

PROPOSITION O



BUILDING A BRIGHTER FUTURE!

CITIZENS' BOND OVERSIGHT COMMITTEE

2010 - 2011 ANNUAL REPORT



APPROVED
October 11, 2012

LETTER FROM
COMMITTEE CHAIR
2010 - 2011

TO: Board of Trustees

The Citizens Bond Oversight Committee is pleased to forward its fifth annual report on the \$644 million general obligation Proposition O bond initiative. This report will cover the 2010-2011 fiscal year for the period of July 1, 2010 through June 30, 2011. The Chair apologizes for the lateness of the report and takes full responsibility for this oversight on our part.

Principal duties of the Committee are to ensure that proceeds have been expended for the purposes set forth in the Proposition O ballot language, report the progress annually to the public and provide a compliance statement. Sweetwater's Board of Trustees is responsible for monitoring, priority of projects commenced and spending levels of individual projects.

This report highlights many of the active projects that will prolong the life of the district's facilities and improve the learning experience of its students. The Committee relied on the annual and financial audit of expenditures performed by Christy White Accountancy Corporation, auditors for the bond funds, which disclosed no instances of non-compliance to be reported.

The Committee's makeup changed during the 2010-2011 fiscal year due to term limits. Outgoing members Cynthia Melchor, Jane McGill and Yolanda Hernandez were replaced by Gil Camarena, David Butler and Maria Arroyo. The departing members served the Committee well, and their passion and dedication to the Committee, District and Community is much appreciated.

The Committee wishes to report that the Sweetwater Union High School District was in full compliance with the responsibilities as described in Article XIII A, Section 1(b)(3) of the California State Constitution. A full disclosure of the audit and the Committee's deliberations can be viewed at <http://buildingpropo.sweetwaterschools.org/>.

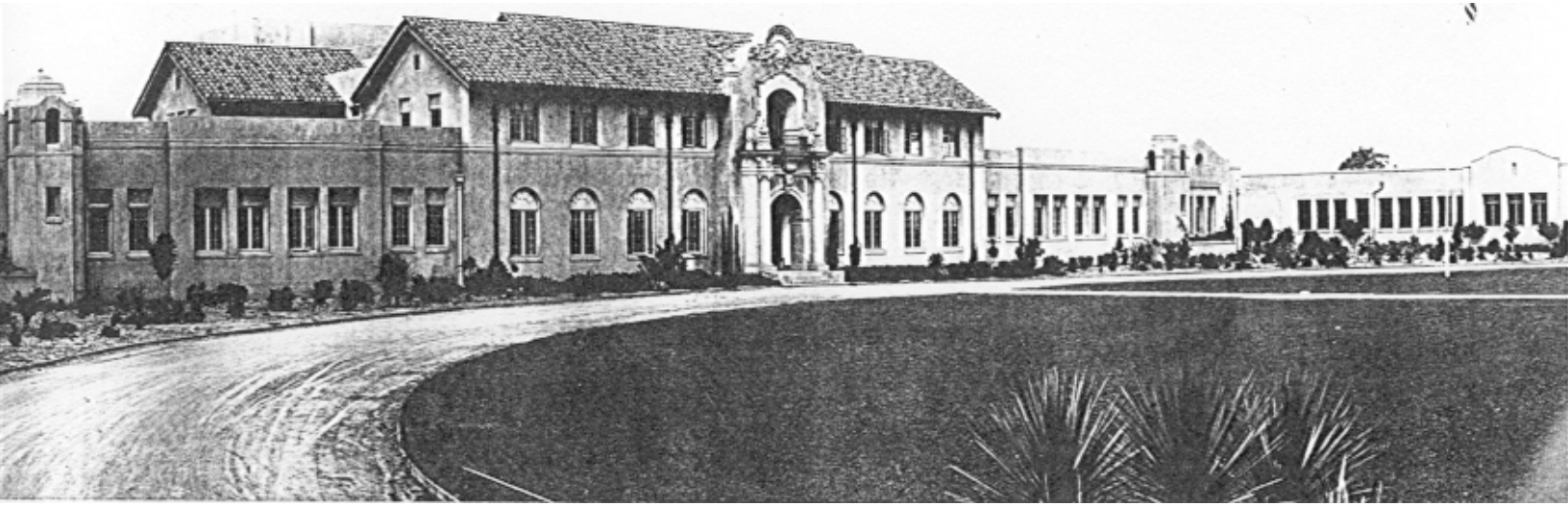
In closing, please allow me to express my appreciation to my colleagues on the Committee and staff who have worked so hard. It has been my distinct pleasure to serve as Chair of the Committee during the 2010-2011 fiscal year.

Very Truly Yours,

Bernardo Vasquez
Citizens Bond Oversight Committee

ABOUT THE DISTRICT

Founded in 1920, the Sweetwater District has grown to more than 41,000 students in grades 7 through 12 and more than 22,000 adult learners. The district's 32 campuses are located in the cities of Chula Vista, Imperial Beach, National City and San Diego, including the communities of Bonita, Eastlake, Otay Ranch, Otay Mesa, San Ysidro and South San Diego.



ABOUT PROPOSITION O

All schools and students in the Sweetwater Union High School District will benefit from Proposition O.

Proposition O will:

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

Proposition O is subject to strict accountability requirements, including an independent citizens' oversight committee and annual audits, to guarantee that improvements specified in the District's facilities master plan are completed efficiently as promised. Proposition O funds can only be spent on our neighborhood secondary and adult schools to benefit local students. Bond funds may not be spent on administrator salaries or district offices, but can be spent on district classified staff that are involved in construction project administration.

Quality school facilities help retain and attract qualified teachers. Good schools maintain local quality of life and strong values.

COMMITTEE MEETINGS

The Citizens' Bond Oversight Committee met almost monthly. All meetings were open to the public. Agendas and meeting minutes from all committee meetings are available on the bond website at <http://buildingpropo.sweetwaterschools.org>.

Meetings held during the 2010-11 fiscal year include:

July 10, 2010 • August 5, 2010 • November 4, 2010 • January 31, 2011

February 12, 2011 • March 22, 2011 • April 16, 2011 (No quorum) • June 11, 2011



COMMITTEE ACTIVITY SUMMARY

The Citizens' Bond Oversight Committee was originally appointed by the SUHSD Board of Trustees on March 12, 2007. During the 2010/11 school year the proceedings of the committee included:

- Review of Financial and Performance Audit
- Review of Committee Terms
- Review of Community Outreach Efforts
- Review of Roles and Responsibilities
- Review of Project Expenses
- Review of Project Status Reports
- Review of Change Order Reports
- Review of Program Schedule
- Review of Design Progress
- Review of Financial Reports
- Review of Annual Report
- Review of Board Agenda Items
- Review of School Facilities Bond Program Report
- Site Tours of CVH, CVM, MOM, MVH, SOH, SUH

COMMITTEE MEMBERS

Maria Arroyo
(Term began June 2011)

David Butler
(Term began June 2011)

Guillermo Camarena
(Term began June 2011)

Debbie Espe

Yolanda Hernandez
(Term ended March 2011)

Jane McGill
(Term ended March 2011)

Cynthia Melcher
(Term ended March 2011)

Dency Souval

Lourdes Valdez

Bernardo Vasquez

REPRESENTING

**Parent and Active in a Parent-Teacher
Organization**

At-Large

At-Large

Bona Fide Taxpayer Association

At-Large

At-Large

**Parent and Active in a Parent-Teacher
Organization**

Senior Citizen Organization

Business Organization

Parent of SUHSD student

BOARD OF TRUSTEES

Jim Cartmill • Bertha López • John McCann (Term began December 2010)

Pearl Quiñones • Arlie N. Ricasa • Greg Sandoval (Term ended November 2010)



BOND EXPENDITURES AS OF JUNE 30, 2011

The Sweetwater Union High School District is nearing the completion of Phase 1 projects from the district's \$644 million Proposition O Bond Program.

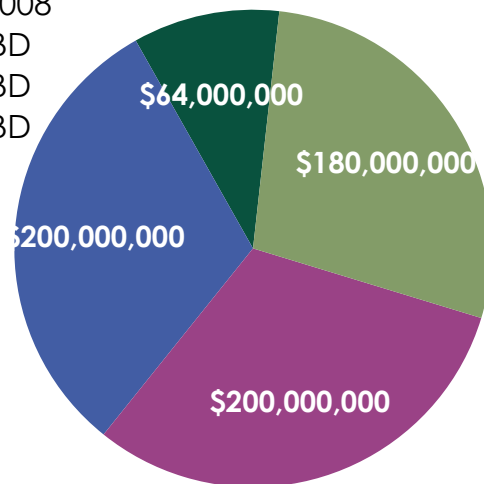
The Proposition O Bond Sales chart shows the first Bond Sale of \$180 million in March 2008. The original plan was for three future bond sales, but because assessed value has declined in the district the timing and size of the future bond sales is uncertain.

In addition to Bond Sale 1 from Proposition O, Phase 1 projects are funded by remaining Proposition BB funds and State Funding from four State School Facility Funding programs: New Construction, Modernization, Overcrowded Relief Grants and Career Technical Education Grants. The Prop O Project Funding Sources chart shows the amounts from each source.

During the 2010/11 fiscal year, the district spent a total of \$66,983,289 on Proposition O projects. The graphs below illustrate expenditures by category through June 30, 2011.

PROPOSITION O BOND SALES

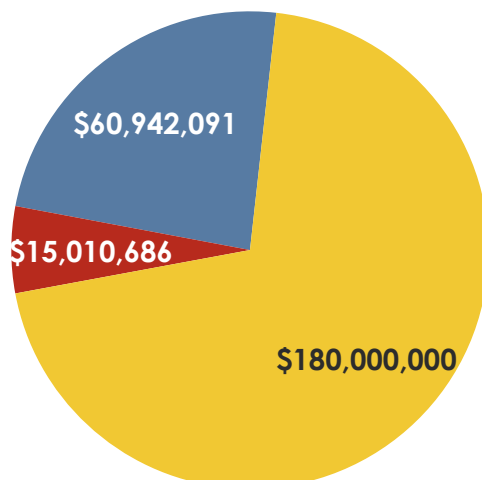
- Bond Sale 1 - March 2008
- Future Bond Sale 2 - TBD
- Future Bond Sale 3 - TBD
- Future Bond Sale 4 - TBD



Bond Sale 1 - March 2008	\$180,000,000
Future Bond Sale 2 - TBD	\$200,000,000
Future Bond Sale 3 - TBD	\$200,000,000
Future Bond Sale 4 - TBD	\$64,000,000
	\$644,000,000

PROP O PROJECT FUNDING SOURCES \$255,952,777 AS OF JUNE 30, 2011

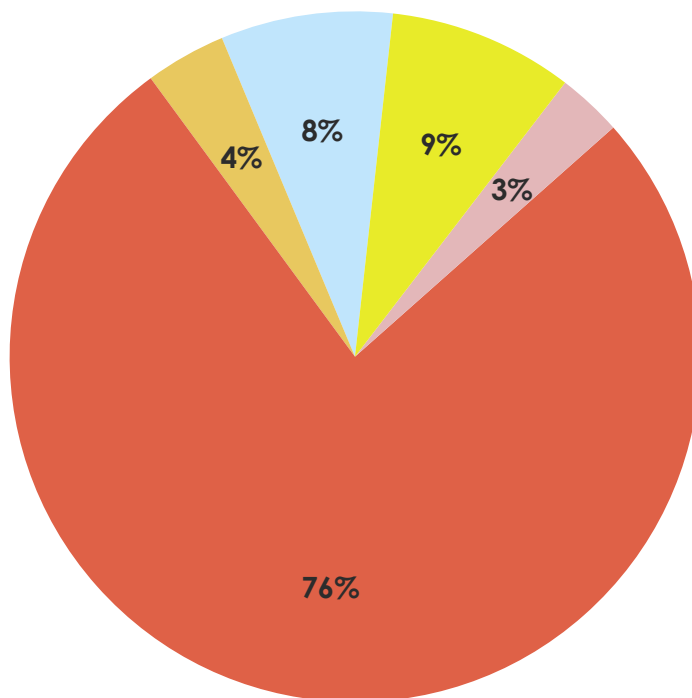
- Proposition O
- Proposition BB
- State Funding



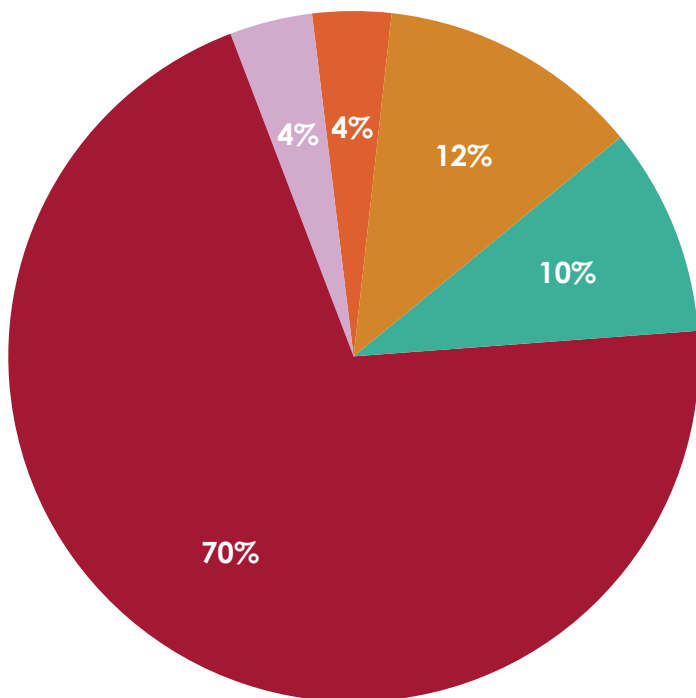
Funding Sources	
Proposition O	\$180,000,000
Proposition BB	\$15,010,686
State Funding	\$60,942,091
	\$255,952,777

ANNUAL EXPENDITURES BY CATEGORY \$68.9 MILLION IN 2010 - 2011

- Program Management
- Design
- Construction
- Testing and Inspection
- Furniture & Equipment



TOTAL EXPENDITURES BY CATEGORY \$173.1 MILLION THROUGH JUNE 30, 2011



Program Management	\$21,298,653
Design	\$16,893,551
Construction	\$121,841,428
Testing and Inspection	\$6,717,964
Furniture & Equipment	\$6,384,543
	\$173,136,139

- Program Management
- Design
- Construction
- Testing and Inspection
- Furniture & Equipment

**PROPOSITION O BOND BUILDING FUND
SWEETWATER UNION HIGH SCHOOL DISTRICT**

Balance Sheet - June 30, 2011

source: Proposition O Bond Building Fund Financial Audit Report

ASSETS	
Cash	\$25,242,623
Accounts receivable - interest	\$55,140
Due from other funds	\$144,849
TOTAL ASSETS	\$25,442,612

LIABILITIES	
Accounts payable	\$3,035,392
Due to other funds	\$20,757
TOTAL LIABILITIES	\$3,056,149

FUND BALANCE	
Restricted for capital projects	\$22,386,463
TOTAL LIABILITIES and FUND BALANCE	\$25,442,612

PROPOSITION O BOND BUILDING FUND
SWEETWATER UNION HIGH SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2011
source: Proposition O Bond Building Fund Financial Audit Report

REVENUES	
Earnings on investments	\$248,045
Local revenue	\$109,975
TOTAL REVENUES	\$358,020
EXPENDITURES	
Plant services	\$908,009
Facility acquisition and construction	\$66,075,280
TOTAL EXPENDITURES	\$66,983,289
Deficiencies of Revenues	
Under Expenditures	-\$66,625,269
OTHER FINANCING SOURCES (USES)	
Transfers in	\$139,962
TOTAL OTHER FINANCING SOURCES (USES)	\$139,962
NET CHANGE IN FUND BALANCE	-\$66,485,307
Fund Balance, July 1, 2010	\$88,871,770
Fund Balance, June 30, 2011	\$22,386,463

PROPOSITION O - GREEN SCHOOLS

The Sweetwater Union High School District is currently undergoing a \$644 million modernization project under the Proposition O Bond Program, which includes the modernization of 14 high schools, 12 middle schools and 5 alternative educational facilities - all receiving retrofits for energy efficiency. Phase I schools, listed below, have been designed to meet a minimum of the United States Green Building Council's LEED Gold designation and are expected to be completed in 2012.

This is one of the largest green building programs of a school district in the State of California. Each school will reduce water usage by 40 percent, energy consumption by 25 percent, and 90 percent of construction waste will be recycled. Additionally, 10 percent of all materials used will be from recycled materials.

"The strides made by the district in addition to the Proposition O construction team's attention to detail, have raised the bar for cities around the nation," said SUHSD Board Member Arlie Ricasa. "But I challenge the construction team to design the remaining District projects to achieve LEED Platinum ratings." LEED Platinum refers to the highest USGBC green building rating.

THE FOLLOWING IS A LIST OF ACTIVE PROPOSITION O PROJECTS AS OF JUNE 30, 2010

For additional information on current and future Proposition O projects, please visit:

<http://buildingpropo.sweetwaterschools.org>

CHULA VISTA HIGH SCHOOL

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

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



COMPLETED DECEMBER 2010

COMPLETED SEPTEMBER 2010



CHULA VISTA MIDDLE SCHOOL

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

Portable Relocation and Renovation – As part of the modernization project, six portables were relocated to provide better physical education facilities. Renovation of the portables to provide better classroom space will be completed in 2012.

HILLTOP HIGH SCHOOL

Modernization Phase I - A brand new two-story, 16,147 square foot classroom facility was produced at Hilltop High School.

This much needed project facilitates a greater learning experience for all Hilltop students and faculty. Additionally, a new 5,896 square foot shop/industrial technology facility was created in order to keep students up to date with evolving technologies, better preparing them for opportunities in the workforce.

Also included was the replacement of four major classroom buildings with new buildings. This 8,690 square foot project equips students, faculty, and staff with a modernized, eco-friendly space.



COMPLETED JULY 2011

COMPLETED MARCH 2011

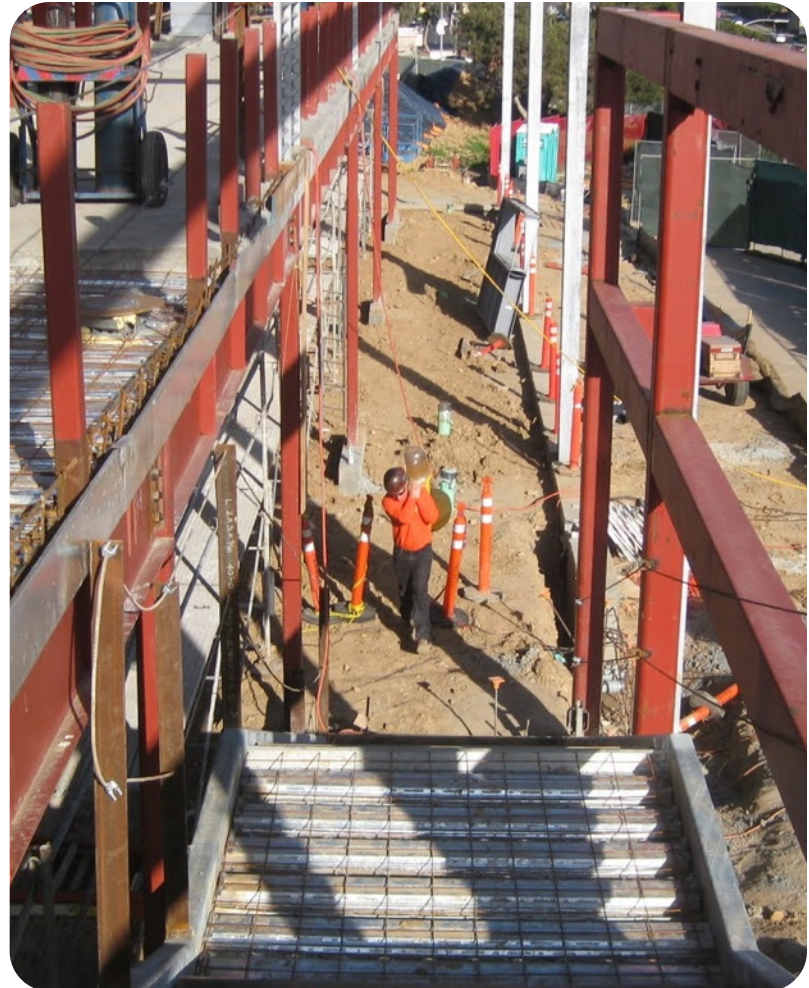


MAR VISTA HIGH SCHOOL
Modernization Phase I - Students at Mar Vista High School have a new 4,452 square foot building that functions as a food sales area, provides a meeting place for the Associated Student Body, and contains a storage space as well.

The student services building was upgraded into a 9,836 square foot space allowing faculty and staff a better opportunity to service the students' needs in a much improved environment. Lastly, Mar Vista's 2,200 square foot annex classroom building was modernized.

MONTGOMERY HIGH SCHOOL
Modernization Phase I - A new two-story classroom and library complex will be constructed. The building will be 19,226 square feet and allow the interaction of students and teachers to flow freely as they come together in this state-of-the-art facility. An additional building on campus will undergo modernization, making it 9,890 square feet. Montgomery High School's old library will be updated as well, making it 4,964 square feet. Finally, the Montgomery High School athletic department will be greatly improved with the implementation of a synthetic track and field. This field will be useful not only for student athletes, but for the community and fans as well.

The original contractor could not complete the work and a replacement contractor is expected to complete the project in early 2012.



COMPLETED JUNE 2011



NATIONAL CITY MIDDLE SCHOOL

Modernization Phase I - The new two-story building provides National City Middle School students with new classrooms, as well as a brand new cafeteria. This 17,734 square foot building hosts new and improved learning facilities as well as an essential area for students, faculty, and staff to eat.

Modernization Phase 2 - The new two-story building provides National City Middle School students with new classrooms and an ASB classroom. This building complements the building in Phase 1 and utilizes the same elevator for access to the second floor. The project also includes a new quad.

SOUTHWEST HIGH SCHOOL

Modernization Phase I - Construction at Southwest High School will feature a new 29,231 square foot classroom building. This two-story facility will expand Southwest's campus and allow more space for students to interact and thrive in their learning environment.

The contractor is behind schedule and a final completion date is unknown.



SOUTHWEST MIDDLE SCHOOL

Modernization Phase 1 - At Southwest Middle School, a new one-story, 8,690 square foot classroom building will be constructed. The new building will allow students the opportunity to interact more easily with their teachers and environment with smaller classroom sizes. Additionally, classroom and administrative office modernization will cover 20,695 square feet of construction.

The contractor is behind schedule and a final completion date is unknown.

Modernization Phase 1B – During construction of Phase 1, the Board of Trustees directed that additional work be done during Phase 1 (window replacement, ceiling replacement, etc.) This necessitated breaking the project into two phases. Phase 1B cannot be started until Phase 1 is complete.



MONTGOMERY MIDDLE SCHOOL

Modernization Phase I - This tenth campus was added to the first nine after structural issues were discovered in the overhangs and roofs of Buildings 200 and 300. Those buildings were closed and demolished and interim housing portables were installed.

Design is proceeding on a new two story classroom building, counseling center, library and food service facility. Construction is expected to be complete in 2013.



SWEETWATER HIGH SCHOOL

Modernization Phase I - A much needed three-story building will be constructed at Sweetwater High School. This 86,360 square foot building will facilitate a number of needs for Sweetwater students. First and foremost, the new building will be home to new classrooms. A contemporary library will be constructed for students to learn and explore. Lastly, this learning complex will house Sweetwater's theater, where faculty, staff and students may utilize and enjoy the space for a multitude of purposes. Completion is expected in 2011.

Welding Building - Also included as a separate project in Phase 1 is a new Welding Building funded in part by Career Technical Education Grants. A new, one-story welding building will provide a workshop and classroom space that will provide students with the opportunity to learn highly sought welding skills, which can lead to various career options upon graduating high school. This facility will feature state-of the-art technology that will equip our students with tools and job skills required in fabrication, construction, maintenance, apprenticeship and other metal working industries. Completion is expected in 2012.

