

SWEETWATER UNION HIGH SCHOOL DISTRICT

**MEASURE O
PERFORMANCE AUDIT
PERIOD ENDED JUNE 30, 2007**



**TOTAL SCHOOL SOLUTIONS
4751 MANGELS BOULEVARD
FAIRFIELD, CA 94534**

June 30, 2008

Sweetwater Union High School District

BOARD OF TRUSTEES

June 30, 2007

Arlie N. Ricasa	President
Pearl Quiñones	Vice President
Jim Cartmill	Member
Jaime Mercado	Member
Greg R. Sandoval	Member

ADMINISTRATION

Dr. Jesus M. Gandara, Superintendent

Karl Bradley, Assistant Superintendent, Facilities and Operations

TABLE OF CONTENTS

INTRODUCTION	1
EXECUTIVE SUMMARY	2
INDEPENDENT PERFORMANCE AUDITOR'S REPORT	4
COMPLIANCE WITH BALLOT LANGUAGE.....	5
BOND PROGRAM HISTORY/STATUS.....	8
DISTRICT FACILITIES PROGRAM	10
CITIZENS' BOND OVERSIGHT COMMITTEE.....	14
STATE SCHOOL FACILITY PROGRAM.....	16
BOND MANAGEMENT PLAN.....	17
BOND MANAGEMENT STRUCTURE AND ADEQUACY.....	20
DESIGN AND CONSTRUCTION SCHEDULES AND TIMELINES.....	23
DESIGN AND CONSTRUCTION COST BUDGETS	27
BEST PRACTICES FOR PLANNING AND CONSTRUCTION	30
CHANGE ORDER AND CLAIM PROCEDURES.....	32
CLAIM AVOIDANCE PROCEDURES	33
COMPLIANCE WITH STATE LAW, GUIDELINES, AND DISTRICT POLICY.....	35
PAYMENT PROCEDURES.....	40
BIDDING AND PROCUREMENT PROCEDURES	43
BEST PRACTICES FOR MANAGEMENT OF PROCUREMENTS OF MATERIALS AND SERVICES	46
EFFECTIVENESS OF THE PUBLIC OUTREACH PROGRAM AND COMMUNICATION CHANNELS AMONG ALL STAKEHOLDERS WITHIN THE BOND PROGRAM.....	48
EVALUATION OF PUBLIC OUTREACH PROGRAM.....	51
APPENDIX A.....	54
PROPOSITION O BOND MEASURE.....	54
APPENDIX B.....	78
CITIZENS' OVERSIGHT COMMITTEE.....	78

INTRODUCTION

On November 7, 2006, the Sweetwater Union High School District (the "District") submitted a bond measure for voter approval to authorize the sale of \$644 million in bonds to improve school facilities. Because the bond measure was placed on the ballot in accordance with Proposition 39, it required only 55 percent of the vote for passage.

Article XIII of the California State Constitution requires a district issuing bonds passed under the provisions of Proposition 39 to establish a citizens' bond oversight committee and to conduct two independent audits. The first audit is a financial audit similar to a district's annual financial audit; the second is a performance audit, which measures the effectiveness, economy and efficiency of the bond facilities program.

The District engaged the firm Total School Solutions (TSS) to conduct the annual independent performance audit of the Measure O bond program and report its findings to the Board of Trustees and to the Independent Citizens' Bond Oversight Committee. The report contained herein represents the first annual performance audit of the Sweetwater Union High School District's Proposition 39 bond program. This report covers the bond program and related activities from July 1, 2006, through June 30, 2007.

Besides ensuring that the District uses bond funds in conformance with the provisions listed in the Measure O ballot, the scope of this examination includes a review of the bond management plan/program, design and construction schedules and timelines; design and construction cost budgets; payment procedures, use of best practices regarding the planning and construction of school facilities; bond management structure including adequacy of program management personnel; procedures for claims avoidance; school management and construction budgets; change orders/claim procedures and results; compliance with law, District policies and guidelines regarding facilities and procurement; best practices for management of procurement of materials and services; the effectiveness of the public outreach program and communication channels among the stakeholders and evaluation of the public outreach program.

In accordance with Proposition 39, the District intends to have a performance audit completed annually until all Measure O funds have been expended. These reports are designed to meet the requirement of Article XIII of the California State Constitution and inform the community of the appropriate use of funds generated through the sale of bonds authorized by Measure O.

EXECUTIVE SUMMARY

This performance audit, conducted by Total School Solutions (TSS) during the period of May 2008 through June 2008, is the first annual audit of the \$644 million Measure O bond program. Because the bond management team and Citizens' Oversight Committee came on board in March and April 2007, only minimal expenditures were made during the fiscal year, and no projects had yet completed the design process, the focus of this audit was on the management structure and systems that have been put in place.

TSS, in conducting the audit, reviewed numerous documents produced by District staff and consultants and interviewed persons involved in the bond program. Representations made by District staff and consultants were used, where appropriate, to make assessments and formalize conclusions, which are documented in this report. Each audit component was evaluated separately and collectively based on the materiality of each activity and its impact on the total bond program.

It is noteworthy that the District previously passed Measure BB, a \$187 million bond measure, on November 7, 2000, and, as of June 30, 2007, had received \$275 million from the State for new construction and modernization projects. As of June 30, 2007, \$178 million remained unspent in the Building Fund (bond proceeds) and Other Capital Outlay Funds (State, developer fees, CFDs, special reserves, deferred maintenance). While the activities of the facilities program prior to Measure O were not subject to this performance audit, because of the prior bond measure and other sources of revenue, management systems and procedures were already existing and reviewed by TSS.

After passage of Measure O, the District realigned its bond program management team. Prior to Measure O, program management services were provided by Harris & Associates. In April 2007, the Board of Trustees approved the joint venture of Gilbane Building Company and SGI Construction Management to provide program and construction management services on Measure O and the remaining work on the prior Measure BB. In addition, three new architectural firms were selected to design the nine initial school sites.

To assist with the transition, the new bond program management firm, Gilbane/SGI developed a "Proposition O Program Management Plan" to provide guidance, control and management throughout the Measure O bond program. While the new Plan appears to be complete, caution is advised to avoid potential duplication of effort due to the current usage of existing District systems. As of June 30, 2007, it was too early to effectively evaluate the new Plan.

Architectural firms were selected in May 2007, six months after passage of Measure O, and design work began in September 2007 on a few projects. To maintain the original schedule, design time was reduced. As a consequence, it is cautioned that limited design review may lead to subsequent problems during the bidding and construction phases. TSS recommends that the District closely monitor project progress to avoid any unnecessary changes in scope, budget and schedule for the projects.

In preparing for Measure O, the District relied upon the existing Long Range Facilities Master Plan, and its prior Measure BB, to determine the scope of Measure O. In recognition of the fact that long range plans require periodic updating, the Board awarded a contract to LPA Architects in June 2007 to update the District's Long Range Facilities Master Plan.

While facilities program management practices are in place, and have been followed throughout the prior facilities projects at approximately twenty-two school sites, the District's policies and regulations covering business practices and facilities are mostly incomplete or obsolete. It is recommended that business and facilities policies and regulations be updated. As noted in this audit report, internal controls in effect in such areas as payment and purchasing procedures are well structured, but more training and communication is needed in the bidding and procurement process as changes in the management plan occur during the delivery of Measure O projects.

It is important that strong systems and procedures be in place and understood by all participants in the Measure O bond process at the outset. The observations and recommendations made throughout this audit report will hopefully help to strengthen those systems and procedures.

It should be noted that this work has been performed to meet the requirements of a performance audit in accordance with Article XIII of the Constitution of the State of California. Any known significant weaknesses and substantial noncompliance items have been reported to the District's management. This performance audit is not a fraud audit, which would be much wider in scope and more significant in nature than this examination.

The readers of this report are encouraged to review the report of the independent financial auditors in conjunction with this report before forming opinions and drawing conclusions about the overall operations of the bond program.

INDEPENDENT PERFORMANCE AUDITOR'S REPORT

**Board of Trustees
Sweetwater Union High School District
Chula Vista, CA 91911**

We have conducted a performance audit of the Measure O funded bond program of the Sweetwater Union High School District (the "District") as of and for the year ended June 30, 2007. The audit's scope is indicated in the table of contents. The information provided herein is the responsibility of the District's management. Total School Solutions' responsibility is to express an opinion on the pertinent issues included in the scope of this performance audit.

In our opinion, the Measure O funds are being expended in accordance with Resolution No. 3542, inclusive of Exhibit A, passed by the Board of Trustees of Sweetwater Union High School District on July 24, 2006. It is also our opinion, for the period ending June 30, 2007, the expenditures of the funds generated through Measure O bonds were only for the projects listed in Exhibit A (which was attached to Resolution No. 3542 establishing the scope of work to be completed with Measure O funds). We have also determined that the representations made to the public regarding the availability of state funds for new construction and modernization projects were true and reasonable. Furthermore, we have determined that management's estimates were reasonable and complied with commonly accepted best practices in modernization and new construction of school facilities.

This performance audit was conducted in accordance with the District defined scope of performance audit of the school facilities program. The District, however, is required to request and obtain an independent financial audit of Measure O bond funds. The financial auditor is responsible for evaluating conformance with generally accepted auditing principles and auditing standards pertinent to the financial statement. The financial auditor also evaluates and expresses an opinion on such matters as the District's internal controls, controls over financial reporting and its compliance with laws and regulations. Our opinion and accompanying report should be read in conjunction with the independent financial auditor's report when considering the results of our performance audit and forming opinions about the District's bond program.

This report is intended solely for the use of the management, the Board of Trustees and the Independent Citizens' Bond Oversight Committee of the Sweetwater Union High School District, which have taken responsibility in regard to the sufficiency of the scope of work deemed appropriate for this performance audit.

Total School Solutions

June 30, 2008

COMPLIANCE WITH BALLOT LANGUAGE

Processes Utilized

In the process of this examination, TSS reviewed records and conducted interviews with various staff members. TSS also referenced files from various outside agencies to verify information through independent sources.

Examination

TSS reviewed all current District projects. Because 2006-07 was the first year of the Measure O bond program, projects were still in the design phase.

Background

The Board of Trustees of the Sweetwater Union High School District unanimously approved placing a \$644 million bond measure (Measure O) on the ballot with the adoption of Resolution No. 3542 on July 24, 2006. The bond measure was approved by voters on November 7, 2006, with a 67.5 percent affirmative vote. A 55 percent vote was required for passage. Article XIII of the California State Constitution, amended through Proposition 39, states "that every district that passes a Proposition 39 bond measure must obtain an annual independent performance audit." Article XIII further provides that monies obtained through the successful passage of a bond measure may be expended only on those projects listed in the bond measure language.

In accordance with this article of the state constitution, Resolution 3542 states that the board shall "conduct an annual, independent performance audit to insure that the proceeds from the sale of the Bonds have been expended only on the specific projects listed in this bond proposition."

The ballot language contained in Measure O is presented in detail in Appendix A. The following statement that appeared on the ballot summarizes the essence of the bond measure:

"School Classroom, Safety and Repair Measure. To improve learning/safety at every Sweetwater Union High School District campus by repairing/earthquake retrofitting classrooms/restrooms; installing upgraded fire safety systems, security fencing, safety lighting; upgrading science labs/computer technology; improving handicap accessibility; replacing leaky roofs, heating/air conditioning, outdated plumbing; removing asbestos, mold and lead paint; shall the District issue \$644 million in bonds, at legal interest rates, with citizens' oversight, independent annual audits and no money for administrators' salaries."

Appendix A, Exhibit A, School Facilities Projects, attached to Resolution No. 3542, establishes the scope of work to be completed with Measure O bond funds, state school facilities funds and other local revenues. That exhibit provides a comprehensive list of improvements to be completed at thirty-five existing schools and learning centers, with an understanding that the District may not be able to implement all the changes at every school. Exhibit A also specifies that Measure O bond funds "may be used to design, acquire, construct, equip and expand school sites, buildings, facilities and campuses within the District." To enhance available funding, Measure O "is also for the purpose of making the District eligible for State matching funds," and that the "project list assumes that the District would also receive State matching funds."

The thirty-five specific school sites and learning centers identified include the following:

- Bonita Vista Middle School
- Castle Park Middle School
- Chula Vista Middle School
- Community Day Middle School
- Eastlake Middle School
- Granger Junior High School
- Hilltop Middle School
- Mar Vista Middle School
- Montgomery Middle School
- National City Middle School
- Rancho del Rey Middle School
- Southwest Middle School
- Bonita Vista High School
- Castle Park High School
- Chula Vista High School
- Eastlake High School
- Hilltop High School
- Mar Vista High School
- Montgomery High School
- Olympian High School
- Otay Ranch High School
- Palomar High School
- San Ysidro High School
- Southwest High School
- Sweetwater High School
- Options Secondary School
- Alta Vista Academy
- Fifth Avenue Academy
- Imperial Beach Technology Academy
- Vocational and Technical Education
- Adult Resource Center
- Chula Vista Adult School
- Montgomery Adult School
- National City Adult School
- San Ysidro Adult School

As required by Proposition 39, the District certified the results of the November 7, 2006 Measure O bond election at the school board meeting of January 22, 2007. At the school board meeting of March 12, 2007, within 60 days of the certification of the Measure O results, as required by Proposition 39, the school board established a Citizens' Oversight Committee for Measure O, appointing seven initial members.

The use of Measure O funds, the scope defined by Resolution No. 3542, and Appendix A, Exhibit A, provide the range of projects subject to this performance audit, as required by the state constitution. As of June 30, 2007, the District was in full compliance with all provisions in Resolution No. 3542, which authorized the \$644 million Measure O bond measure.

BOND PROGRAM HISTORY/STATUS

To assist the community in understanding the District's bond program and the chronology of events and/or decisions, this report documents the events that have taken place since July 1, 2006.

Chronology of Bond-related Board Agenda items since July 1, 2006.¹

DATE	ACTION	AMOUNT
July 24, 2006 through June 11, 2007 (A-3)	A Bond Oversight Committee report is on the Board agenda each month of the fiscal year.	
July 24, 2006 (M-12)	Adoption of Resolution No. 3542 calling for a Proposition 39 (55 percent approval) bond measure, Proposition O, in an amount not to exceed \$644 million, on November 7, 2006.	
July 24, 2006 (M-13)	Adoption of Resolution No. 3543 establishing policies and regulations relative to a Citizens' Oversight Committee pursuant to Proposition 39 and related law.	
January 22, 2007 (F-01)	Proposal to amend Harris & Associates program management contract to work on Proposition O projects and to negotiate amendments to current architectural and construction management contracts. (Withdrawn) (Note: Harris & Associates was hired in 2004 to provide Proposition BB program management services.)	
January 22, 2007 (F-09)	Information report on Financial Advisory Services for Proposition O bonds by the current advisor, Harrel & Company Advisors, LLC.	
January 22, 2007 (M-09)	Adoption of Resolution No. 3640 certifying the results of Proposition O held on November 7, 2006. (67.47 percent affirmative vote.)	
February 20, 2007 (A-07)	Approve approach to providing professional services for Proposition O; 1) Issue RFQ/RFP for Program Management Services, Architects, Construction Management, Testing, Inspections and other design and construction support services; 2) Negotiate contract for Financial Planning Services, Underwriter Services, Bond Counsel, Disclosure Counsel and Bond Insurer.	
March 12, 2007 (H-14)	Proposition O Citizens' Oversight Committee: appointment of initial seven members to the Committee as follows: Business Organization Member Senior Citizen's Organization Member Bona Fide Taxpayer Association Member Parent of Sweetwater Student Member Parent and Active in Parent-Teacher Organization Member At-large member At-large member	
March 12, 2007 (H-15)	Approval of Proposition O Implementation Concept to allow staff to begin the design work at nine school sites (with focus on older sites and sites with eligibility for state matching funds) and to form the basis for updating the Long-Range Facilities Master Plan.	

DATE	ACTION	AMOUNT
April 9, 2007 (F-09)	Approve selection of Gardner, Underwood & Bacon as Financial Advisor for Proposition O.	\$80,000 - \$100,000
April 24, 2007 (J-01)	Approval of the following firms to provide architectural services on Proposition O projects: Bunton Clifford Associates, Inc. Ruhnau Ruhnau Clarke LPA Architecture & Planning Martinez Architects, Inc. Rachlin/Reyes Architects Alternate: Trittippo Architecture and Planning	
April 24, 2007 (J-02)	Approval of Program Management Services for Proposition O projects with Gilbane Building Company/SGI Construction Management; contract to be negotiated.	
May 16, 2007 (J-01)	Approve interim agreement with Gilbane/SGI for Program Management Services for Proposition O.	
May 16, 2007 (J-02)	Approve interim agreement with Gilbane/SGI for Program Management Services for Proposition BB. (Transfer from Harris & Associates contract which expires on June 21, 2007.)	
May 16, 2007 (J-03)	Report on Proposition O by Gilbane/SGI Program Management Firm.	
May 16, 2007 (J-04)	Authorize staff to negotiate and award architectural services contract with Trittippo Architecture and Planning relative to Proposition O design and long range master planning. (Tabled)	
June 11, 2007 (F-07)	Presentation by Gardner, Underwood and Bacon, LLC, Financial Advisor, regarding a plan for the sale of Proposition O bonds.	
June 11, 2007 (H-14)	Presentation of the District's enrollment projections report prepared by Davis Demographics, Inc. (Note: Projections will be utilized in the update of the Long Range Facility Master Plan.)	
June 11, 2007 (H-15)	Approval of contract with LPA Architects for updating the District's Long Range Facility Master Plan. (Funding: Proposition O)	\$145,000
June 11, 2007 (J-01)	Request to authorize staff to negotiate with Trittippo Architecture and Planning to provide Proposition O architectural services and long range master planning. (Motion failed: 2-3)	
June 11, 2007 (M-05)	Adoption of Resolution No. 3709 declaring intention to reimburse expenditures of Special Reserve Fund and other District funds used for planning Proposition O projects prior to the sale of Proposition O bonds.	

¹ The chronological list does not include any items related to Proposition BB or projects previously funded out of the Capital Facilities Fund (developer fees), the County School Facilities Fund (state matching funds for Proposition BB projects), the Deferred Maintenance Fund or Mello-Roos funds (CFD #1 and #2). Proposition BB was a \$187 million bond measure that passed on November 7, 2000, which funded, together with other revenue sources, approximately thirty modernization and growth projects at twenty-two school sites.

DISTRICT FACILITIES PROGRAM

Although the scope of this performance audit is limited to Measure O, it is useful to review the District's entire facilities program and other sources of funds to place Measure O in its proper context. In addition to Measure O funds, the District receives funds from 2000 Measure BB bonds, the State, local developer fees, and a local community facilities district (Mello-Roos).

The following tables present the financial status of the District's facilities program for the fiscal year 2006-07. As of June 30, 2007, no Measure O bonds have been issued. While no Measure O bonds were sold and only minimal expenditures of funds against Measure O were expended, by establishing the base financial position of the District's facilities program, Measure O can be placed in its proper perspective in subsequent performance audits. Also, since the District adopted Resolution No. 3709 declaring the intent to reimburse other District Funds for expenditures incurred for the Measure O projects, this discussion becomes particularly relevant.

Revenues and Expenditures for Facilities Program, FY 2006-07

	Fiscal Year Ending June 30, 2007
Building Fund¹ (21)	
Beginning Balance	\$73,035,769
Revenues	2,214,725
Expenditures	78,346,875
Transfers In ³	37,064,679
Transfers Out	209,560
Transfers (Net)	36,855,119
Net Change	(39,277,031)
Ending Balance	\$33,758,738
Other Capital Outlay Funds²	
Beginning Balance	\$188,318,533
Revenues	44,816,325
Expenditures	55,200,244
Transfers In	7,645,281
Transfers Out	40,945,792
Transfers (Net)	(33,300,511)
Net Change	(43,684,430)
Ending Balance	\$144,634,103
Building Fund & Other Capital Outlay Funds	
Beginning Balance	\$261,354,302
Revenues	47,031,050
Expenditures	133,547,119
Transfers In	44,709,960
Transfers Out	41,155,352
Transfers (Net)	3,554,608
Net Change	(82,961,461)
Ending Balance	\$178,392,841
Outstanding Debt	
Measure BB Bonds (Series A, B & C)	\$186,069,216
Measure O Bonds ⁴	0
COPs	16,832,500
Capital Leases	8,060,944
Total Debt	\$210,962,660

¹ The Building Fund (Fund 21) is used primarily to account separately for proceeds from the sale of bonds and the expenditures for the acquisition of major governmental capital facilities and buildings. As of June 30, 2007, there were no Measure O bonds sold, so the ending balance was related to prior bond (Measure BB) sales.

² Other capital outlay funds include the Capital Facilities Fund (developer fees), the County School Facilities Fund (state monies), the Special Reserves Capital Outlay Fund (special board-approved projects), the Building Corporation Capital Projects fund (Mello-Roos COPs) and the Deferred Maintenance Fund.

³ See attached table for an explanation of transfers in/out of each fund.

⁴ The Measure O program is scheduled to be funded with four bond issues:

- 1st Quarter 2008 \$180,000,000
- 1st Quarter 2011 \$200,000,000
- 1st Quarter 2014 \$200,000,000
- 1st Quarter 2017 \$ 64,000,000

The schedule above was set based on the projected assessed valuation of the District and the resulting dollar amount of General Obligation Bonds it may issue. The District should exercise caution due to the current conditions of the real estate market. Although county assessors may increase real property assessment by 2 percent per year and reassess upon transfer of title, the historical rates of overall assessed valuation increases may not be realized since the re-sale values of homes have recently been declining. This could result in the District not being able to issue the planned bond on schedule.

OTHER CAPITAL OUTLAY FUNDS FISCAL YEAR 2006-07 (AUDITED)

Fiscal Year Ending June 30, 2007	Capital Facilities Fund ¹	County School Facilities Fund ²	Building Corporation Capital Projects ⁴	Special Reserve Capital Outlay ³	Deferred Maintenance ⁵	Totals
Beginning Balance	\$3,470,844	\$62,168,881	\$102,406,080	\$13,677,821	\$6,594,907	\$188,318,533
Revenues	1,416,144	16,033,876	23,600,909	1,821,720	1,943,676	44,816,325
Expenditures	1,287,253	27,180,397	18,509,076	6,361,087	1,862,431	55,200,244
Transfers In	0	1,951,001	1,983,995	2,510,285	1,200,000	7,645,281
Transfers Out	155,677	37,064,679	1,741,441	1,983,995	0	40,945,792
Transfers (Net)	(155,677)	(35,113,678)	242,554	526,290	1,200,000	(33,300,511)
Net Change	(26,786)	(46,260,199)	5,334,387	(4,013,077)	1,281,245	(43,684,430)
Ending Balance	\$3,444,058	\$15,908,682	\$107,740,467	\$9,664,744	\$7,876,152	\$144,634,103

¹ The Capital Facilities Fund (Fund 25) is used for to account for developer impact fees.

² The County School Facilities Fund (Fund 35) is used for State Allocation Board (SAB) funds received for modernization, site acquisition and new construction projects for which the District is eligible.

³ The Special Reserve Capital Outlay Fund (Fund 40) is used to account for funds set aside for board designated construction projects.

⁴ The Building Corporation Capital Projects Fund reports on the financial accounts of the Sweetwater Union High School District Financing Corporation, a legally separate organization for which the District is accountable. Certificates of Participation (COPs) issued by the Corporation under a Community Facility District (CFD) are long term obligations included in the District's records.

⁵ The Deferred Maintenance Fund (Fund 14) is used for the purpose of major repair or replacement of District property.

TRANSFERS IN/OUT 2006-07

Transfer To	Transfer From						Totals
	General Fund	Building Fund	Capital Facilities Fund	County School Facilities	Special Reserve Capital Outlay	Building Corporation Capital Outlay	
Building Fund				\$37,064,679			\$37,064,679
Capital Facilities							0
County School Facilities		\$209,560				\$1,741,441	1,951,001
Special Reserve Capital Outlay	\$2,354,608		\$155,677				2,510,285
Building Corporation Capital Outlay					\$1,983,995		1,983,995
Deferred Maintenance	1,200,000						1,200,000
Totals	\$3,554,608	\$209,560	\$155,677	\$37,064,679	\$1,983,995	\$1,741,441	\$44,709,960

CITIZENS' BOND OVERSIGHT COMMITTEE

Statutes governing a Citizens' Oversight Committee (Education Code Sections 15278-15282) were included in Assembly Bill 1908 (2000) and took effect upon passage of Proposition 39 on November 7, 2000. (See Appendix B.)

Education Code Section 15278 requires that the governing board establish and appoint members to an independent citizens' oversight committee within 60 days of the date that election results are certified. The Board of Trustees of Sweetwater Union High School District duly certified Measure O election results on January 22, 2007, and appointed members to the committee on March 12, 2007, thereby complying with the statute. The District created a citizens' bond oversight committee, with an initial membership of seven members, in conformance with law, as follows:

Statutory Requirements (Seven Members Minimum)

- One member representing the Business Community
- One member representing a Senior Citizens' Organization
- One member from the Taxpayers' Organization
- One Parent or Guardian of child(ren) enrolled in the District
- One Parent or Guardian of child(ren) enrolled in the District, plus active in a Parent-Teacher Organization
- Two additional members

In addition to State of California statutes that set forth the activities of a Citizen's Oversight Committee (Appendix B), the Board adopted Resolution No. 3543 on July 24, 2006, establishing policies and regulations to clarify the Committee's role and duties. Those bylaws included a requirement to hold regular meetings. These meetings enable the Committee to conduct reviews and monitor Measure O revenues and expenditures.

Education Code Section 15280(b) requires that the Citizens' Oversight Committee issue an annual report and maintain a website. The District and Committee are in full compliance with these requirements. A link to the committee website exists on the District website. The Committee website includes all meeting agendas, minutes, and pertinent information about the Measure O bonds.

The Committee held its first meeting on November 8, 2007, after the ending date of the period covered by this audit report (June 30, 2007). The activities of the Committee will, therefore, be reported in the performance audit report for the period of July 1, 2007 through June 30, 2008.

A written report by the Committee is to be prepared and issued to the community at least once a year, but no such report was required as of June 30, 2007. To keep the Board and community informed of the Committee's activities, an oral report is included on the Board agenda each month of the fiscal year.

Commendations

- The District and Committee are commended for their full compliance with the law and for a broad representation of the community on the committee.
- The District is commended for adopting policies and regulations related to the Committee in advance of the appointment of initial members to clarify roles and responsibilities.

STATE SCHOOL FACILITY PROGRAM

The District has filed facilities applications under the following programs:

- 50 - New Construction
- 57 - Modernization
- 55 - Career Technical Education – New Construction

Prior to the passage of Measure O on November 7, 2006, the District received state funding for a number of new construction and modernization projects. While those prior projects are not subject to this performance audit, they are listed to enable a complete accounting of state funds received.

As of June 30, 2007, the District has received the state grant amounts summarized in the following table:

State Program	SAB #¹	State Grant Amounts
New Construction	50-01/001-029	\$29,248,375
New Construction	50-02/001-004	134,215,204
Modernization	57/001-028	111,371,987
Total State Grants		\$274,835,566

¹ 50-01 and 50-02 relate to high school attendance area projects.

In addition to the above funded projects, the District has the following applications on file for pre-Measure O projects which will be funded after June 30, 2007:

Application #	Project	State Grant Amount
SAB 50-02-005	San Ysidro High	\$8,730,155
SAB 55-00-001	Sweetwater Union High	Unknown
SAB 55-00-002	Chula Vista Sr. High	Unknown
SAB 55-02-001	San Ysidro High	500,000
SAB 57/029	Chula Vista Sr. High	1,237,773
SAB 57/030	Palomar High	2,039,540
SAB 57/031	Hilltop Sr. High	3,930,529
Total State Grants		\$16,437,997

As of June 30, 2007, only initial design work has been done on Measure O projects. Therefore there is no activity regarding the State School Facility Program to report in this first annual performance audit. Subsequent performance audits will track the progress of the District as it files applications and receives State matching funds for the Measure O projects.

BOND MANAGEMENT PLAN

Background

Larger school construction programs in California have various program and project delivery options available to them. Those options include, but are not limited, to the following:

- Design, Bid, Build - General Contractor
- Design, Bid, Build - Multiple Prime
- Design, Bid, Build, Multiple Prime - Construction Manager at Risk
- Lease/Lease-Back
- Design/Build

The Sweetwater Union High School District bond program is based on the Design, Bid, Build – General Contractor method. In this method, various participants are typically required to fulfill a number of defined roles. Significant functions or roles generally include the following:

- Owner
- Program Manager
- Architect
- Project Manager
- Contractor
- Project Inspector

School districts often contract with individuals, firms or agents for most services associated with the general functions listed above. This separation of responsibilities allows for a set of checks and balances to be established based on the relationships of the separate entities performing their respective functions.

District Plan

Following the passage of Measure O on November 7, 2006, the Sweetwater Union High School District Board of Trustees took the following actions to develop a Bond Management Plan:

- Approved Approach on February 20, 2007.
- Approved Implementation Concepts on March 3, 2007.
- Approved Gilbane/SGI as Program Manager on April 24, 2007.
- Approved Interim Program Management Contract on May 16, 2007.

As required by the Program Management contract, the Program Manager has developed a “Proposition O Program Management Plan” The plan has been organized to include the following components:

Introduction

- Bond Initiative
- Purpose

Organization

- Roles and Responsibilities
- Summary of specified overall bond program management Roles and Responsibilities:
 - Master Architect
 - Campus Architect
 - Bond Program Manager

Implementation Plan

- Approach
- Key Strategic Direction
- Implementation Strategy
- Monitoring and Adjustment
- Process and Methodology
- Goals and Objectives
- Program Controls
- Budgets and Project Estimating
- Financial Management
- Initiating Projects
- Establishing Project Budgets
- Construction Contractors
- Processing Change Orders
- Processing Payment Requests/Invoices
- Generating Monthly Report
- Claims Management & Dispute Resolution
- Cost Forecasting and Trending
- Management Reports
- Scheduling
- Bond Leveraging (Matching Funds)
- Bond Coordination

The sections in the management plan, in most part, provide a narrative that defines the matter and/or process intended in detail.

Observations

- The Measure O Program Management Plan appears to have all of the components necessary to provide proper program guidance, control and management.
- The Program Management Plan provides a clear outline of the details and the action plan necessary for the successful delivery of the District's bond program.
- Many of the Implementation Plan components could be redundant to the existing District systems. Caution should be exercised to avoid duplication of efforts by the Program Manager and the District staff.

Commendation

- The District and Program Manager are commended for timely development of a thorough program management plan.

Finding

- There are no findings in this section

District Response

- Staff will be vigilant to avoid duplication of efforts. With diminished staff in the planning department, currently, duplication of efforts seems unlikely.

BOND MANAGEMENT STRUCTURE AND ADEQUACY

The District's approach to providing professional services on the Measure O bond program is primarily to utilize the services of consultants under the direction of the Assistant Superintendent, Facilities and Operations. During the initial stages of Measure O implementation, the District's Planning and Construction Department is minimally involved, as department staff and resources are currently assigned to the prior Measure BB projects. Currently, no Measure O funds are used to pay costs for the operation of the Planning and Construction Department.

Program Management Services and Project Management Services on Measure O projects are being provided by a joint venture by Gilbane and SGI. As stated in the prior section, the District's management team comprised of the following participants:

- Owner Representative (District Administration and Gilbane/SGI)
- General Contractor
- Architect/Engineer of Record (AOR)
- Inspector of Record (IOR)
- Program/Project Manager (District staff and/or Gilbane/SGI)
- Consultants (Specialists, as needed, such as testing labs, civil engineer and geotechnical engineer)

For some of the prior Measure BB projects, a multi-prime contractor approach to construction was utilized, but it is proposed that many Measure O projects utilize the more traditional general contractor approach outlined above.

Program Management and Architect/Engineer of Record (AOR) Selection Process

The Board of Trustees approved a "Proposition O Implementation Concept" on March 12, 2007, to enable design work to begin at nine school sites as quickly as possible.

At the Board meeting of April 24, 2007, , the Board selected Gilbane Building Company and SGI Construction Management to provide Program Management Services for Measure O projects. At the same meeting, the Board selected the following firms to provide architectural services for Measure O projects:

- Bunton Clifford Associates, Inc.
- Ruhnau Ruhnau Clarke
- LPA Architects
- Martinez Architects
- Rachlin/Reyes Architects

During subsequent negotiations with the five selected architectural firms, the District proposed a flat fee of 8 percent of the construction contracts in lieu of the more traditional sliding scale of fees for modernization which generally starts at 12 percent. The District was unable to reach an agreement with two of the architectural firms. Thus, the initial nine school sites were assigned to the three remaining firms as follows:

Architectural Firm	School Sites
Bunton Clifford Associates, Inc.	Chula Vista High School – Project 1 Southwest Middle School – Project 1 Sweetwater High School – Project 1
Ruhnau Ruhnau Clarke	Chula Vista Middle School – Project 1 Hilltop High School – Project 1 Montgomery High School – Project 1
LPA Architects	Mar Vista High School – Project 1 National City Middle School – Projects 1 & 2 Southwest High School – Project 1

On May 16, 2007, the Board approved an interim agreement with Gilbane/SGI to allow program management services to proceed while a permanent agreement was still being negotiated and developed. By a separate action, the Board also entered into an interim agreement with Gilbane/SGI to provide services on the prior Measure BB projects (not included in this performance audit).

Observations

- The District awarded design contracts to architects for Measure O projects in May 2007, approximately 6 months after the passage of Measure O. However, initial project design did not begin until September 2007 or later. As a result, design schedules were compressed to preserve the design completion dates initially established. This practice has inherent risk of proceeding to bid with construction documents that may not be complete or have not gone through a desired and comprehensive review process.
- The architectural contracts require a substantial number of submittals in the schematic, design development, and construction document phases of project design. The number of deliverables appears excessive for a compressed design schedule. If all submittals and/or copies are not needed, the District may benefit by reducing this requirement to include only that is useful. The time and effort thus saved could improve the quality of the final documents.

District Responses

- Adequate steps have been taken to ensure complete documents, such as comprehensive constructability reviews and efficient cost estimate coordination.
- Most of the design schedule compression has occurred by reducing the DSA review time. This was possible, only because, of the MOU established between the district and DSA. The MOU states that given certain conditions, DSA would return the reviewed plans in 8 – 10 weeks.
- The established number of design submittals is required, in this compressed schedule, to properly monitor the progress of the projects, keep the projects on schedule and early identification of any problems with the budgets.

DESIGN AND CONSTRUCTION SCHEDULES AND TIMELINES

Process Utilized

TSS reviewed the District's Long Range Facilities Master Plan, project schedules, monthly reports prepared by the program manager and the Measure O bond language. Interviews were also conducted with the District staff, representatives from the architect's offices who have been assigned to the District's projects, and representatives from the staff of the program manager.

Background

Measure O was passed in November 2006. It appears that work had not been commenced related to Measure O during the time between the passage of Measure O and April 2007. Projects from the previous bond measure were underway and that work might have delayed the implementation of the Measure O projects. In late spring of 2007, the District replaced the program/construction manager for Measure BB projects with a new program manager. An RFQ for architectural services was also issued. Architectural firms and the new Program Manager were approved by the Board on April 24, 2007. Monthly updates from the new program manager indicate that architectural agreements were not signed during the period of this audit and no design work was started. The following "Proposition O Draft Project Schedule" dated February 21, 2007, sets forth a preliminary schedule for the Measure O projects.

District Procedures

Project schedules were developed during this time frame. In an attempt to maximize the amount of bond dollars assigned to the hard construction and to minimize the amount lost to escalation, the District's program manager set short time schedules for the design of the projects. These schedules indicate the start of design in the fall of 2007 and submittal to the Division of the State Architect in August 2008. With projects ranging in construction budget from \$6 million to \$33 million, these schedules appeared to be quite aggressive. Projects with shorter timelines are prone to more errors in documentation and leave little time contingencies for needed corrections and adjustments. If the District requires changes to the scope or if unforeseen conditions are discovered during the design and documentation phases, the specified deadlines may be missed.

The District has also negotiated a Memorandum of Understanding with the San Diego office of the Division of the State Architect to expedite approval of the plans and specifications. The MOU is based on a procedure established in law for the community colleges and provides for a collaborative approach to the approval process. The process requires the District and the Architect of Record for a specific project to meet with the DSA several times prior to the final submittal of documentation. The concept is that these meetings allow the DSA plan review to become familiar with the projects and require less time for final formal review. In addition, if the District and their design teams make a commitment to submit complete documentation on a specific date, the DSA agrees to start the review process immediately and eliminate the "bin" time. Shorter timelines may make it difficult for the design teams to have required documentation complete at the time of submittal.

Observation

- During the period covered by this performance audit, the District has gone through significant changes affecting the building program: A new Superintendent and a new program manager have been hired. Attempting to move projects into construction as quickly as possible to avoid escalation is commendable. However, the amounts saved by this process must be weighed against the potential cost increases due to errors and omissions in the documentation caused by the shortened timelines. The program manager reports that procedures have been put in place to ensure that errors are kept to a minimum. These procedures consist of additional submittals required of the architect and checked by the program manager and other members of the District's staff. The submittals are used for constructability reviews and program reviews. Complete cost estimates are required to verify that the projects are within budget. While this process would, in a typical project timeframe, lead to a higher quality documentation, there is a concern that the additional time required to prepare and respond to these submittals will further reduce the time available to prepare the required documentation and negate any improvement in quality. These submittals, themselves, require a significant amount of additional time for the architect to prepare documents and respond to the comments. This process further taxes the time available for the architects to complete the documents accurately.

Recommendations

- The District should monitor the project schedules closely and avoid any unnecessary District generated changes in scope or budget for the projects. If changes do occur, they should be presented to the design teams as quickly as possible. Alternatives that may have lesser impact on the schedule should also be discussed. If changes are required and/or desired, they should be incorporated into the documents prior to bidding and not postponed for inclusion until after the project is under construction. Changes occurring during construction generally do not provide the best value.
- The District should consider reducing the submittals required by the architects to a manageable number. The submittals typically include one at the end of the Schematic Design phase; one at the end of the Design Development phase; one at 50 percent completion of the Construction Document phase and one at the completion of the Construction Document phase. If submittals are required more frequently, there may be little or no new information to be incorporated into the next submittal. It may also be advisable to set up meetings between the design team members, including the architect's consultants, and the individuals generating comments. In those meetings, the comments could be discussed and clarified, and decisions could be made on the issues.

District Responses

- Staff concurs. Projects are being watched closely to avoid any unnecessary changes in scope and budget.
- Staff will evaluate the lessons learned during design and apply the best practices to the next round of design. We will review the design submittal process and amend as necessary based on the lessons learned.



PROPOSITION O DRAFT PROJECT SCHEDULE CONSTRUCT AT MULTIPLE SITES APPROACH

2/21/2007

School / Project	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Sweetwater High School													
National City Middle School													
Sweetwater Middle School													
Chula Vista Middle School													
Chula Vista High School													
Sweetwater High School													
Mar Vista High School													
Montgomery High School													
Hilltop High School													
Castle Park High School													
Bonita Vista High School													
Palomar High School													
Hilltop Middle School													
Granger Jr. High School													
Castle Park Middle School													
Mar Vista Middle School													
Montgomery Middle School													
Escondido High School													
Bonita Vista Middle School													
Rancho Del Rey Middle School													
Escondido Middle School													
Recently Constructed High Schools													
Adult Schools													
Alternative Education													
Technology Program													
New School Construction													
Contingency													

* Estimated bond sale amounts in millions

Design

Construction

Technology Program

DESIGN AND CONSTRUCTION COST BUDGETS

Process Utilized

TSS reviewed documents including the Long Range Facilities Master Plan, the language in Measure O, and the Measure 'O' Monthly Program Management Report prepared by the program manager. The audit team also conducted interviews with key individuals from the District, School Board members, the program manager and representatives from the offices of the architects assigned to the Measure O projects.

Background

As of June 30, 2007, there were no established budgets for Measure O projects. On June 11, 2007, the Board adopted Resolution No. 3709 to advance fund Measure O work, to be reimbursed out of future Measure O bond sales. As of June 30, 2007, the only expenditures made on behalf of Measure O were the following:

2006-07 Measure O Expenditures

Proposition O Election Costs	\$85,421
Program Management Fees	46,256
Miscellaneous Proposition O Costs	3,934
Total	\$135,611

District Procedures

The budgets, established for each site included in the Phase I project list, were based on the 2004 Long Range Facilities Master Plan (LRFMP). Projects funded under Measure BB are either completed or under construction and were not included from the Master Plan list for Measure O. The needs recognized in the Master Plan, and not addressed as a part of Measure BB, were prioritized for inclusion on the Measure O project list. Funds from Measure O are going to be made available in four phases, because of four planned bond issues. These issuances are based on the assessed valuation of property within the District. The first bond issue sale produced \$180 million. The projects included in Phase I were based on that bond issue, estimated funding available from the State School Facility Program and bid savings from Measure BB. The project allocations, presented in the Prop "O" Project Funding Report provided by Gilbane/SGI, are listed in the table below:



Prop "O" Project Funding Report

4/9/2008

FUNDING DISTRIBUTION

	Total Budget	Prop "O"	* Prop "BB"	State Match	Grants	Other	Revisions
Prop O - Planning and Operations	\$6,725,221	\$6,725,234	\$0	\$0	\$0	\$0	\$0
Chula Vista Middle School Project 1	\$8,549,707	\$7,939,556	\$0	\$710,161	\$0	\$0	\$0
National City Middle School Project 1	\$16,191,700	\$15,613,591	\$0	\$178,771	\$0	\$0	\$0
Southwest Middle School Project 1	\$14,738,042	\$13,465,358	\$0	\$272,202	\$0	\$0	\$0
Chula Vista High School Project 1	\$28,207,172	\$21,256,925	\$0	\$3,380,000	\$3,550,000	\$0	\$0
Hilltop High School Project 1	\$19,741,358	\$15,791,922	\$0	\$2,943,716	\$0	\$0	\$0
Mar Vista High School Project 1	\$10,417,900	\$4,574,590	\$0	\$5,843,702	\$0	\$0	\$0
Montgomery High School Project 1	\$20,913,971	\$20,370,208	\$0	\$535,647	\$0	\$0	\$0
Southwest High School Project 1	\$24,467,998	\$23,775,554	\$0	\$693,066	\$0	\$0	\$0
Sweetwater High School Project 1	\$45,627,823	\$15,526,337	\$12,000,000	\$10,800,000	\$6,300,000	\$0	\$0
National City Middle School Project 2	\$16,191,700	\$15,013,591	\$0	\$178,771	\$0	\$0	\$0
Castle Park High School Project 1	\$40,534,726	\$40,372,587	\$0	\$162,312	\$0	\$0	\$0
Chula Vista High School Project 2	\$24,338,828	\$24,338,828	\$0	\$0	\$0	\$0	\$0
Hilltop High School Project 2	\$10,595,965	\$10,595,965	\$0	\$0	\$0	\$0	\$0
Mar Vista High School Project 2	\$10,341,174	\$10,341,174	\$0	\$0	\$0	\$0	\$0
Montgomery High School Project 2	\$20,759,945	\$20,759,945	\$0	\$0	\$0	\$0	\$0
Southwest High School Project 2	\$24,377,554	\$24,377,554	\$0	\$0	\$0	\$0	\$0
Sweetwater High School Project 2	\$24,901,556	\$24,901,556	\$0	\$0	\$0	\$0	\$0
Castle Park Middle School Project 1	\$17,009,009	\$16,240,202	\$0	\$768,471	\$0	\$0	\$0
Granger Junior High School Project 1	\$16,937,540	\$16,920,808	\$0	\$16,833	\$0	\$0	\$0
Hilltop Middle School Project 1	\$26,784,054	\$26,652,276	\$0	\$672,073	\$0	\$0	\$0
Montgomery Middle School Project 1	\$26,513,544	\$26,118,492	\$0	\$393,887	\$0	\$0	\$0
Bonita High School Project 1	\$31,909,475	\$31,909,475	\$0	\$0	\$0	\$0	\$0
Palomar High School Project 1	\$5,347,221	\$4,779,841	\$0	\$567,481	\$0	\$0	\$0
Alta Vista Academy Project 1	\$575,745	\$575,745	\$0	\$0	\$0	\$0	\$0
Fifth Avenue Academy Project 1	\$657,042	\$657,042	\$0	\$0	\$0	\$0	\$0
Montgomery Adult Project 1	\$1,035,734	\$1,035,734	\$0	\$0	\$0	\$0	\$0
Chula Vista Adult Project 1	\$3,594,541	\$3,594,541	\$0	\$0	\$0	\$0	\$0
National City Adult Project 1	\$1,125,000	\$1,125,000	\$0	\$0	\$0	\$0	\$0
San Ysidro Adult Project 1	\$1,352,732	\$1,352,732	\$0	\$0	\$0	\$0	\$0
Adult Resource Center Project 1	\$231,898	\$231,898	\$0	\$0	\$0	\$0	\$0
Vocational and Tech Ed Project 1	\$256,752	\$256,752	\$0	\$0	\$0	\$0	\$0
West Chula Vista Project 1	\$52,490,229	\$52,490,229	\$0	\$0	\$0	\$0	\$0
West Side New School - Project 2 (Spy)	\$4,964,917	\$4,964,917	\$0	\$0	\$0	\$0	\$0
Community Day School Project 1	\$579,742	\$579,742	\$0	\$0	\$0	\$0	\$0
IB Technology Academy Project 1	\$193,248	\$193,248	\$0	\$0	\$0	\$0	\$0
Alternative Ed/Options	\$463,793	\$463,793	\$0	\$0	\$0	\$0	\$0
Bonita Vista Middle School Project 1	\$22,722,493	\$22,060,535	\$0	\$637,682	\$0	\$0	\$0
Mar Vista Middle School Project 1	\$23,654,725	\$23,432,412	\$0	\$171,661	\$0	\$0	\$0
Rancho Del Rey Middle School Project	\$4,128,045	\$4,128,045	\$0	\$0	\$0	\$0	\$0
Eastlake High School Project 1	\$8,158,124	\$8,158,124	\$0	\$0	\$0	\$0	\$0
San Ysidro High School Project 1	\$2,905,177	\$2,905,177	\$0	\$0	\$0	\$0	\$0
Gray Ranch High School Project 1	\$2,308,045	\$2,308,045	\$0	\$0	\$0	\$0	\$0
Eastlake Middle School Project 1	\$1,800,000	\$1,800,000	\$0	\$0	\$0	\$0	\$0
Olympian High School Project 1	\$1,800,000	\$1,800,000	\$0	\$0	\$0	\$0	\$0
Interim Housing/ADA Compliance	\$58,961,465	\$58,966,665	\$0	\$0	\$0	\$0	\$0
Totals:	\$695,096,636	\$644,000,000	\$12,000,000	\$29,146,636	\$9,950,000	\$0	\$0

Note: "Prop "BB" Column will disappear once 100% of "BB" has been expended.

- RED: No Funding Received - BLUE: Partial Funding Received - GREEN: Full Funding Received

The projects included on the Phase I project list were considered by the District to be the most critical in terms of needs. The budgets identified for the projects under Measure O and, more specifically, those included in the Phase I of the bond program, are similar to those included in the LRFMP with two exceptions - budgets for National City Middle School and Sweetwater High School are both nearly twice the amount identified in the Master Plan. Additionally, all of the \$12 million in bid savings from Measure BB has been applied to the Sweetwater site projects.

Recommendation

- As recommended in the Design and Construction Costs and Schedules and Timelines section of this document, attention should be paid to the estimated cost of the projects close to the proposed bid time. It is uncertain what impact, if any, the number of simultaneous projects of significant size will have on the local bidding climate and the construction costs. Contingencies should be developed to either delay construction or reduce the scope and/or number of simultaneous projects if the construction costs do increase.

District Response

- Staff concurs. Close attention will be paid to the estimated costs close to bid time. Contingencies do exist, which provides the District with some degree of flexibility at bid time.

BEST PRACTICES FOR PLANNING AND CONSTRUCTION

Background

Best practices in planning for a school facilities program include a number of interrelated topics. First and foremost is pursuit of a facilities program that meets the educational objectives of the District. Although it is often stated that the health and safety are the first priority, design and delivery of facilities that are in the best interest of the educational program should be the backbone of the planning process.

Due to the fact that essentially all District facilities management staff as well as the program management firm are relatively new to the District and no Measure O projects have been bid or constructed to date, there is no information available in regard to the construction practices within the bond program. The future performance audits will report in detail on the construction processes and practices when projects, currently in the planning phase, progress to the construction phase.

A comprehensive planning process should include input and feedback from, but not limited to, the following:

- Teaching staff
- Site administrative staff
- Classified staff
- Parent representatives
- Community representatives
- Student representatives (high school)
- District administrative staff
- Other agencies (as needed)
- Consultants
- Architects
- Others appropriate parties

Once a team (committee) is established for a project, it is important to maintain the integrity of the process throughout the design phase. Open townhall style meetings generally result in extremely slow progress and should be avoided. All interested parties should be welcome to attend to observe the process, but the committee membership should not generally vary after its establishment.

The architect should be guided by the educational specifications and resulting objectives, budget, schedule, and sensitivity to the community needs. Furthermore, information from a professionally developed needs assessment should be considered to ensure inclusion of all needed repairs and upgrades.

Once funding is secured for the Facilities Master Plan, the design process becomes more of a refinement of the initial planning, and continues until the plans are ready for submittal to the Division of the State Architect (DSA).

Understanding the relationships between the project scope, schedule and budget and how each component influences good planning are imperative. Most importantly, it is necessary to understand that changing one element of a project or program may necessitate changes to other projects or the entire program.

The project scope is a clear, well-defined and well understood definition of the project and the expected results. The project scope sets objectives and parameters for the architects and other design professionals and is a mechanism for the district to use to ensure that projects are aligned with educational objectives. A well-defined project scope is tied directly to the development of the project schedules.

The project schedule must be realistic and achievable and is crucial to the success of the overall project and the satisfaction of all stakeholders. A properly developed and adhered to schedule is essential for managing the projects and is a key factor in development of project budgets.

The project budget must be comprehensive and include the project expenses as well as a breakdown of the revenues that will be utilized to fund each component.

Quality planning emphasizes the importance of each of these elements and recognizes the impact that each has on the entire program. If any element is not developed effectively, it can be detrimental to the entire program and the credibility of the District throughout the community.

District Process

In the past, the Sweetwater Union High School District has utilized a site committee based process to develop project scope and schedules. Involvement of various stakeholders through these meetings informed and guided the development of the District's Facilities Master Plan, which in turn was utilized to develop the scope, schedule and budgets for the Measure BB program. District staff indicate that the planning for scope, schedule and budget for the Measure O program will utilize a similar process. However, as mentioned in the Design and Construction Cost Budgets section, the budgets and scope for the projects at Sweetwater High School and National City Middle School have increased significantly over those indicated in the Facilities Master Plan.

District Response

- A series of site committee meetings were scheduled in the fall of 2007. These committees determined the scope of work at each of the first 9 campuses.

CHANGE ORDER AND CLAIM PROCEDURES

Process Utilized

TSS analyzed relevant documents and conducted interviews with district staff, architects, and project management staff. Information provided from the past and current Board of Trustees meeting agendas and minutes related to the bond measure was also used in the examination.

Background

The Bond Program Management Services contract was awarded to Gilbane/SGI Services on April 24, 2007. An interim agreement, that would allow Gilbane/SGI to start work immediately on the Measure O bond program, was approved by the Board of Trustees on May 16, 2007. At the end of fiscal year 2006-07, there were no projects designed, bid or awarded that could be subject to sampling and audit. Phase I of the bond program, which includes new construction and modernization projects at nine school sites, was in the initial stages of project planning and design development during the third and fourth quarters of 2007. Therefore, there were no change order data to be reviewed for this audit period.

Observation

- At the time of this performance audit, the policies and procedures for handling change orders under the Measure O bond program were still under development.

Finding

- There are no findings in this section.

CLAIM AVOIDANCE PROCEDURES

Process Utilized

TSS analyzed relevant documents and conducted interviews with district staff, architects, and project management staff. Information related to the bond measure from the past and current Board of Trustees meeting agendas and minutes was also used in the review.

Background

During the construction projects, claims against a district can occur at various stages of the process and for a variety of reasons. Claims can be in the form of additional costs, an extension of contract completion time and, in the event of a legal dispute, financial costs associated with defending or settling a civil lawsuit. During the bid process, contractors study the construction documents and cost out the projects based on their interpretations of construction documents. At times, contractors make mistakes in bidding due to errors on the part of the district or the contractor. These errors can result in claims against a district including lawsuits. Construction claims can often be avoided with careful planning and complete contract specifications and bid documents. During the various stages of the process, preventive measures could include, but are not limited to, the following:

Design:

- Clear understanding of district goals and design standards
- Verification of “As-Built” drawings and site conditions
- Thoroughness of testing and inspection

Bid and Award:

- Protective language in the General Conditions
- Thoroughness of bid documents.
- Clarity and quality of construction documents
- Reasonableness of specifications
- Requiring high-rated insurance and bonds
- Effectiveness of the pre-qualification process
- Fair bid analysis and award process

Construction:

- Sufficient supervision and monitoring
- Coordination of subcontractors
- Effective communication among all involved parties
- Schedule analysis
- Accurate, efficient and timely problem-solving
- Responsiveness of architect to Requests for Information (RFIs)
- Timely authorization and approval of Change Orders (CO)
- Prompt payments

Post-Construction:

- Fair dispute resolution process
- Good Documents control
- Consistency of inspectors' documentation
- Reasonable decision-making hierarchy

A district may utilize third-party architects and engineers or construction management consultants to review the plans and specifications prepared by each Architect of Record (AOR). This method, which is generally referred to as constructability review, allows a system of checks and balances to identify conflicts among different components of the construction documents and determine if the drawings are constructible.

A district may also employ the process of pre-qualification. The process of prequalification can be enforced up to a certain number of days prior to bid opening. It requires staff to review the documents and notify bidders if they qualified to bid within that time frame.

A district's project construction management team should have a thorough understanding of the drawings and specifications. Good understanding promotes better control of the project, shorten RFI response times and avoidance of costly solutions to issues.

The DSA Project Inspector (PI) must submit a daily report documenting the issues encountered, activities, weather, hours worked and number of workers on the job. In the event of a dispute, these records are often used as evidence to accept or deny a claim.

Construction managers must prepare and send copies of the meeting minutes to all involved parties. This documentation is written in a prompt and timely manner to keep all parties informed of responsibilities assigned and issues discussed.

Observation

- At the end of fiscal year 2006-07, there were no projects designed, bid or awarded that could be subject to sampling and review. Phase I of the bond program, which consists of new construction and modernization projects at nine school sites, is anticipated to be in the initial stages of project planning and design development during the third and fourth quarter of 2007.

Commendation

- Gilbane/SGI issued "Publication 3 – Program Strategic Plan" which included a section on "Claims Management and Dispute Resolutions Procedures" which detailed the preventive measures to be practiced during the design and construction phases of the project. This section along with the "Program Strategic Plan" addressed most of the items discussed above.

Finding

- There are no findings for this section.

COMPLIANCE WITH STATE LAW, GUIDELINES, AND DISTRICT POLICY

Process Utilized

TSS examined standard bid documents, project manuals, District policies, labor compliance program documents and reports, and other relevant documentation showing participation in, and compliance with, the State's School Facility Program.

Background

There are numerous legal and regulatory requirements associated with the delivery of California public school construction projects. Various codes and regulations govern these processes for California school districts and county offices of education.

This audit assessed the overall compliance with these legal and regulatory requirements. TSS has developed this assessment of compliance to analyze the functionality of the District's bond facilities program. As such, it should not be viewed or relied upon as a legal opinion. This section does not include a review of compliance with the California Building Code or other related requirements.

TSS reviewed two distinct categories of requirements, as follows: (1) compliance with state law and regulations and (2) compliance with District policies.

State Law

Many requirements for the construction of public schools appear in different California Codes, accompanied by regulations from various agencies. The Sweetwater Union High School District complies with these requirements through the general conditions in the District's contract documents. The District also provides notices to bidders by referencing and detailing the section requirements, as appropriate.

The following items are required to appear in the bid documents:

- *Division of the State Architect (DSA) approval* for individual project/plans and specifications
- *Section 00100 (General Conditions): Notice to Bidders.* The Notice to Bidders includes the required notification for project identity; date, time, and place of bid opening; contractor's license requirements for type and whether it is current; bid bond and certified bid security check requirements; payment bond requirements; performance bond requirements; substitution of securities information; definition of prevailing wage requirements; statement establishing blind bid process; and a reservation of the right to reject all bids.
- *Section 00150 (GC): Bid Bond.* A bid bond is present in the package and demanded of the contractor on a form prepared by the district, as required.
- *Section 00330 (GC): Non-collusion Affidavit.* A non-collusion affidavit form is provided and demanded of the contractor.

- *Section 00550 (GC): Escrow Agreement for Security Deposits in Lieu of Retention.* This item is included as an option, as required.
- *Section 00610 (GC): Performance Bond.* A performance bond for 100 percent of the contract price, on a form prepared by the District, is demanded of the contractor and included in the bid package.
- *Section 00620 (GC): Payment Bond.* A payment bond for 100 percent of the contract price, on a form prepared by the District, is demanded of the contractor and included in the bid package.
- *Section 00905 (GC): Workers' Compensation Certification.* The contractor is required to certify compliance with the state workers' compensation regulations.
- *Section 00910 (GC): Prevailing Wage and Related Labor Requirements Certification.* The contractor is required to certify compliance.
- *Section 00915 (GC): Drug-Free Workplace Certification.* The contractor is required to provide drug-free workplace certification.
- *Section 00925 (GC): Hazardous Materials Certification.* The contractor is obligated to provide certification that no hazardous materials were to be furnished, installed, or incorporated in any way into the project.
- *Section 00930 (GC): Lead-Based Paint Certification.* The contractor is required to certify compliance with lead-based materials regulations.
- *Section 00940 (GC): Criminal Background Investigation/Fingerprinting Certification.* The contractor is required to select a method of compliance and to certify compliance with criminal background investigation/fingerprinting requirements.

State law does not require the items listed below; however, they are required for state funding.

- *Section 009100 (GC): Prevailing Wage and Related Labor Requirements Certification.* The contractors are required to certify compliance with the State Public Works Contract requirements.
- *Disabled Veteran Business Enterprise (DVBE) Participation Certification.* The contractor is required to certify compliance with the DVBE requirements as set forth in the state's School Facilities Program.

The items below are best practices. They are not required by state law or for state funding.

- *Section 00110 (GC): Instruction to Bidders*
- *Section 00510 (GC): Notice of Award*
- *Section 00520 (GC): Notice to Proceed*
- *Section 00530 (GC): Agreement*
- *Section 00540 (GC): Escrow of Bid Documentation*

Prevailing Wage Law/Labor Compliance Program

In California, contractors and subcontractors on public works projects must comply with the California Prevailing Wage Law (Labor Code 1720 et seq.). This law stipulates that workers must be paid the prevailing rate of hourly wages and fringe benefits, as specified by the State Department of Industrial Relations, for the region where a construction project is located.

Traditionally, a school district ensures that the Prevailing Wage Law is complied with by requiring contractors and subcontractors to maintain certified payroll records for each worker.

In 2002, enactment of AB 1506 created the Labor Compliance Program (LCP), which added an additional requirement to school district construction projects that received state funding from Proposition 47 (2002) and 55 (2004). AB 1506 was intended to ensure that contractors and subcontractors complied with the Prevailing Wage Law. Under AB 1506, a school district must make a written finding that it, or a third-party contractor, will initiate and enforce the required LCP, transmit that finding to the State Allocation Board (SAB) and take all appropriate measures throughout the construction project to verify compliance.

In November 2007, Proposition 1D passed without the additional requirement of a Labor Compliance Program. Subsequent legislation that would have reinstated a LCP (SB 18, 2007) for Proposition 1D funding was vetoed by the Governor.

Regardless of whether a school district is required to have a LCP, it must fully comply with the Prevailing Wage Law. To ensure compliance with the law, a school district should develop and implement policies and procedures to be applied to all construction projects, regardless of the source of funding.

District Policies

TSS reviewed existing District policies related to business services and facilities for completeness and compliance. Comprehensive board policy and administrative regulations allow for informed, timely decision making and governance, as well as establishing clear protocols for business functions and facilities program management.

Most California school districts develop and organize Board policies and administrative regulations by series; e.g., Series 3000, Business and Noninstructional Operations and Series 7000, Facilities. The Sweetwater Union High School District, categorizes its policies and functions by administrative function, such as fiscal services, purchasing and planning and facilities. While the policies and regulations under those functions mostly follow the traditional numbering system, there is no consolidated set to reference by series numbers.

A review of policies and regulations posted on the website under various categories reveals the following policies related to business practices and facilities:

Purchasing

No.	Description	Adopted	Last Revision
BP 3320	Purchase of Supplies, Services and Equipment	4/01/1979	4/18/2005
AR 3320.1	Purchase of Supplies, Services and Equipment	4/05/1979	1/01/2006

Fiscal Services

No.	Description	Adopted	Last Revision
BP 4305	Consultants/Professional Experts	2/04/1982	4/01/2004
AR 4305.1	Consultants/Professional Experts	2/04/1982	4/01/2001

Planning and Facilities

No.	Description	Adopted	Last Revision
BP 3500	Maintenance & Construction-Reconstruction of Buildings, Grounds, Facilities & Equipment	1/11/1990	11/16/1999
AR 3500.1	Maintenance & Construction-Reconstruction of Buildings, Grounds, Facilities & Equipment	7/27/1978	11/01/1999
BP 3501	Non-Responsive Bidders	7/25/2005	
BP 7308	Establishment of Mello-Roos Community Facilities District	12/09/1993	
AR 7308.1	Establishment of Mello-Roos Community Facilities District	12/09/1993	7/01/2005

Superintendent

No.	Description	Adopted	Last Revision
BP 7010	Naming Schools, Buildings, Facilities	7/04/1982	3/01/2005
AR 7010.1	Naming Schools, Buildings, Facilities	7/04/1982	5/01/2005

Observations

- The District's policies and regulations related to Business and Noninstructional Operations are limited in scope, and do not include many policies that are typically used in a facilities program, such as budget, bids, contracts, and payments. Policies and regulations that address purchasing and consultants are current.
- The District's policies and regulations related to facilities are limited in scope, and do not address topics such as facilities master plans, architectural and engineering services, site selection and development, charter schools, developer fees, and related items.

Recommendations

- It is recommended that the District utilize the model policy and regulation documents developed by the California School Board Association (CSBA), the Association of California School Administrators (ACSA), or policies and regulations developed by other school districts to develop new and update existing board policies and regulations related to business and facilities functions.
- It is recommended that policies and regulations be compiled by series numbers in addition to the current practice of presenting them by administrative functions.

District Response

- Staff will review the current policies and regulations and update the board policies as necessary.

PAYMENT PROCEDURES

Process Utilized

In the process of this examination, numerous purchasing and payment documents pertaining to expenditures funded through Measure O were reviewed for compliance. Interviews were held with the Director of Purchasing, Chief Financial Officer, Bond Program Manager, Facilities Accounting Supervisor and Accounts Payable staff regarding payment procedures and processes.

The review was conducted to verify the following:

- Expenditures charged to the Measure O Bond were included in the Measure O project list;
- Compliance with the District's Purchasing and Payment policies and procedures;
- Back up documentation, including authorized signatures, was included in payment requests; and
- Vendor payment timelines.

Background

After the Board approves a construction contract, the Supervisor of Facilities Accounting is responsible for initiating the requisition, setting up the contract information and costs in the facilities financial project management system (independent of the District's financial system), and scanning the contract into the Laser Fiche electronic filing system. Scanned electronic (PDF) copies of all contracts, change orders and invoices are filed in folders and subfolders by funding source, school site and project.

Requisitions are routed electronically to the Director of Planning and/or Associate Superintendent for approval. Once approved, the requisitions are routed to the purchasing department and purchase orders are initiated.

Adequate funds must be available for a purchase order to be released. The funds are encumbered for the full amount of the purchase order and, as payments are made, the encumbrance is reduced by the amount expended.

Construction payments (i.e. payment applications) are first reviewed and approved by the architect and inspector of record, who are responsible for certifying the percentage of work completed.

Once certified, the payment application is forwarded to Bond Controls and the invoice is logged into the tracking system, a vendor invoice approval coversheet is prepared and routed for approvals. The Project Manager, Program Director for Bond Controls, and Director of Planning and Construction are all required to approve the payment request.

The payment request is forwarded to the Supervisor of Facilities Accounting, the invoice and back up documents are reviewed, stamped and scanned into the Laser Fiche electronic filing system.

The original payment request and back up documents are forwarded to accounts payable for processing.

Accounts payable verifies all required approvals are present and the amount of the payment request is consistent with the amount on the invoice. Payments that include change orders cannot be processed until the purchasing department increases and updates the purchase order as needed. Payments are entered into the financial system, batched and routed to the District's Internal Auditor. The Internal Auditor reviews the invoice, back up documents and warrant registers. The warrants and back up documents are sent to the County Office of Education for final approval and stamped signature. Warrants exceeding \$25,000 require an original signature in addition to the stamped signature.

Warrants are returned to Accounts Payable to be separated. Warrants are forwarded to the Facilities Accounting Supervisor and scanned into the Laser Fiche filing system and then mailed.

Sample

As of June 30, 2007, a total of \$135,611 had been expended through the Measure O Fund. The expenditures were for legal announcements (invitations to bid for architectural services and program management), legal fees, election costs and program management costs.

All of the invoices were determined to be appropriate expenditures under the Measure O Fund. The amounts paid were consistent with the amounts on the invoices. All of the invoices were reviewed and approved by the designated signatories. Three out of the thirteen payments were made after thirty-days of receipt.

According to staff, the District's bond council reviewed Exhibit B, which is an attachment to Resolution No. 3542 ordering Measure O election and establishing specifications for the election. Exhibit B outlines the allowable costs to be charged to the Measure O bond program. It states that the cost of the election is an allowable expenditure under Measure O and authorized under State Law.

Observation

- Currently the County Office of Education is an additional layer in the warrant approval process. Several years ago the District lost its fiscally independent status. As a result, according to the Chief Financial Officer, the District strengthened its own internal controls and added additional layers of accountability. Effective July 1, 2008, the District will again be fiscally independent. Most of the processes described are not expected to change with the exception of the COE's involvement in the warrant approval process. The District will be able to approve and issue warrants independent of the COE. This change will likely help reduce the amount of time it takes to release warrants.

Commendations

- The payment process is thorough and methodical. Staff is conscientious in checking for all required approvals.
- The facilities records were found to be well organized. The electronic filing system the District established is organized by bond, school site and project. Contract and payment documents are easily accessible.
- The facilities project accounting records were found to be current and well maintained. The software program, the facilities staff uses, enables to track project expenditures, specific contractor costs, relevant dates, change orders and contract changes. Unlike the District's financial system, expenditure reports can be generated that span across fiscal years. The program is also utilized to generate the close out reports (50-04) required by the Office of Public School Construction (OPSC).

Recommendation

- Thirteen invoices were processed in this first year from the Measure O funds, of which three were paid after thirty-days. In the year following the audit, the bond program is expected to spend over four million dollars. Staff will need to be conscientious of the thirty-day timeline in which payment applications are to be processed.

Finding

- There are no findings in this section.

District Response

- Staff concurs with recommendation. Staff will be very conscientious of the 30 day timeline and will develop and monitor metrics which continuously measure the payment processing time.

BIDDING AND PROCUREMENT PROCEDURES

Process Utilized

In the process of this examination, interviews regarding bidding procedures and processes were held with the Director of Purchasing, Chief Financial Officer and Bond Program Manager.

Background

The administrative regulations pertaining to the District's Board Policy 3320: Purchase of Supplies, Equipment and Services, were updated in January 2006 and are scheduled for review in 2010. The board policy and accompanying regulations address the following:

Competitive Bidding requiring that the District shall act in accordance with Public Contract Code 20111.

Public Contract Code 20111 states that a district shall seek competitive bids through advertisement for contracts involving an expenditure of \$15,000 or more for a public project.

Invitation for Bids requiring bid instructions and specifications shall be clear, complete, conducive to competitive bidding, and shall set all conditions necessary to bid. Bids may require bid security and/or performance bonds/payment bonds to be submitted in specified dollar values and the time of such submittal, as indicated in the invitation to bid. Bid proposals shall include bidder's agreement, bid instructions, specifications, terms and conditions, statement of work, and materials.

District Procedures

During 2006-07 fiscal year, no construction or public work projects funded through the Measure O bond funds took place. The District did, however, utilize architectural services and program management services.

According to the Director of Purchasing, the Purchasing Department will be taking a more active role in the bidding and procurement process including the following: legal advertisements, bid openings, review of bids and results, coordination and participation in the pre-bid walk through and review of documents, insurances and awards. Previously, the process had been handled through the Facilities Department.

Board items will be prepared by Gilbane/SGI and Facilities Department and routed through either the Chief Financial Officer or Associate Superintendent of Facilities for review and approval.

The Purchasing Department will act as the custodian of all documents, including contracts, bids, change orders, publications and notices, the filing systems and bid numbering system. The project number and bid number will be referenced on the purchase order. Public notices will be advertised in the *Star News* and *Union Tribune*.

The District bid boilerplate was expressly written for the District's construction projects and has been approved by the legal counsel. Subsequent to this audit period, a supplemental section has been added to include a provision in regard to participation in the labor compliance program (LCP). The architect may make modifications to the boilerplate, if needed.

"Division 0" in the specifications is complete with all components needed for a valid bidding process. Those components also appear appropriate to protect the District.

Sample

No construction funded through Measure O occurred in 2006-07 as the program was primarily in the planning stage. The District did, however, advertise for and award contracts for architectural services and construction management.

On April 24, 2007, the District approved five architectural firms and one alternate firm to provide architectural services for Measure O projects, and Gilbane/SGI were selected to provide construction management services.

A more extensive examination of the District's bidding and procurement processes and procedures will occur during the following year (2007-08) performance audit as the program evolves and construction starts.

Commendation

- The District is commended for its efforts in strengthening purchasing procedures, including having the Purchasing Department take a more active role in the bidding and procurement process.

Observations

- Through the interviews with the District staff and Gilbane/SGI it appeared that all participants may not clearly understand the extent of the Purchasing Department's role in the bidding and procurement process.
- The Purchasing Department may not be adequately staffed to handle all of the bidding and procurement processes and requirements once Measure O is fully underway.
- The District is in the process of implementing a prequalification process for general contractors and specific trades in an effort to attract responsible and qualified bidders

Recommendation

- The District should clearly communicate any changes in the bidding process and procedures to all parties involved. Each department must be provided with a clear understanding of its role and responsibilities.

District Response

- Staff will conduct a series of trainings to reach a proficient level of understanding of the purchasing department's role and responsibilities.
- Any changes in procedures will be clearly communicated to all stakeholders.

BEST PRACTICES FOR MANAGEMENT OF PROCUREMENTS OF MATERIALS AND SERVICES

Process Utilized

In the process of this examination, interviews regarding procurement procedures and processes were held with the Director of Purchasing, Chief Financial Officer and Bond Program Manager. The district's purchasing policies and procedures were also reviewed.

Background

Best practices in procurement of materials and services ensure the most efficient use of resources.

Board policy 3320 states that it is the board's responsibility to ensure the funds of the District are prudently expended in support of the instructional program and that efficient and effective purchasing practices are necessary and must be adopted and maintained to ensure maximum value is received. It delegates authority to the superintendent or designee to enter into contracts (with the exception of Consultants/Professional Experts) to ensure that the best-quality products at the most economical prices are obtained, and to enforce the contract and all its rights afforded the District. It also provides that all duties and operations of the purchasing function shall be centralized in the purchasing department and that the chief function of the purchasing department shall be to provide an efficient centralized service to all schools, divisions, departments and offices of the District in the procurement of supplies, services, and equipment within budgetary limitations and in compliance with federal and state laws. The said policy was last revised on March 18, 2005.

Administrative regulation 3320.1 states it is the Purchasing Department's responsibility and duty to conduct purchasing transactions in accordance with the Board policy and consistent with all federal and state laws; conduct, supervise and coordinate all purchasing transactions to obtain best prices consistent with quality, delivery and service; and conduct competitive bidding by means of advertised bids, written quotations, or oral quotations in compliance with the Board policy. It states that all requests for price quotations and purchasing transactions shall be the responsibility of the purchasing department. This administrative regulation was last revised in January 2006.

For the last several years, the Facilities Department has handled most of the procurement of equipment and supplies funded through the previous bond issues and other facilities resources. However, according to the Director of Purchasing, beginning in July of 2008, the Purchasing Department will begin handling the entire procurement process for the Facilities Department. The plan is to assign a senior buyer to all bond or facilities related purchases. This position will be responsible for obtaining quotes and solicitations of bids as well as oversight of the bid process. Please refer to the Bidding and Procurement Section of this report for additional information regarding the bid process.

According to staff, the District's process for the procurement of supplies, materials and equipment is as follows:

The site or department initiates the requisition including the specifications and/or description, budgetary information and approvals. The requisition is forwarded to the Purchasing Department for solicitation, price quotes or bidding, approval and purchase. Beginning July 2008, the facilities/bond program will follow the same process.

Sample

During the 2006-07 fiscal year, no Measure O Bond funds were used to procure supplies, materials or equipment. The 2007-08 annual performance audit will include an extensive review of the actual processes and procedures used in procuring materials, supplies and/or equipment.

Observation

- The planned process as described above conforms to Administrative Regulation 3320.1.

Recommendation

- Changes in the procurement process and procedures must be communicated to all parties involved. Each department must be provided with a clear understanding of its role and responsibilities.

District Response

- Staff concurs. A procurement communication plan will be created to inform all stakeholders of any changes to the established procedures.

EFFECTIVENESS OF THE PUBLIC OUTREACH PROGRAM AND COMMUNICATION CHANNELS AMONG ALL STAKEHOLDERS WITHIN THE BOND PROGRAM

Process Utilized

During the process of this examination, TSS interviewed the Director of Grants and Communication, personnel in the facilities, purchasing and fiscal services departments; consultants; the Chief Financial Officer and other parties involved in the District's facilities program. Two board members, a member of the Citizens' Bond Oversight Committee (CBOC) and key personnel on the bond management team were also interviewed. The communication channels and public outreach process were among the topics of discussion in these interviews. The District's website and the bond program/CBOC websites were also reviewed for content and ease of navigation.

Background

To facilitate communication regarding Sweetwater Union High School District's bond program the District utilizes several methods of communication. The District's website contains informational items regarding Measure O, the Citizens' Bond Oversight Committee meeting agendas and minutes (beginning November 2008). The District also publishes a monthly newsletter on the District's website entitled *Sweetwater Currents*.

The websites containing the bond program related information are located at:

- Sweetwater Union High School District: www.suhsd.k12.ca.us
- Bond Program: www.propo.suhsd.k12.ca.us

To facilitate access to information regarding the bond program and the oversight committee, the District's website provides links to the Bond Program/CBOC website. The Bond Program/CBOC website was not established until March 20, 2008. In 2006-07, the period covered by this audit, the bond program information was only available on the District's webpage. However, interested members of the community may now be able to obtain current information about the bond program.

The Grants and Communication Department (GC) and its consultant developed a communications plan for 2006-2008. The objectives of the plan, among other things, are to raise awareness about the District's positive contributions to the community through the implementation of the bond program and planned facilities improvements and their positive impact on the education and learning.

The bond program was primarily in the planning stages in 2006-07. The Grant and Communications Department plans to work closely with the facilities staff and SGI/Gilbane to conduct community outreach. The planned efforts include an insert in the local newspaper in both English and Spanish in regard to scope and schedules of the current projects, how students and parents may be impacted during construction, and student safety. Monthly newsletters are also emailed to all employees. The Grants and Communications Director is planning to include bond projects updates in the newsletters.

The school site newsletters will also include updates on the bond projects and matters related to student safety during construction.

Observations

- In March of 2008, the District launched a more expansive website specifically designed to keep the community informed about the bond program and the CBOC. The information can be accessed through the Construction Update link. This link should be renamed to include Measure O bond program and CBOC for ease of reader/navigator.
- Last summer, the Superintendent and the Director of Grants and Communication met with the mayor and council members of each of the cities within the Sweetwater Union High School District to discuss the needs of schools and communities since the District recognizes each city is unique and may have its own specific needs and interests.
- Each month, the District publishes a newsletter on its website called *Sweetwater Currents*. This newsletter is intended to keep students, staff and the general public informed and up to date on current events. The January 31, 2007 edition included a article entitled "Taking Action as a District Community" which provided information on Measure O, the process and planning that would be taking place, and a five-year strategic plan involving all stakeholders. The August 31, 2007 edition included an article on completion of Measure BB projects. In September 2006, the Superintendent's message included a write up on Proposition O titled "A Safe, Quality Learning Environment".
- Members of the CBOC would be able to serve the community better if a monthly update were to be provided to them. One of the responsibilities of the CBOC is to provide information to the community; having current information readily available would help in carrying out that responsibility.
- Members of the CBOC would benefit from being placed on a distribution list to receive bond/facilities board items and back up documents.
- During the course of the interviews, various members commented that the District could do more to communicate with the various stakeholders including the community at large, the CBOC and parent groups regarding Measure O.

Commendations

- The District is commended for its efforts to enhance awareness, within the school community and community at large, of the bond program. The 2006-2008 Communications Plan should continue to help facilitate these efforts.
- The District is commended for its efforts in involving the stakeholders of each city within SUHSD and discussing the needs specific to each community.

- The District is commended for a systematic approach in regard to the communication with the stakeholders by involving the Director of Grant and Communications.

Recommendations

- It is recommended that District staff keep current information listed on the CBOC website regarding the bond program and project updates.
- It is recommended the District plan to gather feedback after publications are distributed in order to ascertain the level of effectiveness and satisfaction among community members.
- It is recommended that the bond manager, facilities staff and the Director of Grants and Communications work closely together and coordinate their communication efforts. Such partnerships would begin to provide the community with more than just a construction update and instead create human connections to the projects, in turn creating more community connectedness to the work of the entire District.

EVALUATION OF PUBLIC OUTREACH PROGRAM

Process Utilized

During the process of this examination, Total School Solutions (TSS) interviewed the Director of Grants and Communication, personnel in the facilities, purchasing and fiscal services departments; consultants; the Chief Financial Officer and other parties involved in the District's facilities program. Two board members, a member of the Citizens' Bond Oversight Committee (CBOC) and key personnel on the bond management staff were also interviewed.

Public Outreach

Public Outreach is a key component of any successful bond program. Initially, time is invested in communicating the needs of the District to the community to gain support for the passage of a bond measure. However, that is just the beginning. It is vital to keep the community fully and consistently informed during each phase of the program. Outreach to the community regarding project priorities, project timelines and explanations for the addition or deletion of projects from the program is important for a district to undertake in its ongoing efforts to manage information and expectations about a bond program

Background

Proposition 39 requires the District to develop a list of specific projects that will be funded by the bond proceeds. The District developed a list through a process utilizing communication, professional advice and needs identified in the District's facilities master plan.

The process, by which the list was developed, involved many stakeholders including the community, board members, school site staff, principals, site council members, District staff, consultants and attorneys.

Between March and July 2006, the District held at least six meetings with the District staff, consultants, attorneys and, on occasion, some members of the current Citizen's Bond Oversight Committee as well as members of the press, to discuss and develop the Measure O ballot language. The project list was approved through Resolution 3542 – Exhibit B/Attachment 1 (included in the appendices).

Since that time, the District has developed a communications plan for period of 2006-2008. The Superintendent and the Director of Grants and Communications met with the mayors and councils in all communities within SUHSD to discuss facilities needs specific to their individual communities. The District has updated its website to include information regarding the bond program. The District also includes informational items on the bond program in the monthly newsletter which is posted on the districts website (Refer to section titled Effectiveness of Communication Channels Among all Stakeholders Within the Bond Program).

According to staff, since the bond program was primarily in the planning stages in 2006-07, public communications were minimal. The Director of Grants and Communications is planning to work closely with the facilities staff and Gilbane/SGI to enhance community outreach in the future years.

Observations

- Since the program was primarily in the planning stages during 2006-07, staff reported that there was little to communicate to the community. However, once the construction starts, more communication and outreach will occur.
- Although construction did not occur, changes in the scope of the projects and/or sites were occurring and should have been conveyed to all stakeholders within the community. The community should also be provided information regarding any modifications to the project priorities.

Commendations

- The District is commended for involving all stakeholders in the process through which the list of projects for the Measure O program was developed.
- The District is commended for its efforts to enhance awareness, within the school community and community at large, of the bond program. The 2006-2008 Communications Plan should continue to help facilitate these efforts.

Recommendations

- It is recommended that the District provide updates to the CBOC as things occur, rather than waiting until the CBOC's quarterly meeting.
- The District should consider having the local newspapers run stories about the bond program and/or provide occasional Op-Ed pieces or inserts to the newspaper.
- The District should consider installing signs in front of each school thanking the community for their tax dollars and outlining upcoming projects and estimated timelines for construction.
- The District should consider surveying staff, site councils, parents and the community to determine if they feel adequate information is provided regarding the bond program. These surveys could be done through the school newsletters or electronically through the District's website.

District Responses

- Regular updates will be provided to the CBOC, rather than waiting for the regularly scheduled meeting.
- Staff will install signage at each of the first nine sites. Signage shall outline the upcoming projects and their estimated timeline.

SWEETWATER UNION HIGH SCHOOL DISTRICT

RESOLUTION NO. 3542

RESOLUTION ORDERING A SCHOOL BOND ELECTION,)
ESTABLISHING SPECIFICATIONS FOR AN ELECTION)
ORDER, REQUESTING CONSOLIDATION WITH OTHER)
ELECTIONS OCCURRING ON NOVEMBER 7, 2006. AND)
TAKING OTHER ACTIONS)

ON THE MOTION of Member , seconded by Member , the following resolution is adopted:

WHEREAS, the Sweetwater Union High School District ("School District"), a California public school district organized and operating pursuant to the laws of the State of California, desires to acquire and construct schools and school facilities, modernize, renovate and make improvements to existing facilities, to rehabilitate and upgrade existing school facilities and add classrooms and school facilities, all as further described herein, to serve the students within the School District as further described herein ("School Facilities"); and

WHEREAS, in the judgment of the Board of Trustees of the School District ("Board") the least costly method of providing funding required for the School Facilities is by means of general obligation bonds of the School District ("Bonds"); and

WHEREAS, Section 1(a) of Article XIII A of the California Constitution enacted in 1978, subject to exceptions set forth therein, limits ad valorem taxes on real property to one percent (1%) of the full cash value of such property; and

WHEREAS, Proposition 46, approved by the voters of the State of California in June 1986, added a provision to Section 1(b) of Article XIII A to exempt from such one percent (1%) of full cash value limitation, those ad valorem taxes used to pay debt service of any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds (2/3) of the votes cast by the voters voting on the proposition for bonded indebtedness, and

WHEREAS, the Smaller Classes, Safer Schools and Financial Accountability Act ("Proposition 39") was adopted by the voters within the State of California on November 7, 2000, amended Section 1(b) of Article XIII A of the California Constitution and Section 18(b) of Article XVI of the California Constitution, and allows a California public school district, upon approval by a two-thirds vote of its Board of Trustees, to incur bonded indebtedness approved in an election conducted after such date for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities or the acquisition or lease of facilities or real property for school facilities, in consideration of safety, class size reduction and information technology needs, to be approved by at least fifty-five percent (55%) of the voters of such school district provided that: certain findings, determinations, certifications and requirements are applicable to such a bond election and the proposition for such bonded indebtedness includes specified accountability requirements all as set forth in Proposition 39, as approved, and related State legislation ("Proposition 39 Accountability Requirements"); and

WHEREAS, under existing State law, November 7, 2006, is a Statewide General Election Date; and

WHEREAS, in the judgment of the Board, it is advisable to order the San Diego County Registrar of Voters ("County Registrar") to conduct an election within the School District on the question of whether the Bonds shall be issued and sold for the purpose as set forth below and subject to the Proposition 39 Accountability Requirements

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE SWEETWATER UNION HIGH SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That the Board, pursuant to Education Code Sections 15100 and 15264 *et seq.*, Section 1(b)(3) of Article XIII A of the California Constitution and Section 18(b) of Article XVI of the California Constitution, hereby orders and calls an election to submit to the electors of the School District the question of whether Bonds will be issued and sold for the purpose of raising money to finance the School Facilities listed on Exhibit "A" attached hereto, on file at the School District office and incorporated herein by this reference, and for paying costs incident thereto, which election will occur on a Statewide General Election Date. The amount of the Bond Authorization shall be \$644,000,000 as further set forth in the exhibits hereto

Section 2. That the date of the election shall be November 7, 2006.

Section 3. That the purpose of the election shall be for the voters in the School District to vote on a proposition as set forth in Section 9 hereof ("Proposition"), containing the question of whether the School District shall issue the Bonds for the purposes stated therein, including the Proposition 39 Accountability Requirements, and subject to the terms and conditions set forth in this Resolution.

Section 4. That the authority for ordering the election is contained in Sections 15100 and 15266 of the Education Code, Section 1(b)(3) of Article XIII A of the California Constitution and Section 18(b) of Article XVI of the California Constitution as amended pursuant to the provisions of Proposition 39.

Section 5. That the authority for the specification of the election order is contained in Section 5322 of the California Education Code.

Section 6. That this resolution constitutes the order of the School District to the County Registrar to call and conduct an election within the boundaries of the School District on November 7, 2006, which is a Statewide General Election Date, subject to the terms, provisions and requirements set forth herein.

Section 7. That the Clerk of the Board is directed to send, or cause to be sent, a certified copy of this resolution to the County Registrar and a certified copy of this Resolution to the San Diego County Clerk of the Board of Supervisors ("County Clerk") not later than August 11, 2006. The Clerk of the Board shall also transmit a copy of this resolution to the San Diego County Superintendent of Schools as soon after the adoption hereof as may be practical.

Section 8. Pursuant to Education Code Section 5342 and Part 3 (commencing with Section 10400) of Division 10 of the Elections Code, the County Registrar and the San Diego County Board of Supervisors ("County Board") are hereby requested to take any and all actions necessary to consolidate the election ordered hereby with any and all other elections to be held on November 7, 2006, within the boundaries of the School District, and to take all other actions necessary to call and conduct the election specified herein. The County Registrar, the County Clerk and the County Board are hereby also requested to take all other actions necessary to conduct the election called and ordered hereby.

Section 9. Based upon the requirements of the California Constitution and state law, the Proposition to be voted on by the voters in the School District in such election shall be as set forth in Exhibit "B" attached hereto and incorporated herein by this reference. A Bond Measure Statement, to comply with Elections Code Section 13247(a), is attached hereto as Exhibit "C" and incorporated herein by this reference. The form of the School Bond Election Notice is attached hereto as Exhibit "D" and is incorporated herein by this reference.

Section 10. That if the Bonds are approved pursuant to the requirements of the California Constitution and applicable California law, the Board of the School District shall establish and appoint members to an independent citizens' oversight committee (which may include members from the District's existing citizen's oversight committee) in accordance with the requirements of Article 2 of Chapter 1.5 of Part 10 of the California Education Code. The appointment(s) shall be made either at a regularly scheduled meeting of the Board, or at a special meeting of the Board, the time, place and date of which shall have been announced at a regularly scheduled meeting of the Board. At the time of making any such appointment(s), information concerning the qualifications of the oversight committee candidates to be considered by the Board (subject to redaction of personal information, such as addresses, phone numbers and e-mail addresses) shall be available to members of the public. The members of the citizens' oversight committee shall, where possible, include construction, finance or other qualified professionals in its membership. The citizens' oversight committee shall, as part of its activities, review and, as appropriate, provide comments to the Board on bond measure expenditure plans, bond measure-related staffing and consultants, and the District's deferred maintenance plans. The citizens' oversight committee shall be advisory only, and shall not replace or impede the activities or decisions of the District's Board.

Section 11. Pursuant to Education Code Section 15272 and as included in Exhibit "B" attached hereto, the Board hereby directs that the County Registrar cause to be printed in or on the ballot materials for the election the following statement:

"If this Bond measure is approved, the Sweetwater Union High School District Board of Trustees will appoint a citizens' oversight committee and conduct annual independent audits to assure that bond funds are spent only on school and classroom improvements and for no other purposes."

Section 12 That in accordance with Education Code Section 15270(a), the Bonds will only be issued if the tax rate levied to meet the requirements of Section 18 of Article XVI of the California Constitution will not exceed thirty dollars (\$30) per year per one hundred thousand dollars (\$100,000) of taxable property when assessed valuation is projected by the School District to increase by the maximum amount allowed by law in accordance with Article XIII A of the California Constitution

Section 13 That, additionally, pursuant to Government Code Section 53410, the Board hereby finds, determines and directs as follows:

- (a) The purpose of the Bonds to be authorized pursuant to the Election is to finance the School Facilities as described herein.
- (b) The Board hereby directs that at the time the Bonds are authorized by the Board for issuance and sale, the Board shall provide, in such issuance resolution or other bond issuance documents, that the proceeds of the Bonds shall be used only for the purpose(s) set forth in Section 13(a), above.
- (c) The Board hereby directs that at the time the Bonds are authorized by the Board for issuance and sale, the Board shall provide in such issuance resolution or other bond issuance documents for the creation of one or more funds or accounts (which may include subaccounts) into which the proceeds of the Bonds, or each series of Bonds as the case may be, shall be deposited. The Bonds may be issued in one or more series consistent with applicable law, including the provisions and restrictions of this Section 13 which shall apply to each such series of the Bonds.
- (d) The School District's Superintendent shall have the responsibility (once the Bonds are authorized and issued) to provide to the Board, no less often than annually, a written report which shall contain at least the following information:
 - (i) The amount of the Bond proceeds received and expended within the identified period of time. If no Bonds have been issued and sold, the report may simply note such situation; and
 - (ii) In the event that Bonds have been issued and sold, and proceeds therefore received, the report shall include the status of the acquisition, construction or financing of the School Facilities with the proceeds of such Bonds or series of Bonds.

The report required by this Section 13(d) may be combined with other periodic reports which include the same information, including, but not limited to, periodic reports made to the California Debt and Investment Advisory Commission, continuing disclosure reports, annual audit reports or other reports made in connection with the Bonds or any series thereof.

The requirements of this Section 13(d) shall apply only until all Bonds, or each series of Bonds, are redeemed or defeased, but if the Bonds or any series of Bonds are refunded, such provisions shall apply until all such refunding Bonds are redeemed or defeased.

Section 14 That any or all of the members of this Board are authorized to act as an author of any ballot argument prepared in connection with the election, including a rebuttal argument.

Section 15 The Board hereby states that, in connection with the bond measure described and ordered herein, that the School District has on file plans and policies to address issues of deferred maintenance of School District properties and facilities, with a goal thereof to eliminate deferred maintenance of School District properties and facilities using available funds, including, but not limited to state funding to reduce deferred maintenance of School District properties and facilities. Pursuant to the provisions of applicable state law, the independent citizens' oversight committee referred to above, will have the authority to receive, review and comment upon the School District's deferred maintenance plans and programs.

Section 16 That the Superintendent, President of the Board, and their designees, are hereby authorized to execute and deliver any Tax Rate Statement (prepared or provided pursuant to Elections Code Sections 9400-9404) or any other document and to perform all other acts necessary to place the Bond measure called hereby on the ballot.

Resolution No. 3542
July 24, 2006
Page 4

Section 17. That the Superintendent, President of the Board, and/or their designee(s) are hereby authorized and directed to make any changes to the text of the proposition referenced in Section 9 of and set forth in Exhibit "B" as required to conform to any requirements of Section 1(b) of Article XIII A of the California Constitution, the Proposition 39, state law or the County Registrar.

Section 18. That the adoption of this resolution is not a "project" for purposes of the California Environmental Quality Act, Division 13 (commencing with Section 21000) of the Public Resources Code ("CEQA") but that each of the projects specified in Exhibit "A" will be accomplished in accordance with the requirements of CEQA. The Clerk of the Board is directed to complete, execute and file, or arrange for filing of, a Notice of Exemption in such regard.

PASSED AND ADOPTED by the Board of Trustees of the Sweetwater Union High School District, County of San Diego, State of California, this 24th day of July, 2006, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

State of California)

) SS

County of San Diego)

I, Sandra L. Smith, Clerk of the Board of Trustees of the Sweetwater Union High School District, County of San Diego, State of California, do hereby certify that the foregoing is a true copy of a resolution adopted by such board at a regular meeting thereof, at the time and by the vote therein stated, which original resolution is on file in the office of such board.

Sandra L. Smith, Clerk

July 24, 2006
Date

EXHIBIT "A"

SCHOOL FACILITIES PROJECTS

The general obligation bond funds of the Sweetwater Union High School District ("District") would be used to renovate, upgrade and provide major repair of existing school facilities, construct and acquire new school buildings and infrastructure and related facilities costs, including, but not limited to, repair, renovation, upgrading and/or replacement of lighting and electrical systems, heating, air and ventilation (HVAC) systems, fire safety systems and equipment, including alarms, fire safety doors and sprinkler systems, bathroom facilities, plumbing and sewer systems and facilities, flooring and ceiling replacement and upgrades, abatement of hazardous materials, roof renovation, roofing upgrades and/or replacement, window/glazing replacement and upgrades, wall systems, security systems, communication systems, insulation, undergrounding of utilities, fencing site improvements (including walkways, safety fencing and grading), demolition or removal of existing buildings and related facilities, landscaping, hardscaping, athletic buildings, gyms and related athletic facilities and handicap accessibility improvements to meet current health, safety and instructional standards which will improve the overall educational experience for all students in the District. Such projects include, but are not limited to, repairing, reconstruction, renovation, modernization and construction of classrooms, libraries, computer labs, science labs, roofing, playgrounds, plumbing, electrical and network infrastructure, walls, doors and windows, athletic fields, replacement and/or installation of lunch shelters, installing fire suppression systems, providing earthquake retrofitting, installing energy efficient lighting systems to conserve electricity and save on utility costs, and related projects. Project costs for improvement or expansion of existing facilities may include, but are not limited to, some or all of the following: infrastructure and related expenses; construction, acquisition or lease of temporary, portable or permanent classrooms, instructional support and/or ancillary facilities, improving HVAC systems, and making District schools and school facilities compliant with the Americans with Disabilities Act (ADA), demolition of existing facilities. Project costs for furniture and equipment may include, but are not limited to some or all of the following: desks and tables; window and floor coverings (including tiles and carpeting); computer, media recording and presentation equipment, including but not limited to, audio systems; kitchen equipment, improvements and furnishings; science laboratory equipment; and/or other electronic equipment.

The following projects are specifically identified as projects on which the bond funds may be expended:

<u>Bonita Vista Middle School:</u> <ul style="list-style-type: none">• Upgrade general and special purpose classrooms and labs• Upgrade expand old electrical systems to meet current demands, security systems and to accommodate technology• Upgrade expand library, cafeteria, student drop-off area and facilities, teacher workrooms• Upgrade Adaptive Building• Repair/expand girls' boys' PE locker rooms and	<u>Castle Park Middle School:</u> <ul style="list-style-type: none">• Upgrade general and special purpose classrooms and labs• Renovate special education classrooms and buildings, student restrooms and portable classrooms• Upgrade library and school support offices• Upgrade Adaptive Building and Activity Center• Expand physical education facilities, repair outdoor athletic hardcourts and rebuild shower
---	--

<ul style="list-style-type: none"> buildings • Repair irrigation, fencing and hardcourts • Add covered PE lunch area and sitework • Renovate portable classrooms 	<ul style="list-style-type: none"> and locker rooms • Install and upgrade water systems • Upgrade teacher workroom • Upgrade existing irrigation systems • Improve fencing for security • Add covered lunch physical education area • Expand parking
<p><u>Chula Vista Middle School:</u></p> <ul style="list-style-type: none"> • Upgrade science and technology labs • Repair music/drama auditorium • Expand/Renovate library buildings and support facilities • Add music, industrial technology and covered lunch and physical education area • Replace substandard physical education shower and locker rooms • Repair irrigation systems • Improve fencing for security • Renovate outdoor athletic hardcourts 	<p><u>Community Day Middle School:</u></p> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology
<p><u>Eastlake Middle School:</u></p> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology 	<p><u>Granger Junior High School:</u></p> <ul style="list-style-type: none"> • Upgrade general and special purpose classrooms and labs and school support offices • Update science and technology labs • Upgrade/expand old electrical systems to meet current demands, security systems and to accommodate technology • Add/repair covered walkways • Upgrade student restrooms, teacher workroom and cafeteria and kitchen facilities • Repair/expand girls' boys' PE locker rooms and replace substandard locker rooms • Add covered lunch and physical education area • Repair water system and irrigation systems • Improve fencing for security • Renovate outdoor athletic hardcourts • Add relocatable classrooms for growth • Expand parking • Renovate portable classrooms
<p><u>Hilltop Middle School:</u></p> <ul style="list-style-type: none"> • Upgrade general and special purpose classrooms and labs, school support offices and Upgrade/expand library • Upgrade/expand old electrical systems to meet current demands, security systems and to accommodate technology • Upgrade cafeteria and kitchen facilities, student restrooms and teacher workroom • Renovate multipurpose room • Replace substandard physical education shower and locker rooms • Add covered lunch and physical education area 	<p><u>Mar Vista Middle School:</u></p> <ul style="list-style-type: none"> • Upgrade general and special purpose classrooms and labs and school support offices • Upgrade/expand library • Upgrade/expand old electrical systems to meet current demands, security systems and to accommodate technology • Renovate physical education classroom and music classroom • Upgrade student restrooms and teacher workroom • Update industrial technology classrooms • Upgrade/expand cafeteria building and serving

<ul style="list-style-type: none"> • Repair irrigation systems, fencing and hardcourts • Improve fencing for security • Renovate portable classrooms • Add relocatable classrooms for growth 	<ul style="list-style-type: none"> • areas • Replace physical education shower and locker rooms • Add covered lunch and physical education area and faculty restroom • Upgrade irrigation systems • Improve fencing for security • Renovate outdoor athletic hardcourts • Renovate portable classrooms
<p><u>Montgomery Middle School:</u></p> <ul style="list-style-type: none"> • Upgrade general and special purpose classrooms and labs, physical education and school support offices and Upgrade/expand library facilities • Upgrade student restrooms and add additional facilities, cafeteria, Upgrade equipment and serving areas • Upgrade/expand old electrical systems to meet current demands, security systems and to accommodate technology • Add/repair covered walkways • Add covered lunch and physical education area • Install faculty restroom • Upgrade teacher workroom • Upgrade irrigation systems • Improve fencing for security • Renovate outdoor athletic hardcourts • Renovate portable classrooms 	<p><u>National City Middle School:</u></p> <ul style="list-style-type: none"> • Construct a new classroom buildings • Upgrade general and special purpose classrooms and labs, auditorium and existing Adaptive Gym • Upgrade/expand old electrical systems to meet current demands, security systems and to accommodate technology • Upgrade cafeteria and school support offices • Refurbish library facilities • Renovate existing student restrooms • Upgrade irrigation systems • Improve fencing for security • Repair and replace walkways and outdoor athletic hardcourts • Add covered lunch and physical education instructional area and existing student restrooms • Add relocatable classrooms for growth • Renovate portable classrooms
<p><u>Rancho del Rey Middle School:</u></p> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology • Expand locker facilities 	<p><u>Southwest Middle School:</u></p> <ul style="list-style-type: none"> • Upgrade general and special purpose classrooms and labs • Refurbish library building and facilities • Upgrade/expand old electrical systems to meet current demands, security systems and to accommodate technology • Upgrade physical education classrooms • Expand and upgrade student restrooms • Renovate school support offices and auditorium • Repair and replace walkways and outdoor athletic hardcourts • Replace locker rooms • Upgrade irrigation systems • Add covered lunch and physical education instructional area • Renovate portable classrooms • Improve fencing for security
<p><u>Bonita Vista High School:</u></p> <ul style="list-style-type: none"> • Upgrade general and special purpose 	<p><u>Castle Park High School:</u></p> <ul style="list-style-type: none"> • Upgrade general and special purpose

<p>classrooms and labs, Bolles Theater and school support offices</p> <ul style="list-style-type: none"> • Add science labs and new classroom buildings • Upgrade/expand old electrical systems to meet current demands, security systems and to accommodate technology • Add restrooms • Expand/Upgrade library, cafeteria and kitchen buildings and infrastructure • Renovate student restrooms • Expand/repair girls'/'boys' PE locker rooms, fencing and hardcourts • New quad • Repair irrigation systems • Repair/resurface walkways, floors and asphalt • New multi-purpose room Renovate portable classrooms 	<p>classrooms and labs, library buildings and facilities and Food Services building</p> <ul style="list-style-type: none"> • Expand/upgrade library and industrial technology classrooms for increased student population • Upgrade/expand old electrical systems to meet current demands, security systems and to accommodate technology • Upgrade PE classrooms • Upgrade/repair girls'/'boys' PE locker rooms • Renovate and add student restrooms • Add science labs and classroom building • New multi-purpose room • Upgrade support offices • Repair PE offices, buildings and facilities, hardcourts, fencing and irrigation • Repair and resurface floors, walkways and asphalt • Replace sewer and water systems • Renovate portable classrooms
<p><u>Chula Vista High School:</u></p> <ul style="list-style-type: none"> • Upgrade general and special purpose classrooms and labs • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology • Expand and Upgrade boys' and girls' physical education facilities, lockers and showers • Add science lab, student restrooms and teachers workroom • Repair Stadium • Repair/renovate PE buildings, facilities, classrooms • Expand and Upgrade library facilities • New multi-purpose room/mini-gym • Repair and resurface damaged walkways, floors and asphalt areas • Renovate cafeteria multipurpose room • Upgrade exterior fencing for security • Expand parking • Renovate portable classrooms 	<p><u>Eastlake High School:</u></p> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology • Reconfigure for additional parking
<p><u>Hilltop High School:</u></p> <ul style="list-style-type: none"> • Upgrade general and special purpose classrooms and labs • Add science lab, faculty restrooms and teachers workroom • Expand/upgrade library, cafeteria, gymnasium, multi-use room and counseling center • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology • New multi-purpose room/mini-gym 	<p><u>Mar Vista High School:</u></p> <ul style="list-style-type: none"> • Upgrade general and special purpose classrooms and labs • Add science classroom space, a computer lab and classroom building • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology • Reconstruct cafeteria and industrial technology classrooms • Add teacher workroom, student and faculty

<ul style="list-style-type: none"> • Improve fencing for security • Repair and replace walkways, floors, outdoor athletic hardcourts and physical education facilities • Replace locker rooms • Add relocatable classrooms for growth • Upgrade existing and add additional student and faculty restrooms • Upgrade irrigation systems • Expand stadium seating • Renovate portable classrooms 	<ul style="list-style-type: none"> • restroom • Renovate existing restrooms • Upgrade school support offices • Add relocatable classrooms for growth • Provide more general storage space • Upgrade and Upgrade library • Add cover to outside eating area • Install exterior lighting for security • Upgrade physical education facilities including boys' and girls' locker/restrooms • Renovate portable classrooms • Regrade and landscape grounds to improve drainage
<p><u>Montgomery High School:</u></p> <ul style="list-style-type: none"> • Upgrade general and special purpose classrooms and labs, Gymnasium and Adaptive Gym and school support offices • Add classrooms and science labs • Add student/faculty restrooms • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology • Add multi-purpose room mini-gym • Upgrade/expand library facilities • Renovate kitchen and cafeteria facilities, physical educational facilities • Repair boys' and girls' PE lockers rooms • Upgrade industrial technology classrooms • Repair irrigation, fencing, hardcourts • Renovate portable classrooms 	<p><u>Olympian High School:</u></p> <ul style="list-style-type: none"> • Repair restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology
<p><u>Otay Ranch High School:</u></p> <ul style="list-style-type: none"> • Repair restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current demands, security systems and to accommodate technology 	<p><u>Palomar High School:</u></p> <ul style="list-style-type: none"> • Upgrade general and special purpose classrooms and labs • Upgrade/expand electrical systems to meet current demands, security systems and to accommodate technology • Upgrade PE Classrooms • Add faculty restroom to accommodate additional staff • Expand teacher workroom
<p><u>San Ysidro High School:</u></p> <ul style="list-style-type: none"> • Repair restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology 	<p><u>Southwest High School:</u></p> <ul style="list-style-type: none"> • Upgrade general and special purpose classrooms and labs, school support offices and gymnasium • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology • Add restrooms, classrooms and science labs • Construct new multi-purpose/mini-gym • Upgrade/expand library • Upgrade industrial technology classrooms, kitchen and cafeteria

	<ul style="list-style-type: none"> • Renovate music and drama classrooms • Repair boys' girls' PE locker rooms • Upgrade teachers workroom and PE classrooms/facilities • Repair irrigation, fencing, hardcourts • Renovate portable classrooms
<u>Sweetwater High School:</u> <ul style="list-style-type: none"> • Construct new classroom buildings • Upgrade general and special purpose classrooms and labs • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology • Add restrooms, classrooms, science labs and parking facilities • Add renovate portable classrooms • Provide music and drama classrooms • Acquire land to add campus space, parking, and classrooms to accommodate student enrollment • Expand/upgrade library facilities • Repair Stadium • Construct new concession stand • Repair irrigation, fencing and hardcourts 	<u>Options Secondary School:</u> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology
<u>Alta Vista Academy:</u> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology 	<u>Fifth Avenue Academy:</u> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology
<u>Imperial Beach Technology Academy:</u> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology 	<u>Vocational and Technical Education ACT:</u> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology
<u>Adult Resource Center:</u> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology 	<u>Chula Vista Adult School:</u> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology
<u>Montgomery Adult School:</u> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology 	<u>National City Adult School:</u> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology

San Ysidro Adult School:

- Repair/restore on-site infrastructure and buildings
- Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology

Acquisition, Construction and Expansion of School Sites and School Infrastructure to Enable Existing School Campuses to Meet Student Needs

Proceeds of the Bonds may be used to design, acquire, construct, equip and expand school sites, buildings, facilities and campuses within the District. Acquisition and construction would include, but not be limited to, site acquisition, demolition of existing structures, site grading, design and construction of classrooms, offices, cafeteria, multi-purpose facility, playing field and other athletic facilities, school grounds, science and computer lab, library, restrooms, parking and other school buildings and facilities.

Project costs for the above-referenced projects may include site preparation, installation costs, engineering and design costs, project management costs and related costs. Project costs may also include the payment of lease payments for lease of authorized facilities, property or buildings and payment of costs and expenses for interim financing of authorized facilities (including, but not limited to, financing delivery costs). Allowable project costs also include: costs of issuing the bonds or securities (as authorized under California law), informational distribution costs and election costs authorized under State law. Funding for these projects may come from this bond measure or other District resources as the school construction needs arise.

In preparing the foregoing list, the Board of Education of the Sweetwater Union High School District has evaluated safety, class size reduction and information technology needs. Approval of the District's bond measure does not guarantee that all of the identified projects within this list will be funded beyond local funds generated by the bond measure and does not guarantee that the projects will be completed in any particular order. The District will also pursue funds from the State of California to complete the identified facilities projects. The foregoing project list assumes that the District would also receive State matching funds.

No proceeds of the Bonds shall be used for refurbishment or reconstruction of the District's administrative or business offices.

No Administrator Salaries. Proceeds from the sale of bonds authorized by this proposition shall be used only for the design, demolition, construction, acquisition, repair, renovation, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, the acquisition or lease of real property for school facilities, as identified herein, or the oversight of such activities, and not for any other purpose, including teacher and non-construction related administrator salaries and other non-construction related operating expenses.

EXHIBIT "B"

**SWEETWATER UNION HIGH SCHOOL DISTRICT
BOND PROPOSITION**

"In order to acquire, construct, renovate and upgrade school facilities and provide major repair of existing school facilities at schools of the Sweetwater Union High School District, and in so doing increase safety and educational effectiveness of classrooms for students, shall the Sweetwater Union High School District be authorized to issue Bonds in an amount not to exceed \$644,000,000, including the furnishing and equipping of school facilities or the acquisition or lease of real property for schools and school facilities listed and further described in Attachment "1" on file at the District office and herein incorporated, which Bonds shall be issued for a term not to exceed the statutory maximum, which is twenty-five (25) years in the case of bonds issued under the authority of the Education Code and forty (40) years in the case of bonds issued under the authority of the Government Code, at an interest rate below the legal maximum, and which Bonds shall be subject to the following provisions:

- (A) That proceeds of the Bonds shall be used only for the acquisition, construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities or the acquisition or lease of real property for school facilities pursuant to California Constitution Article XIII A, Section 1(b)(3) and further that the proceeds of the Bonds shall be used only for the purposes specified in California Constitution Article XIII A, Section 1(b)(3) (as amended by Proposition 39) and not for any other purpose, including teacher and administrator salaries and any other school operating expenses.
- (B) That a list of the specific school facilities projects to be funded with the proceeds of the Bonds is attached hereto as Attachment "1" and, based upon the adoption of this Resolution, this Board of Trustees hereby certifies that it has evaluated safety, class size reduction and information technology needs in developing the school facilities listed in Attachment "1".
- (C) That the Board of Trustees of the District shall conduct an annual, independent performance audit to insure that the proceeds from the sale of the Bonds have been expended only on the specific projects listed in this bond proposition.
- (D) That the Board of Trustees of the District shall conduct an annual, independent financial audit of the proceeds from the sale of the Bonds until all of those proceeds have been expended for the school facilities projects identified herein.
- (E) That the Board of Trustees of the District will, pursuant to the provisions of applicable State law, appoint a citizens' oversight committee, and conduct annual independent audits (as referenced above) to assure that the Bond proceeds are spent only on the school, facilities and classroom improvements, projects and costs

identified in Attachment "1" and for no other purposes, and that the citizens' oversight committee shall meet on a regular basis and shall, where possible, include construction, finance or other qualified professionals in its membership and may, as part of its activities, review and provide comments to the Board of Trustees on bond measure expenditure plans, bond measure-related staffing and consultants, and the District's deferred maintenance plans, and shall be advisory only, and shall not replace or impede the activities or decisions of the District's Board of Trustees;

- (F) That the District's deferred maintenance plans, as periodically amended, may be reviewed by the citizen's oversight committee as a part of its activities;
- (G) That in order to maximize community benefit and to apply bond funds available, the District should pursue identified opportunities to expand the use and availability of community joint use facilities, or other joint facility use opportunities, in expanded school construction projects when practical to do so and, in pursuing such joint use, the District should take into consideration opportunities to maximize the use of such school facilities to the surrounding communities and the public in general without adversely impacting District operations, finances and in compliance with all applicable federal, State, and local laws.

Such bond proposition is also for the purpose of making the Sweetwater Union High School District eligible for State matching funds."

EXHIBIT "I"

SCHOOL FACILITIES PROJECTS

The general obligation bond funds of the Sweetwater Union High School District ("District") would be used to renovate, upgrade and provide major repair of existing school facilities, construct and acquire new school buildings and infrastructure and related facilities costs, including, but not limited to, repair, renovation, upgrading and/or replacement of lighting and electrical systems, heating, air and ventilation (HVAC) systems, fire safety systems and equipment, including alarms, fire safety doors and sprinkler systems, bathroom facilities, plumbing and sewer systems and facilities, flooring and ceiling replacement and upgrades, abatement of hazardous materials, roof renovation, roofing upgrades and/or replacement, window glazing replacement and upgrades, wall systems, security systems, communication systems, insulation, undergrounding of utilities, fencing site improvements (including walkways, safety fencing and grading), demolition or removal of existing buildings and related facilities, landscaping, hardscaping, athletic buildings, gyms and related athletic facilities and handicap accessibility improvements to meet current health, safety and instructional standards which will improve the overall educational experience for all students in the District. Such projects include, but are not limited to, repairing, reconstruction, renovation, modernization and construction of classrooms, libraries, computer labs, science labs, roofing, playgrounds, plumbing, electrical and network infrastructure, walls, doors and windows, athletic fields, replacement and/or installation of lunch shelters, installing fire suppression systems, providing earthquake retrofitting, installing energy efficient lighting systems to conserve electricity and save on utility costs, and related projects. Project costs for improvement or expansion of existing facilities may include, but are not limited to, some or all of the following: infrastructure and related expenses; construction, acquisition or lease of temporary, portable or permanent classrooms, instructional support and/or ancillary facilities, improving HVAC systems, and making District schools and school facilities compliant with the Americans with Disabilities Act (ADA), demolition of existing facilities. Project costs for furniture and equipment may include, but are not limited to some or all of the following: desks and tables; window and floor coverings (including tiles and carpeting); computer, media recording and presentation equipment, including but not limited to, audio systems; kitchen equipment, improvements and furnishings; science laboratory equipment; and/or other electronic equipment.

The following projects are specifically identified as projects on which the bond funds may be expended:

<p><u>Bonita Vista Middle School:</u></p> <ul style="list-style-type: none"> • Upgrade general and special purpose classrooms and labs • Upgrade/expand old electrical systems to meet current demands, security systems and to accommodate technology • Upgrade/expand library, cafeteria, student drop-off area and facilities, teacher workrooms • Upgrade Adaptive Building • Repair/expand girls' boys' PE locker rooms and buildings • Repair irrigation, fencing and hardcourts 	<p><u>Castle Park Middle School:</u></p> <ul style="list-style-type: none"> • Upgrade general and special purpose classrooms and labs • Renovate special education classrooms and buildings, student restrooms and portable classrooms • Upgrade library and school support offices • Upgrade Adaptive Building and Activity Center • Expand physical education facilities, repair outdoor athletic hardcourts and rebuild shower and locker rooms • Install and upgrade water systems
---	---

<ul style="list-style-type: none"> • Add covered PE/lunch area and sitework • Renovate portable classrooms 	<ul style="list-style-type: none"> • Upgrade teacher workroom • Upgrade existing irrigation systems • Improve fencing for security • Add covered lunch/physical education area • Expand parking
<p><u>Chula Vista Middle School:</u></p> <ul style="list-style-type: none"> • Upgrade science and technology labs • Repair music drama auditorium • Expand/Renovate library buildings and support facilities • Add music, industrial technology and covered lunch and physical education area • Replace substandard physical education shower and locker rooms • Repair irrigation systems • Improve fencing for security • Renovate outdoor athletic hardcourts 	<p><u>Community Day Middle School:</u></p> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology
<p><u>Eastlake Middle School:</u></p> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology 	<p><u>Granger Junior High School:</u></p> <ul style="list-style-type: none"> • Upgrade general and special purpose classrooms and labs and school support offices • Update science and technology labs • Upgrade/expand old electrical systems to meet current demands, security systems and to accommodate technology • Add/repair covered walkways • Upgrade student restrooms, teacher workroom and cafeteria and kitchen facilities • Repair/expand girls'/'boys' PE locker rooms and replace substandard locker rooms • Add covered lunch and physical education area • Repair water system and irrigation systems • Improve fencing for security • Renovate outdoor athletic hardcourts • Add relocatable classrooms for growth • Expand parking • Renovate portable classrooms
<p><u>Hilltop Middle School:</u></p> <ul style="list-style-type: none"> • Upgrade general and special purpose classrooms and labs, school support offices and Upgrade/expand library • Upgrade/expand old electrical systems to meet current demands, security systems and to accommodate technology • Upgrade cafeteria and kitchen facilities, student restrooms and teacher workroom • Renovate multipurpose room • Replace substandard physical education shower and locker rooms • Add covered lunch and physical education area • Repair irrigation systems, fencing and hardcourts 	<p><u>Mar Vista Middle School:</u></p> <ul style="list-style-type: none"> • Upgrade general and special purpose classrooms and labs and school support offices • Upgrade/expand library • Upgrade/expand old electrical systems to meet current demands, security systems and to accommodate technology • Renovate physical education classroom and music classroom • Upgrade student restrooms and teacher workroom • Update industrial technology classrooms • Upgrade/expand cafeteria building and serving areas • Replace physical education shower and locker

<ul style="list-style-type: none"> • Improve fencing for security • Renovate portable classrooms • Add relocatable classrooms for growth 	<ul style="list-style-type: none"> rooms • Add covered lunch and physical education area and faculty restroom • Upgrade irrigation systems • Improve fencing for security • Renovate outdoor athletic hardcourts • Renovate portable classrooms
<p><u>Montgomery Middle School:</u></p> <ul style="list-style-type: none"> • Upgrade general and special purpose classrooms and labs, physical education and school support offices and Upgrade/expand library facilities • Upgrade student restrooms and add additional facilities, cafeteria, Upgrade equipment and serving areas • Upgrade/expand old electrical systems to meet current demands, security systems and to accommodate technology • Add/repair covered walkways • Add covered lunch and physical education area • Install faculty restroom • Upgrade teacher workroom • Upgrade irrigation systems • Improve fencing for security • Renovate outdoor athletic hardcourts • Renovate portable classrooms 	<p><u>National City Middle School:</u></p> <ul style="list-style-type: none"> • Construct a new classroom buildings • Upgrade general and special purpose classrooms and labs, auditorium and existing Adaptive Gym • Upgrade/expand old electrical systems to meet current demands, security systems and to accommodate technology • Upgrade cafeteria and school support offices • Refurbish library facilities • Renovate existing student restrooms • Upgrade irrigation systems • Improve fencing for security • Repair and replace walkways and outdoor athletic hardcourts • Add covered lunch and physical education instructional area and existing student restrooms • Add relocatable classrooms for growth • Renovate portable classrooms
<p><u>Rancho del Rey Middle School:</u></p> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology • Expand locker facilities 	<p><u>Southwest Middle School:</u></p> <ul style="list-style-type: none"> • Upgrade general and special purpose classrooms and labs • Refurbish library building and facilities • Upgrade/expand old electrical systems to meet current demands, security systems and to accommodate technology • Upgrade physical education classrooms • Expand and upgrade student restrooms • Renovate school support offices and auditorium • Repair and replace walkways and outdoor athletic hardcourts • Replace locker rooms • Upgrade irrigation systems • Add covered lunch and physical education instructional area • Renovate portable classrooms • Improve fencing for security
<p><u>Bonita Vista High School:</u></p> <ul style="list-style-type: none"> • Upgrade general and special purpose classrooms and labs, Bolles Theater and school support offices • Add science labs and new classroom buildings • Upgrade/expand old electrical systems to meet 	<p><u>Castle Park High School:</u></p> <ul style="list-style-type: none"> • Upgrade general and special purpose classrooms and labs, library buildings and facilities and Food Services building • Expand/upgrade library and industrial technology classrooms for increased student population

<p>current demands, security systems and to accommodate technology</p> <ul style="list-style-type: none"> • Add restrooms • Expand/Upgrade library, cafeteria and kitchen buildings and infrastructure • Renovate student restrooms • Expand/repair girls'/boys' PE locker rooms, fencing and hardcourts • New quad • Repair irrigation systems • Repair/resurface walkways, floors and asphalt • New multi-purpose room • Renovate portable classrooms 	<ul style="list-style-type: none"> • Upgrade/expand old electrical systems to meet current demands, security systems and to accommodate technology • Upgrade PE classrooms • Upgrade/repair girls'/boys' PE locker rooms • Renovate and add student restrooms • Add science labs and classroom building • New multi-purpose room • Upgrade support offices • Repair PE offices, buildings and facilities, hardcourts, fencing and irrigation • Repair and resurface floors, walkways and asphalt • Replace sewer and water systems • Renovate portable classrooms
<p><u>Chula Vista High School:</u></p> <ul style="list-style-type: none"> • Upgrade general and special purpose classrooms and labs • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology • Expand and Upgrade boys' and girls' physical education facilities, lockers and showers • Add science lab, student restrooms and teachers workroom • Repair Stadium • Repair/renovate PE buildings facilities/classrooms • Expand and Upgrade library facilities • New multi-purpose room/mini-gym • Repair and resurface damaged walkways, floors and asphalt areas • Renovate cafeteria/multipurpose room • Upgrade exterior fencing for security • Expand parking • Renovate portable classrooms 	<p><u>Eastlake High School:</u></p> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology • Reconfigure for additional parking
<p><u>Hilltop High School:</u></p> <ul style="list-style-type: none"> • Upgrade general and special purpose classrooms and labs • Add science lab, faculty restrooms and teachers workroom • Expand/upgrade library, cafeteria, gymnasium, multi-use room and counseling center • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology • New multi-purpose room/mini-gym • Improve fencing for security • Repair and replace walkways, floors, outdoor athletic hardcourts and physical education facilities • Replace locker rooms 	<p><u>Mar Vista High School:</u></p> <ul style="list-style-type: none"> • Upgrade general and special purpose classrooms and labs • Add science classroom space, a computer lab and classroom building • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology • Reconstruct cafeteria and industrial technology classrooms • Add teacher workroom, student and faculty restroom • Renovate existing restrooms • Upgrade school support offices • Add relocatable classrooms for growth • Provide more general storage space

- Renovate portable classrooms

<p><u>Sweetwater High School:</u></p> <ul style="list-style-type: none"> • Construct new classroom buildings • Upgrade general and special purpose classrooms and labs • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology • Add restrooms, classrooms, science labs and parking facilities • Add/renovate portable classrooms • Provide music and drama classrooms • Acquire land to add campus space, parking, and classrooms to accommodate student enrollment • Expand/upgrade library facilities • Repair Stadium • Construct new concession stand • Repair irrigation, fencing and hardcourts 	<p><u>Options Secondary School:</u></p> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology
<p><u>Alta Vista Academy:</u></p> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology 	<p><u>Fifth Avenue Academy:</u></p> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology
<p><u>Imperial Beach Technology Academy:</u></p> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology 	<p><u>Vocational and Technical Education ACT:</u></p> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology
<p><u>Adult Resource Center:</u></p> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology 	<p><u>Chula Vista Adult School:</u></p> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology
<p><u>Montgomery Adult School:</u></p> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology 	<p><u>National City Adult School:</u></p> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology
<p><u>San Ysidro Adult School:</u></p> <ul style="list-style-type: none"> • Repair/restore on-site infrastructure and buildings • Upgrade/expand electrical systems to meet current and future demands, security systems and to accommodate technology 	

Acquisition, Construction and Expansion of School Sites and School Infrastructure to Enable Existing School Campuses to Meet Student Needs

Proceeds of the Bonds may be used to design, acquire, construct, equip and expand school sites, buildings, facilities and campuses within the District. Acquisition and construction would include, but not be limited to: site acquisition, demolition of existing structures, site grading, design and construction of classrooms, offices, cafeteria, multi-purpose facility, playing field and other athletic facilities, school grounds, science and computer lab, library, restrooms, parking and other school buildings and facilities.

Project costs for the above-referenced projects may include site preparation, installation costs, engineering and design costs, project management costs and related costs. Project costs may also include the payment of lease payments for lease of authorized facilities, property or buildings and payment of costs and expenses for interim financing of authorized facilities (including, but not limited to, financing delivery costs). Allowable project costs also include: costs of issuing the bonds or securities (as authorized under California law), informational distribution costs and election costs authorized under State law. Funding for these projects may come from this bond measure or other District resources as the school construction needs arise.

In preparing the foregoing list, the Board of Education of the Sweetwater Union High School District has evaluated safety, class size reduction and information technology needs. Approval of the District's bond measure does not guarantee that all of the identified projects within this list will be funded beyond local funds generated by the bond measure and does not guarantee that the projects will be completed in any particular order. The District will also pursue funds from the State of California to complete the identified facilities projects. The foregoing project list assumes that the District would also receive State matching funds.

No proceeds of the Bonds shall be used for refurbishment or reconstruction of the District's administrative or business offices.

No Administrator Salaries. Proceeds from the sale of bonds authorized by this proposition shall be used only for the design, demolition, construction, acquisition, repair, renovation, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, the acquisition or lease of real property for school facilities, as identified herein, or the oversight of such activities, and not for any other purpose, including teacher and non-construction related administrator salaries and other non-construction related operating expenses.

EXHIBIT "C"

**SWEETWATER UNION HIGH SCHOOL DISTRICT
BOND MEASURE STATEMENT**

"School Classroom, Safety and Repair Measure. To improve learning/safety at every Sweetwater Union High School District campus by repairing/earthquake retrofitting classrooms/restrooms; installing upgraded fire safety systems, security fencing, safety lighting; upgrading science labs/computer technology; improving handicap accessibility; replacing leaky roofs, heating/air conditioning, outdated plumbing; removing asbestos, mold, and lead paint; shall the District issue \$644 million in bonds, at legal interest rates, with citizens' oversight, independent annual audits and no money for administrators' salaries?"

Bonds - Yes

Bonds - No

EXHIBIT "D"
SWEETWATER UNION HIGH SCHOOL DISTRICT
SCHOOL BOND ELECTION NOTICE

NOTICE IS HEREBY GIVEN to the qualified electors of the Sweetwater Union High School District ("School District") located in the County of San Diego, State of California, that in accordance with applicable law, an election will be held on Tuesday, the 7th day of November, 2006, in the School District, at which election there will be submitted to the voters the question of issuing and selling bonds of said School District in an amount not to exceed Six Hundred Forty-Four Million Dollars (\$644,000,000) in accordance with the actions relating thereto taken by the Board of Trustees of the School District.

All of the purposes enumerated herein are hereby united and shall be voted upon as one single proposition.

The bonds proposed to be issued and sold shall bear interest at a rate not exceeding twelve percent (12%) per annum.

The number of years the whole or any part of the bonds are to run shall not exceed the statutory maximum, which is twenty-five (25) years in the case of bonds issued under the authority of the Education Code, and forty (40) years in the case of bonds issued under the authority of the Government Code, from the date of the bonds or the date of any series thereof.

Each qualified elector of the School District shall be entitled to vote only in the School District election precinct of which he/she is a resident.

The electors in the School District shall vote on the following measure on November 7, 2006:

MEASURE []

[Insert full text of Bond Proposition]

Dated this ____ day of _____, 2006.

San Diego County Registrar of Voters

**CALIFORNIA EDUCATION CODE
SECTION 15278-15282
CITIZENS' OVERSIGHT COMMITTEE**

15278. (a) If a bond measure authorized pursuant to paragraph (1) of subdivision (b) of Section 1 of Article XIII A of the California Constitution and subdivision (b) of Section 16 of Article XVI of the California Constitution is approved, the governing board of the school district or community college shall establish and appoint members to an independent citizens' oversight committee, pursuant to Section 15282, within 60 days of the date that the governing board enters the election results on its minutes pursuant to Section 15274.

(b) The purpose of the citizens' oversight committee shall be 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 paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. The citizens' oversight committee shall convene to provide oversight for, but not be limited to, both of the following:

(1) Ensuring that bond revenues are expended only for the purposes described in paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(2) Ensuring that, as prohibited by subparagraph (A) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution, no funds are used for any teacher or administrative salaries or other school operating expenses.

(c) In furtherance of its purpose, the citizens' oversight committee may engage in any of the following activities:

(1) Receiving and reviewing copies of the annual, independent performance audit required by subparagraph (C) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(2) Receiving and reviewing copies of the annual, independent financial audit required by subparagraph (C) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(3) Inspecting school facilities and grounds to ensure that bond revenues are expended in compliance with the requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(4) Receiving and reviewing copies of any deferred maintenance proposals or plans developed by a school district or community college district, including any reports required by Section 17584.1.

(5) Reviewing efforts by the school district or community college district to maximize bond revenues by implementing cost-saving measures, including, but not limited to, all of the following:

A. Mechanisms designed to reduce the costs of professional fees.

B. Mechanisms designed to reduce the costs of site preparation.

C. Recommendations regarding the joint use of more facilities.

D. Mechanisms designed to reduce costs by incorporating efficiencies in schoolsite design.

E. Recommendations regarding the use of cost-effective and efficient reusable facility plans.

"1.1. A law governing each of the districts shall, without expenditure of funds, provide the citizens' oversight committee with any necessary technical assistance and shall provide administrative assistance in furtherance of its purpose and authorized activities. Publishing the conclusions of the citizens' oversight committee.

"1.2. Committee proceedings shall be open to the public and access to the public shall be provided in the same manner as the proceedings of the governing board. The citizens' oversight committee shall issue regular reports on the results of its activities. A report shall be issued at least once a year. Minutes of the proceedings of the citizens' oversight committee and all documents received and reports issued shall be a matter of public record and be made available on an Internet website maintained by the governing board.

10212. (a) The citizens' oversight committee shall consist of at least seven members to serve for a term of two years without compensation and for no more than two consecutive terms. While consisting of a minimum of at least seven members, the citizens' oversight committee shall be comprised, as follows:

(1) One member shall be active in a business organization representing the business community located within the district.

(2) One member shall be active in a senior citizens' organization.

(3) One member shall be active in a bona fide taxpayers' organization.

(4) For a school district, one member shall be the parent or guardian of a child enrolled in the district. For a community college district, one member shall be a student who is both currently enrolled in the district and active in a community college group, such as student government. The community college student member may, at the discretion of the board, serve up to six months after his or her graduation.

(5) For a school district, one member shall be both a parent or guardian of a child enrolled in the district and active in a parent-teacher organization, such as the Parent Teacher Association or schoolsite council. For a community college district, one member shall be active in the support and organization of a community college or the community colleges of the district, such as a member of an advisory council or foundation.

(6) No employee or official of the district shall be appointed to the citizens' oversight committee. No vendor, contractor, or consultant of the district shall be appointed to the citizens' oversight committee. Members of the citizens' oversight committee shall, pursuant to Sections 35231 and 2533, abide by the prohibitions contained in Article 4 (commencing with Section 1090 and Article 4.7 (commencing with Section 1125) of Division 4 of Title 1 of the Government Code.