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October 23, 2015

To: President Frank Tarantino
Board Member Nick Segura
Board Member Kevin J. Pike
Board Member Paula Hall
Board Member Arturo Solis

Dear President Tarantino:

Greetings. Thank you for the opportunity to submit the monthly Bond Oversight Chair Report. Here are the highlights of Citizen's Bond Oversight Committee (CBOC) activities since the Board of Trustees Regular September 28, 2015 meeting:

Special Meeting October 17, 2015 Meeting. Attached to this Report is a letter from the CBOC summarizing our actions of the Special Meeting including the two adopted recommendations. What is hard to convey in a formal letter to the Board is the attitude and thinking of the CBOC behind this letter. Let me try and convey that as succinctly as possible here.

Our CBOC wants to be a positive force in both reporting to the Public what we like and areas where we see the need for improvement. Our concern is that the District finds ways to be more cost effective and provide and maintain these assets funded with bond money. Over the past year and half in particular with these site tours one thing has been crystal clear, there are a tremendous amount of needs at these schools and we must find an improved way to prioritize projects, schedule and manage projects, and make sure once they are built they get the needed attention.

The CBOC is mindful as well of our role in this complex system as well. The Board is the Policy maker and our Committee is very aware of your role as elected officials. Our role is to report to the public on the proposed and past spending decisions. We are here to assist you not work against you. What we are asking for you is to listen to us and consider us as a partner in moving forward and consider our views when there a major policy decision before you.

We definitely can add value to the Project Labor Agreement (PLA) discussions as this issue evolves. The attached letter is basically saying slow down a bit and figure out where this program is going overall on its Project Delivery Systems before you enter into PLA negotiations.

Regular Meeting October 21, 2015. The CBOC met at Mar Vista Academy in a scheduled regular meeting. Highlights are as follows:

Site Tour. A site Tour was conducted by Principal Thomas Winters. The School was clean, free of trash, and clearly had a pride of ownership as evident by its physical appearance. Staff and students should be commended. While this is an older school and certainly needs improvements, its overall physical condition is better than some of the schools toured such as Hilltop Middle, Mar Vista High, or Bonita High. The Principal mentioned the particular needs for Science Lab Improvements.

Public Testimony. Both Ms. Cheers and Jose Osointe spoke. Mr. Osointe, who is the head of the PTSA, indicated the needs for Mar Vista High as well. Mr. Osointe seems to be at most of these CBOC and related events such as Master Plan Workshops. He deserves Special Recognition for his Public Service.

Classrooms. A report was presented on the number of classrooms modernized with Proposition BB and O bond funds. 543 Classrooms were modernized with Proposition BB. 220 Classrooms were modernized so far under Proposition O. A total of \$ 247.5 million in funds (largely Bond funds, State Match) are associated with Proposition O and \$ 313.3 million with Proposition O.

One of the primary reasons for proportionately more classrooms remodeled under BB, a greater percentage of project activity was remodeling and refurbishment under this Bond Measure, while Proposition O has had several projects that largely consisted of new construction which typically is more expensive than remodeling. See the table below:

There was vigorous discussion regarding the need for classroom improvements and the priority setting process for spending new bond funds. We requested more info on the classroom improvement specifics for these expenditures. This will be discussed at our next meeting. While we did not vote on any related motion, the CBOC is definitely focusing on the need for Classroom Improvements as we move forward.

Title IX Concerns. Several CBOC members had ongoing concerns about the amount of bond money that has been spent on Title IX Improvements relative to other Program priorities. Counsel Jennifer Carbuccia explained the Federal Government Requirements which drive some much of these Title IX spending.

Requests for Information on Legal and Project Management Costs. Staff was presented two reports on Project Management and Legal Costs incurred for Proposition O. Additional information and clarification was requested which will be discussed at our

next meeting. The primary concern was related to the documentable resources spent on non-litigation efforts i.e. what has been and what will be the level of legal review for bond activities such as contract approvals, Request for Proposals etc.

Pending Bond Issue. Staff mentioned there was a Board item still under review that would be requesting going forward with a bond issue in the neighborhood of \$75 million with \$33.0 million of it being "committed" to paying off the Bond Anticipation Notes used to fund National City Middle and Montgomery Two Projects ie. \$40-45 million in new money.

Myself and Vice Chair Dan Gutowski were briefed on this potential bond issue on . However consistent with our "listen to us" approach, we should have a briefing as a CBOC on this deal before it closes. This informal briefing will be done the afternoon of the Board meeting. **Per this Chair Report, I am requesting permission to speak on the new debt issue at the Board meeting during the verbal portion of the Chair Report.**

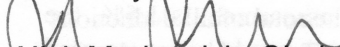
Performance Audit. This is a major positive. The CBOC applauds the District for retaining Moss Adams and the use of most of our recommended Scope of Work. Thank you for listening.

Warranty Logs/Improvements. Keeping track of making sure we comply with warranty conditions and maintaining these valuable assets funded with bond funds has been a continuing area of priority concern of the CBOC. There is no comprehensive Warranty Log system yet but Mr. Aguirre is working diligently getting this implemented, including bringing in the County Office of Education to assist in improved record keeping and tracking.

Closing Remarks. The discussion above regarding Warranty Logs is a good example of how the expertise, recommendations, and opinions of this CBOC can make for a better Program. This Warranty Log was a CBOC initiated issue that appears to be headed in the direction of a real process improvement resulting in future efficiencies, cost savings, or cost avoidance. The speed at which this is happening is a direct result of our CBOC's proactive approach to solving problems.

Thank you for consideration of my comments.

Sincerely,



Nick Marinovich, Chair

Sweetwater Bond Oversight Committee

cc. Superintendent Karen Janney