

Nick Marinovich
2488 La Costa Avenue
Chula Vista, CA 91915
619-934-4982
nickmarinovich52@gmail.com

July 22, 2012

Sweetwater Union High School District
Pearl Quinones, Board President
1130 Fifth Avenue
Chula Vista, CA 91911

Dear Ms. Quinones:

Thank you for the opportunity to represent the Citizen's Bond Oversight Committee (CBOC). The purpose of this letter is to present a summary of CBOC discussions since your last Board meeting on June 11, 2012. The CBOC met on June 23, 2012 and July 12, 2012. Key action and discussion issues were as follows:

- There is frustration regarding the lack of a prompt and proactive response to the "Eric Hall and Associates Proposition O Performance Audit Fall 2006 to Summer 2011." This report was published on March 20, 2012. The District response was not released until Saturday July 20, 2012, a total of 92 days. Earlier, the Committee did hear presentations on the report from Eric Hall and Associates. Very little input was sought from the Committee in developing a response to the Audit, which covered the very issues that are under our purview pursuant to the California Education Code. The Committee's expertise and time could have been utilized to develop some consensus on moving forward, rather than reacting to a report submitted by staff. Such a District strategy of non-inclusion is inconsistent with a recommendation on Page 58 of the Hall Report which states "The CBOC should play a critical role in increasing the community's confidence in the Proposition O program."
- The acquisition of iPads with Proposition O Funds was not made with an adequate long term strategy in place. There was considerable discussion and varying degrees of frustration with an apparent lack of long term strategic planning in relation to acquisition of iPads. Issues such as long term useful life, technological changes in hardware and software, the relationship of the iPad functions juxtaposed to educational needs and

how the iPad acquisition fits into the long term Information Technology Plan for the District were discussed. Although the CBOC agreed the bond language did not prohibit the use of funds for this technology, we repeatedly asked the District to provide a comprehensive plan on how they would continue to fund iPads over the next five years as well as how they planned to measure their success. The response was that for funding they will apply for grants and look for future money. As of our last meeting there was no apparent metrics to analyze the effectiveness of this investment in iPads. This is an unacceptable response when \$1.8 million in bond funds are being used this year with more to be used in the future. In short, the Committee felt that the decision(s) to purchase iPads proceeded too fast, without a complete vetting of pros, cons, alternatives, and consequences.

- There is a need for much more clarity in assuring that no Proposition O Funds are being used as loans to fund District operations. Because of media and public inquires and past actions by the District, the Committee has been very diligent on insisting that there be clear and understandable assurance that no Proposition O funds are being used for operations. A report submitted by District staff on June 23, 2012 attempted to allay our concerns. However, frankly the report was difficult to understand (e.g. contained handwritten notations-see attached report). The Committee has requested that the County of San Diego Auditor and Controller, who administers the funds, address us at our next meeting regarding this issue. The phrase “trust but verify” applies here.
- We requested and just received assurance that no Proposition O Funds would be used to remove the dirt at Southwest High School. Because of significant citizen and media inquiries about the dirt at Southwest High and the use of Proposition O Funds on other projects at Southwest, the Committee requested and received a letter stating that no Proposition O funds would be used to deal with dirt removal. There were considerable discussions regarding the Southwest dirt and its issues in relation to other findings and concerns raised at prior Committee meetings and the Hall Report (e.g. the lack of transparency in certain District facility decisions). This lack of transparency perception was made even worse when a Committee member requested more information about the Southwest dirt situation. He was told that such information would have to be obtained through a Public Records request since it was not a Proposition O project.
- The CBOC discussed sending a letter to the County Board of Education and California State Board of Education regarding District Finances. No action was taken at this time regarding sending a letter from the Committee requesting a review (e.g. Forensic Audit) on the expenditure of District funds and the Bond program. This Committee concern was an outgrowth of the lack of clear information on recent Prop O cash flow


information and the number of management problems raised in the Hall Report that had yet been responded to as of our last July 12, 2012 CBOC meeting. Candidly, the Committee does not feel we are getting all the full-unvarnished information we need to effectively achieve our mission. In short, we are formally putting the District on notice that we will formally request the forensic audit and draft a letter if the District continues with its lack of transparency.

- The CBOC discussed change Orders and Contingency actions requiring further refinement and reporting to the Committee. There were several discussions about historical contingency changes (e.g. Southwest High and Montgomery Middle School) in relation to original and approved budgets and subsequent project changes. District staff will be working with the Chair to refine reports to increase transparency to the Committee and the Public, including responding back to citizen inquiries.
- A new Chair was elected. On June 23, 2012 I was elected Chair of the CBOC. I have over 32 years of County of San Diego Government experience, primarily in long range facility planning, Project Management for large scale capital projects (e.g. Hall of Justice), and selection and management of consultant contracts. Ending in 2007, I was a member of the BB Oversight Committee. Since taking over as Chair, weekly meetings occur with District staff Paul Woods to go over details and questions covered at meetings, updates on status of Proposition O projects since the last Committee meeting, and setting of agenda and related backup for CBOC meetings.

In summary, the CBOC is an active, questioning, and diligent group of volunteers who listens but it is not shy in raising thorny but important issues regarding the Oversight of Proposition O Funds. There is an under current of frustration and feeling that certain information is not forthcoming at all or difficult to understand when presented, raising further concerns. The Committee has shown restraint to this point when presented with potential actions, such as requesting a letter to the Board of Education and State Board of Education on District finances. It is hoped that the District takes our charge seriously and works with us for positive change.

Thank you for your consideration of my comments made on behalf of the Citizen's Bond Oversight Committee.

Sincerely,



Nick Marinovich, Chair
Proposition O Bond Oversight Committee

Cc: Jim Cartmill, Board Vice President
John McCann, Board Member
Arlie Ricasa, Board Member
Bertha Lopez, Board Member
Ed Brand, Superintendent