bond Oversight Committee
_____, 2013

ABOUT THE DISTRICT

About the District

Founded in 1920, the Sweetwater Union High School District has grown to become the largest high school district in the state and nation with more than 42,000 students in grades 7 through 12 and more than 32,000 adult learners. The district's 32 campuses are located in the cities of Chula Vista, Imperial Beach, National City and San Diego, including the communities of Bonita, Eastlake, Otay Mesa, San Ysidro and South San Diego.

California's richness in cultural, linguistic and economic diversity is reflected in Sweetwater's student population, which includes Hispanic, Filipino, African-American, Asian and other ethnicities. Approximately half of Sweetwater's students speak a language other than English at home.

BOARD OF TRUSTEES

- Jim Cartmill (Vice-President in 2012, President in 2013)
- Bertha López
- John McCann
- Pearl Quiñones (President in 2012)
- Arlie N. Ricasa (Vice-President in 2013)

SUPERINTENDENT

- Edward M. Brand, Ed.D.

SUPPORT STAFF TO THE PROP O CITIZENS' BOND OVERSIGHT COMMITTEE

- Thomas J. Calhoun, Chief Facilities Executive
- Ceci Martinez, Facilities Division
- Paul Woods, Director of Planning and Construction
- Alina Cruz, Planning and Construction Department



ABOUT PROPOSITION O

About Proposition O

Proposition O was passed by the voters in November 2006, to provide \$644 million in general obligation bond funds to improve the learning and safety at every Sweetwater Union High School District campus. All schools and students in the Sweetwater Union High School District will benefit from Proposition O. Not all \$644 million in bonds can be sold at the same time because of tax rate limitations and the first \$180 million was sold in March 2008. Combined with \$15 million in remaining Proposition BB funds and additional state funding, the Prop O bond program is providing over \$257 million to modernize ten major campuses and numerous small projects.

The Proposition O website is <http://buildingpropo.sweetwaterschools.org/>

Proposition O will:

- Upgrade classrooms / restrooms / science labs / technology
- Improve handicap accessibility
- Remove asbestos / lead paint
- Upgrade fire and life safety systems

Proposition O was passed under the rules of Proposition 39 and is subject to strict accountability requirements, including annual audits and review by an independent citizens' bond oversight committee (CBOC). Proposition O funds can only be spent on our neighborhood secondary and adult schools to benefit local students. Bond funds may not be spent on administrator salaries or district offices, but can be spent on district classified staff that are involved in construction project administration.

Most of the modernization work on the first ten campuses involved tearing down buildings, some over 50 years old, and rebuilding with modern, energy-efficient buildings which will provide enhanced learning environments and reduce utility and maintenance costs. Quality school facilities help retain and attract qualified teachers. Good schools maintain local quality of life and strong values.

ABOUT THE COMMITTEE (CBOC)

About the Committee (CBOC)

The purpose of the CBOC is “to inform the public concerning the expenditure of bond revenues. The citizens' oversight committee shall actively review and report on the proper expenditure of taxpayers' money for school construction. The citizens' oversight committee shall advise the public as to whether a school district or community college district is in compliance with the requirements of [Proposition 39].” [Education Code §15278(b)]. That section of the California Constitution stipulates that bonds approved by 55 percent of the voters are allowed to cause taxes to exceed the statutory one percent of the full cash value of real property as long as certain conditions are met, including the establishment of the citizens' oversight committee and conducting annual audits.

The committee website is: <http://buildingprop.sweetwaterschools.org/oversight-committee/>

MEMBERSHIP

Proposition 39 specifies five of the seven required members of the CBOC. During 2011-12, the Board of Trustees increased the membership to nine by adding two at-large members. The committee's makeup changed during the 2012-13 school year. During the year four members were appointed to fill all the vacant positions, Terry McKearney, Dr. John Grubb, Jim Morris and Edgar Guerrero. Unfortunately there were also two resignations: Jim Morris and Guillermo Camarena. The departing members served the committee well, and their passion and dedication to the committee, district and community are much appreciated. The Board adopted updated Rules and Regulations for the committee establishing 3-year terms and changing the end date for terms to June 30th.

Representing	Member on 7/1/12	Member on 6/30/13
Parent or Guardian of a district student	Bernardo Vasquez	Bernardo Vasquez
Parent or Guardian of a district student and active in a parent-teacher organization	Vacant	Edgar Guerrero
Member of a bona fide taxpayer association	Vacant	Terry McKearney
Member of a senior citizen organization	Vacant	Dr. John Grubb
Member of a business organization	Vacant	
At-Large	David Butler	David Butler
At-Large	Guillermo Camarena	
At-Large	Nick Marinovich	Nick Marinovich
At-Large	Kevin O'Neill	Kevin O'Neill

ABOUT THE COMMITTEE (CBOC)

MEETINGS

The committee met on the following dates in 2011-12 and the November 29, 2011 meeting was a joint meeting with the Board of Trustees. Agendas and minutes for all of the meetings are posted on the committee's website.

July 14, 2011	October 26, 2011	January 18, 2012	April 12, 2012
August 13, 2011	November 9, 2011	February 11, 2012	May 12, 2012
September 14, 2011	November 29, 2011	March 20, 2012	June 21, 2012

COMMITTEE ACTIVITY SUMMARY

During the 2012-13 school year, the proceedings of the CBOC included:

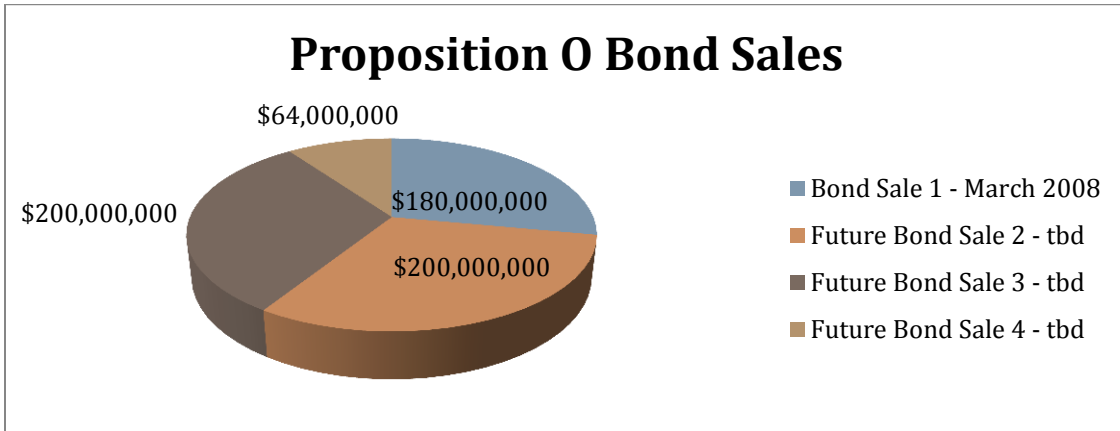
- Review of Financial and Performance Audit
- Review of Community Outreach Efforts
- Review of Roles and Responsibilities
- Review of Project Expenses
- Review of Prop O Funded Technology Projects
- Review of Project Status Reports
- Review of Change Order Reports
- Review of Program Schedule
- Review of Financial Reports
- Review of Remaining Prop BB Funds
- Review of Board Agenda Items
- Site Tours of MOM, NCM, SOH, SOM.
- Review of Prop O Staffing and Organization Charts
- Appointment of 4 New Members to Replace Outgoing Members
- Appointment of a New Committee Chair
- Formation of Annual Report Sub-Committee
- Review of Prop O Legal Fees

FINANCIAL STATEMENTS

Financial Statements

FUNDING FROM PROP O

The Proposition O Bond Sales chart shows the first Bond Sale of \$180 million in March 2008. The original plan was for three future bond sales, but because assessed value has declined in the district the timing and size of the future bond sales is uncertain.

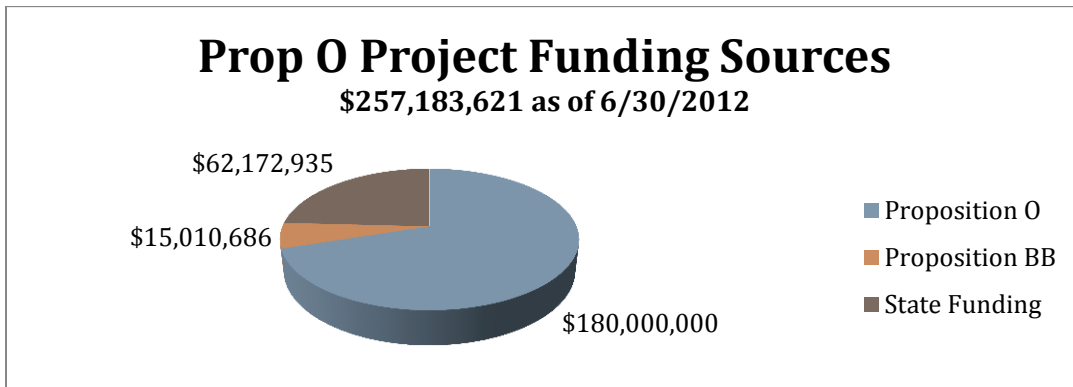


TOTAL FUNDING SOURCES FOR THE PROP O BOND PROGRAM

In addition to Bond Sale 1 from Proposition O, the Proposition O Bond Program includes funding from remaining Proposition BB funds and State Funding from four State School Facility Funding programs:

- New Construction
- Modernization
- Overcrowded Relief Grants (ORG); and
- Career Technical Education Grants (CTE)

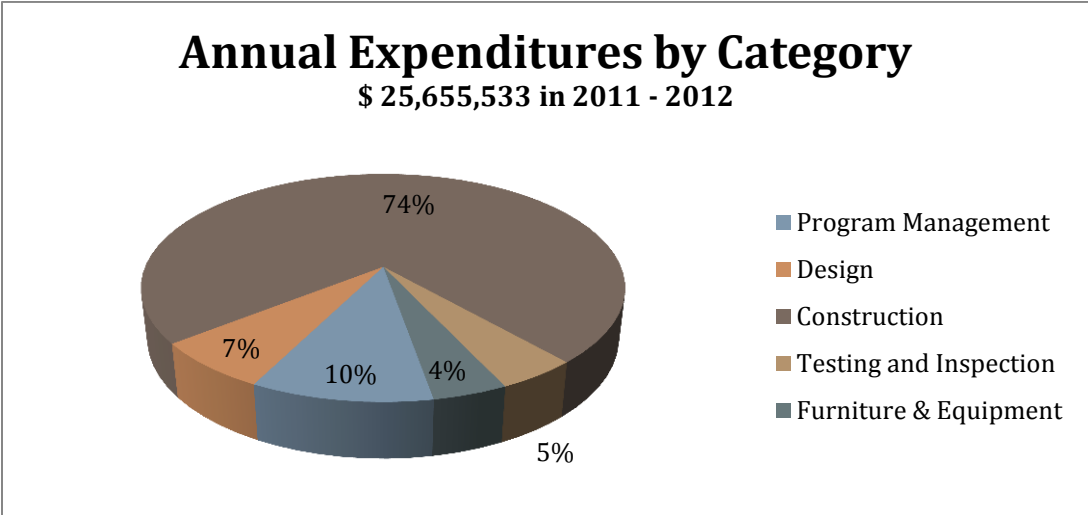
The Prop O Project Funding Sources chart shows the amounts from each source. [\[UPDATE CHART\]](#)



FINANCIAL STATEMENTS

PROP O BOND PROGRAM EXPENSES

During the 20112-13 fiscal year, the district spent a total of \$25,655,533 on projects in the Prop O bond program. The chart below shows how the expenses were distributed over program management, design, construction, testing and inspection and furniture and equipment.



FINANCIAL AUDIT SUMMARY

Financial Audit Summary

The following information is from the June 30, 2012 Prop O & Balances from Truecourse. These have not been audited by any external or internal auditors.

BALANCE SHEET

From page 4 of the audit. See the audit for notes and details.

Assets	
Cash	\$27,343,622
Cash with Trustee	\$33,347,073
Accounts Receivable (interest earned)	\$23,686
Due from general fund (reimbursement of expenditures)	\$1,356,804
Total Assets	\$62,071,185
Liabilities	
Accounts Payable	\$2,241,628
Due to general fund (PERS reduction, OPEB costs and reimbursement of expenditures)	\$66,479
Total Liabilities	\$2, 518,107
Fund Balance	
Restricted for capital projects	\$59,553,087
Total Liabilities and Fund Balance	\$62,071,185

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Summary from page 5 of the audit.

Revenues and Transfers	
Earnings on investments (interest)	\$117,716
BAN Sale Proceeds	\$37,525,810
Local revenue	\$308,445
Transfers in (from State Funding)	\$
Total Available Funding	\$37,951,971
Expenditures	
Plant services	\$460,667
Debt Service	\$258,311
Facilities acquisition and construction	\$27,856,920
Total Liabilities	\$28,575,898

FINANCIAL AUDIT SUMMARY

Fund Balance, July 1, 2012	\$44,276,422
Fund Balance, June 30, 2013	\$59,553,078
Net Change in Fund Balance	\$53,636,686

*** There was a sale of Bond Anticipation Notes on March 27, 2013 for \$37,525,810.40 included.

PROP O BOND PROGRAM FINANCIAL SUMMARY

Prop O Bond Program Financial Summary

Shown below is the financial summary for the Prop O Bond Program. This summary is from September 2013 and shows the expenditures through June 30, 2013 as reported to the Board of Trustees. These figures will differ from the financial audit because of the timing of reporting expenditures through the various financial systems.

Site	CURRENT FUNDING			Total Available Funding	BUDGET			ACTUAL COSTS		
	Prop O Bond Funding	State Funding [1]	Other Funding [2]		Original Budget [3]	Approved Revisions [4]	Proposed Revisions This Month [5]	Revised Budget	Total Expenditures thru 4/30/13	Remainder
FIRST ROUND										
Chula Vista HS - Proj 1	\$ 24,519,408	\$ 8,789,813		\$ 33,309,221	\$ 27,519,408	\$ 1,445,844		\$ 28,965,252	\$ 28,964,254	\$ 898
Chula Vista MS - Proj 1	\$ 8,649,707	\$ 850,731	\$ 2,242,398	\$ 11,742,836	\$ 10,892,105	\$ 789,059		\$ 11,681,164	\$ 11,604,523	\$ 76,641
Hilltop HS - Proj 1	\$ 19,741,358	\$ 11,382,634		\$ 31,123,992	\$ 19,741,358	\$ 4,035,668		\$ 23,777,026	\$ 23,773,828	\$ 3,198
Montgomery HS - Proj 1	\$ 20,913,971	\$ 1,258,674		\$ 22,172,645	\$ 20,913,971	\$ 4,793,299		\$ 25,707,270	\$ 25,582,675	\$ 124,595
Mar Vista HS - Proj 1	\$ 10,417,900	\$ 2,835,832		\$ 13,253,732	\$ 10,417,900	\$ (431,075)		\$ 9,986,825	\$ 9,526,164	\$ 460,661
National City MS - Proj 1	\$ 16,191,703	\$ 1,588,448		\$ 17,780,151	\$ 16,191,703	\$ (3,017,880)		\$ 13,173,823	\$ 13,006,473	\$ 167,352
National City MS - Proj 2	\$ 15,273,601		\$ 14,267,734	\$ 29,541,335	\$ 15,273,601	\$ (22,573)		\$ 15,251,028	\$ 974,678	\$ 14,276,350
Southwest HS - Proj 1	\$ 24,467,998	\$ 8,013,531		\$ 32,481,529	\$ 24,467,998	\$ (7,824,249)		\$ 16,643,749	\$ 16,468,726	\$ 175,023
Southwest MS - Proj 1	\$ 14,738,042	\$ 1,548,791	\$ 412,000	\$ 16,698,833	\$ 14,738,042	\$ 5,849,518		\$ 20,587,560	\$ 14,934,025	\$ 5,653,531
Sweetwater HS - Proj 1	\$ 25,086,312	\$ 25,391,414	\$ 12,000,000	\$ 62,477,726	\$ 38,522,133	\$ 13,493,047		\$ 52,015,180	\$ 48,979,471	\$ 3,035,709
SIGNIFICANT ADDED PROJECTS										
Bonita Vista HS - HVAC upgrade			\$ 500,000	\$ 500,000	\$ 2,000,000			\$ 2,000,000	\$ -	\$ 2,000,000
Bonita Vista HS - Track & Field - Design only			\$ 125,000	\$ 125,000	\$ 500,000		Prop O: (\$125,000)	\$ 500,000	\$ -	\$ 500,000
Castle Park HS - Title IX Improvements					\$ 1,200,000	\$ 100,000	CFD: +\$125,000 [5.1]	\$ 1,300,000	\$ 824,327	\$ 475,673
Chula Vista HS - ORG Relo Removal					\$ 1,100,000	\$ 702,351		\$ 1,802,351	\$ 129,849	\$ 1,672,502
Hilltop HS - Track & Field - Design only					\$ 300,000			\$ 300,000	\$ -	\$ 300,000
Mar Vista HS - Proj 2					\$ 1,800,000			\$ 1,800,000	\$ -	\$ 1,800,000
Montgomery HS - Proj 2			\$ 23,000,000	\$ 23,000,000	\$ 2,000,000	\$ 21,000,000		\$ 23,000,000	\$ -	\$ 23,000,000
Montgomery MS - Proj 1					\$ 29,619,857	\$ (3,100,621)		\$ 26,519,036	\$ 18,358,869	\$ 8,160,167
Sweetwater HS Synthetic Track and Field			\$ 400,000	\$ 400,000	\$ 2,200,000	\$ 919,492	Prop O: +\$700,000 Other: (\$700,000) [5.2]	\$ 3,119,492	\$ 45,408	\$ 3,074,084
SMALL and ADDED PROJECTS - See page 2					\$ 4,072,351	\$ 896,000		\$ 4,468,351	\$ 814,775	\$ 3,653,576
COMPLETED PROJECTS - See page 2			\$ 768,288	\$ 768,288	\$ 820,565	\$ (192,578)		\$ 627,987	\$ 627,987	\$ -
MISCELLANEOUS - See page 2			\$ 7,553,639	\$ 7,553,639	\$ 17,362,158	\$ 1,433,767	[2,100,000]	\$ 16,695,925	\$ 6,681,093	\$ 10,014,832
Program Contingency					\$ 3,000,000	\$ (1,518,092)		\$ 1,525,000	\$ 3,006,908	\$ 3,006,908
TOTALS	\$ 180,000,000	\$ 61,659,868	\$ 61,269,059	\$ 302,928,927	\$ 264,452,950	\$ 38,850,977	\$ (575,000)	\$ 302,928,927	\$ 221,287,227	\$ 81,641,700

- NOTES:**
- [1] State funding includes \$4,435,821 in Career Technical Education Grants that were accounted for in Fund 35.
 - [2] Other Funding: BB=Prop 88, BAN=Estimated Bond Anticipation Notes, QEIA=Quality Education Investment Act, CFD=Mello-Roos CFD, and [2.1]= Funding from National City, San Diego Chargers and The Community Sports Development Council.
 - [3] Original Budget is the budget established at the beginning of the project, the final Lease/Leaseback guaranteed maximum price, interest earned, or funding received.
 - [4] Budget revisions approved by the Board.
 - [5] [5.1]= change funding to 75% Prop O and 25% CFD. [5.2]= change funding to reflect budget after bidding. [5.3]= implementation of student mobile device initiative approved 4/5/13. [5.4]= Contingency adjustment.
 - [6] Project Budget and Funding is from Interest.

Sustainability and Green Schools

The first ten major projects constructed under the Proposition 0 Bond Program have been designed to meet a minimum of the United States Green Building Council's LEED Gold designation for energy efficiency and sustainability. This is one of the largest green building programs of a school district in the State of California. Each school will reduce water usage by 40 percent, energy consumption by 25 percent, and 90 percent of construction waste will be recycled. Additionally, 10 percent of all materials used will be from recycled materials.

A solar power project under a power purchase agreement was planned to provide over 5 megawatts of clean solar power on ten campuses. Construction is at ten campuses (Bonita Vista High, Castle Park High, Chula Vista High, Montgomery High, Otay Ranch High, Southwest High, San Ysidro High, Sweetwater High, Mar Vista High, and Olympian High). Construction at Castle Park Middle School will be completed by the end of October, 2013. The contractor has recently started work at six more sites. This work will consist of a ground-mounted array at Mar Vista Academy; Solar Canopies at Rancho Del Rey Middle, Chula Vista Middle, and Bonita Vista Middle; roof mounted panel at Montgomery Middle School; and a combination of carports and roof mounted panels at Hilltop High School. Ultimately solar installations at a total of 22 sites will generate almost ten megawatts of power, or roughly enough electricity to offset 60% of the usage at district campuses.



"The strides made by the district in addition to the Proposition 0 construction team's attention to detail, have raised the bar for cities around the nation," said SUHSD Board Member Arlie Ricasa. "But I challenge the construction team to design the remaining District projects to achieve LEED Platinum ratings." LEED Platinum refers to the highest USGBC green building rating. Including the credits for the solar power, it is likely that some of the projects will achieve LEED Platinum ratings.

SUSTAINABILITY AND GREEN SCHOOLS

PROJECTS

Projects

CHULA VISTA HIGH SCHOOL

Modernization Phase I - A new 25,000 square foot multi-purpose building was built to accommodate the creative arts for Chula Vista High School students. In addition, a new 5,735 square foot library was also built. The new library will expand the world of knowledge for students, giving them an environment to learn and excel. Additionally, the school's gymnasium, boys' locker room and girls' locker room were updated and modernized. Architect: BCA Architects. Contractor: Turner Construction Company.

Portable Removal Project - in return for additional funding from the State School Facilities Program, the district committed to removing 18 portables from the CVH campus. Twelve of the portables were removed during construction of Modernization Phase 1 and six more were removed April 2013.

COMPLETED DECEMBER 2010



COMPLETED SEPTEMBER 2010



CHULA VISTA MIDDLE SCHOOL

Modernization - Both a classroom facility and a cafeteria were built as part of Chula Vista Middle School's renovation. The one-story classroom building is over 10,000 square feet. Additionally, a brand new 3,500 square foot, one-story cafeteria building was constructed. Architect: Ruhnau Ruhnau Clarke Architects. Contractor: Edge Construction.

Portable Relocation and Renovation - As part of the modernization project, six portables were relocated to provide better physical education facilities. Renovation of the portables to provide better classroom space was completed in late 2012 and the facility was open for school following the winter break.

PROJECTS

HILLTOP HIGH SCHOOL

Modernization Phase I - A new two-story 16,147 square foot classroom facility was built at Hilltop High School. This much-needed project facilitates a greater learning experience for all Hilltop students and faculty. Additionally, a new 5,896 square foot shop/industrial technology facility was created in order to keep students up to date with evolving technologies, better preparing them for opportunities in the workforce.

Phase I also included the replacement of four major classroom buildings with new buildings.

This 8,690 square foot project equips students, faculty, and staff with a modernized, eco-friendly space.

Architect: Ruhnau Ruhnau Clarke Architects. Contractor: Pacific Building Group



COMPLETED JULY 2011

Title IX Field and Restroom – While restoring the softball field, after removal of the temporary portables, new dugouts and field renovation occurred to make the field compliant with Title IX requirements. The field was complete in March 2012 and the associated restroom building replacement (required by DSA) was completed in March 2013. Architect: Ruhnau Ruhnau Clarke Architects. Contractor: Western Rim Constructors, Inc.

COMPLETED MARCH 2011



MAR VISTA HIGH SCHOOL

Modernization Project 1 - Project is complete except for DSA certification. We are awaiting DSA approval one final change order.

Modernization Project 2 - Special education classrooms, electrical grounding, and various campus improvements. The architect has been selected and contract negotiations are taking place. The project duration is expected to be 18 months.

Title IX Field and Restroom – Construction of a new team room, dugouts, backstop, and fencing for the girls' softball team was completed in March 2013 in time for the start of the softball season. The project is in DSA closeout pending approval of one final change order.

PROJECTS



MOH GYM ELECTRICAL

MONTGOMERY HIGH SCHOOL

Modernization Phase II - Design was completed and construction began on a new 18,450 square foot two-story classroom/office building and a new 51,280 square foot gymnasium. The classroom/office building will include state of the art instructional technology replacement classrooms for outdated classrooms which will be demolished, as well as new special education facilities and a new science laboratory. The gymnasium will house physical education support areas including: three athletic courts, a classroom, weight room, multipurpose room, locker rooms, and

storage. The new buildings will be occupied in Spring 2014. Additional project scope includes: upgrades to two science labs and the woodshop, resurfacing of the student parking lot, installation of permanent dining structures for approximately 300 students, improvements to the tennis courts, softball field, and baseball field, development of a plaza adjacent to the gymnasium, and landscaping enhancements along the south classrooms. **Architect: Zagrobnik + Thomas Architects. Contractor: Soltek Pacific Construction.**



COMPLETED JUNE 2012

NATIONAL CITY MIDDLE SCHOOL

Modernization Phase I - Construction is complete and most warranty work has been corrected. The project is in DSA closeout pending a resubmittal of a "field change directive" by the architect.

Modernization Phase 2 - A new two-story building will be attached to Phase I and utilize the same elevator. It will house new classrooms and an ASB classroom. Also included is demolition of three old maintenance intensive buildings and the creation of a new quad which

will enhance the learning environment at National City Middle. Architect: The abatement has been completed in Building 200 and is continuing in building 400. The demolition will start in September 2013.. Construction is scheduled to be complete in Fall 2014. LPA, Inc. Contractor: McCarthy Building Companies, Inc. Completion is planned for 2014.

PROJECTS

SOUTHWEST HIGH SCHOOL

Modernization Phase I – Soltek Pacific took over construction of Project 1 in January 2012 and completed the project in time for occupancy in July 2012. The portable removal project is also complete including turf restoration in the area formerly occupied by the portable buildings. DSA certification and closeout of the project was achieved on August 23, 2013. Architect: LPA, Inc. Take-over Contractor: Soltek Pacific Construction.



SOUTHWEST MIDDLE SCHOOL

Modernization Phase 1 - A new one-story, 8,690 square foot classroom building replaces an old building and houses new classrooms and an ASB room. About 20,695 square feet of existing buildings were modernized and include administration, library, physical education space and storage. The new entrance and lobby to the school enhances the sense of community at the site. Architect: BCA Architects. Take-over Contractor: GEM.

Modernization Phase 1B – This second phase of work will include transforming old shops into state-of-the-art science

classrooms and upgrades to portables and conversion of spaces to better house the music program. Modernization of the portables was completed in the spring of 2013. Modernization of the shops will occur in 2014. Completion is expected in 2014. Take-over Architect: RNT Architects.

PROJECTS

MONTGOMERY MIDDLE SCHOOL

Modernization Phase I - This tenth campus was added to the first nine after structural issues were discovered in the overhangs and roofs of Buildings 200 and 300. Those buildings were closed and demolished and interim housing portables were installed. Construction began June 2012 on a new two-story classroom building, counseling center, library and food service facility and was completed in time for the opening of school on July 24, 2013. Architect: LPA, Inc. Contractor: Balfour Beatty.



COMPLETED JULY 2013

SWEETWATER HIGH SCHOOL

Modernization Phase I - A landmark three-story 86,360 square foot building was constructed to replace the aging administration and classroom building and theater building. The new building is home to new classrooms, a contemporary library, administration, counseling center, health clinic and the new Laura R. Charles Theatre. It provides a signature entrance to the school and a landmark for National City. Architect BCA Architects. Contractor: Sundt Construction Inc.

PROJECTS



Welding Building - Also included as a separate project in Phase 1 is a new Welding Building funded in part by Career Technical Education grants. A new, one-story welding building will provide a workshop and classroom space that will provide students with the opportunity to learn highly sought welding skills, which can lead to various career options upon graduating high school. This facility will feature state-of-the-art technology that will equip our students with tools and job skills required in fabrication, construction, maintenance, apprenticeship and other metal working industries. Completion is expected in 2013.

Track and Field - Byrom-Davey, Inc., is near completion of the new track and field. Completion is expected to at the end of September. The Ribbon Cutting Ceremony is scheduled for October 11, 2013.

COMPLETED JULY 2012

CONTACT INFORMATION

Contact Information

Because CBOC membership and district staff changes over time, please check the Prop O website at <http://buildingpropo.sweetwaterschools.org/> for up-to-date contact information for the chair of the CBOC, as well as for staff who support the committee.

