

UNADOPTED MINUTES OF THE REGULAR MEETING
CITIZENS BOND OVERSIGHT COMMITTEE MEETING
HACIENDA LA PUENTE UNIFIED SCHOOL DISTRICT
OCTOBER 5, 2022

The Regular Citizens Bond Oversight Committee Meeting on October 5, 2022, was called to order by Leticia Covarrubias, Committee Chair at 6:34 pm, In Person/ZOOM meeting of the District Administration building located at 15959 East Gale Avenue, Hacienda Heights, California 91745.

Members present were: Charlie Klinakis, Leticia Covarrubias, Philip Kraft, Reina Schmitz

Members absent were: Rod Gonzales, Olivia Roberts, Gabriela Navar

Item No. 1	<u>AGENDA REVIEW AND RE-ORDER</u> Review and Re-order Leticia moved to amend agenda item No. 10 to add an additional member resignation, Leticia Covarrubias. Moved by Charlie Klinakis and seconded by Reina Schmitz, to accept amendment of Item No. 10 to add Leticia Covarubias resignation. 4 yes 0 No 0 Abstain Moved by Charlie Klinakis and seconded by Reina Schmitz for Agenda review and reorder. 4 yes 0 No 0 Abstain
Item No. 2	Request to speak to agenda (Non-Agenda) Items <u>None</u>
Item No. 3	Moved by Charlie Klinakis and seconded by Reina Schmitz for Approval of minutes from previous meeting – August 3, 2022 4 yes 0 No 0 Abstain Review and Change <u>None</u>
Item No. 4	<u>BOND EXPENDITURES</u> A. Bond Expenditures Manoj: Thank you. Good evening CBOC members. I'll have Earl discuss the bond expenditures. It's already on our presentation. Take it over, Earl.

Earl: Okay, so you can see on the screen, if you are watching online you can find these documents on our website on the CBOC page, which is under the community section on our website. This report is as of 9/23. And you can see that our total committed and expended amount to date, the entire life of the bond, is \$49,073,742.96. We are looking at the variance between last date of the report and this date is \$91,337.13 since the last time we updated this. Not a whole lot of activity, but we are all aware of that. We're still working on closing some things up before we get into the next couple of phases. And the supporting detailed spreadsheet is online as well with this one pager for all the backup.

Leticia: Thank you. Do we have any questions?

Reina: Just an explanation on the red line is, that the difference between the 23rd and the 2nd?

Earl: You say on the red line?

Reina: Yeah, the red line under the last variance.

Earl: Right. That shows there was a decrease in the committed amounts of \$52,296.45. Which pretty much shows that we're paying, that we're actually expending things that we committed. When we put this together, this report together, we show you our expenditures and some of our commitments, which are from purchase orders, projects that are in progress that we have. These amounts are tied to what we are looking at and coming to fruition when the projects are completed. So, as we pay down those committed amounts, we generally see a decrease in the committed funds and they move up to the expenditures. So that's what that is.

Reina: So this is common, section to section?

Earl: It's common when we're not incurring more commitments. When we get to the part where we start getting into the next phases, you'll see the commitments going up as we take on contracts and start projects up. Once everything is established, then you start paying them down. And when you start paying them down, you start seeing the negative number in red. It's typical ebb and flow of encumbrances to expenditures.

Reina: I think this is probably just the 2nd time I've seen it, since we started it.

Earl: That's because our activity going into the next phases aren't really high right now. It's pretty much paying down from what we already started.

Reina: Thank you for the explanation.

Earl: Sure.

Manoj: If I may add. This is a very good question Ms. Reina. As you'll see from Jessica's presentation on the Bond, we have completed the 5 schools for phase 1 that is almost complete. Very few items are left. Right now we

	are focusing on the next 3 schools on phase 1 and 2. That's where we are waiting. The bid has been awarded. It's a matter of time when actual constructions starts. We are kind of in a hiatus phase right now. Not much activity and commitment is going on. It will come through the presentation that Ms. Jessica is going to present. Reina: Thank you. Leticia: These are these committed amounts for the schools, the 2 schools that you had mentioned? Manoj: The preschools? Some of them are, yes. Leticia: Okay. Thank you. Charlie: Quick question please. We allocated, or the School District floated \$75 million on the first go around. Manoj: Yes. \$70 million. Charlie: Oh \$70 million. Manoj: Our authorization is \$148 million, we issued \$70 million. We expect that the next issuance will be in the summer, next calendar year after June. Charlie: But on the original issuance, looking at this, there is about \$20 million left? Manoj: Yes, that's right. Charlie: And that would be for this next phase? Manoj: Next 3 schools. We'll still have some money left over. I'm going to make a presentation to the Board. I'll cover that in my presentation sometime next month or 2 on how we move forward with other phases of the project for Measure BB. Charlie: Thank you. Leticia: Do we have any other questions before we move on to the next agenda item? No other questions, next agenda item is Board Bond Presentations.
Item No. 5	<u>BOARD BOND PRESENTATIONS</u> A. Site Improvements (Information Only) Manoj: Before we jump into the presentation, the Site Improvements from Joel, I also want to introduce our new member in the team, Shawn McBride. He's our Director of NCS, which is technology services. He comes to us from University of Western Sciences. He has a great background on IT infrastructure. He has been working on different hats and have extensive

	experience on IT infrastructure, networking, security, and all things related to internet of things, what we call the IOT's. It's a couple of things, as you are all aware, the last 5-6 years, the progress in technology. A lot of things that were in the Facilities department that are moving into the IT side, for example, the phones. What used to be the traditional phone lines, had all moved into IT. We have converted to VOIP lines and stuff. So are our security cameras, fire alarm systems. Those are the big shoes, big items, that Shawn will be responsible. Shawn, do you want to say a few words on your background? Shawn: Sure. Just happy to be here. I've been here for about 3 ½ weeks now. Coming from Western University of Health Sciences, like Manoj said, I have an extensive background in infrastructure server and telecommunications. Looking forward to next steps here at HLPUSD. Leticia: Welcome. Shawn: Thank you. Manoj: With that, I'll have Joel come up and provide the presentation on Site Improvements. Joel: Good evening CBOC members. I think Lelia is getting the presentation up on the screen right now. Give her one second. Manoj: Looks like we are having technology issues, but we will get it sort it out. Mr. Kraft, can you see the presentation? Philip: Yes, I can. Manoj: Let's go ahead. Joel: This is the School Site presentation that was given to the Board a couple of weeks back. Next slide please. These are some of the projects that we completed in the last couple of months. At Willow Adult School, there were some bottle filling stations that were completed, along with some carpeting at Sparks. Front Exterior at Lassalette. Workman HS we finished some ADA upgrades to the restrooms servicing the gym and locker room building. At Wing Lane there was some parking lot striping we completed. Some exterior lighting down on Lobo Lane at Workman High School, as well. Next slide. Some pictures. These are the ADA restrooms improvements at Workman High School. Next slide. What we are looking at now is some of the pictures that were taken at the La Puente High School ribbon cutting ceremony that we had a few weeks back for the new Pool and Kitchen building. Next slide. Here are some nice shots of the kitchen. Might be a few individuals in that picture that we recognize here. Next slide. Projects in progress. Sorry I don't see that well. Give me one second there. We have the Wedgeworth new school project. We started a few weeks back. The last couple days have definitely seen some more visually. Driving by you will see some activity. We actually have some construction that started work within the last day or so. We have had some construction fencing and contractor's a few weeks back. We are in the beginnings of
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that project and it's very exciting. We also are in the process of getting blacktop asphalt and striping at a number of schools, as well as, we are this past week or so, we met with the contractor who is installing HVAC in this very room that is servicing this part of the District Office, as well as, at the Willow and Dibble Adult school we began HVAC replacement and Fire Alarm installation project over there. Los Altos HS, we will be doing some path of travel improvements. Those path of travel improvements are holding the gym and HVAC projects. Once we get these path of travel issues cleared up at Los Altos HS, we will be able to get DSA clearance on the gym air conditioning project. Next slide. These projects are in DSA. The gym project is the one I mentioned that is at Los Altos HS, Gym HVAC. Projects in Design, Center for the Performing Arts, about 3 weeks ago, we did get 100% design documents from the architect. We are validating projects. We are looking at that and making minor tweaks to that. Once we give approval on that, the architects will start the construction documents. After construction documents, they go to DSA. We are also in the midst District wide HVAC project, as well as, 2 new baseball fields at Kwis Elementary. They went to DSA within the last 8-10 days. Next slide. That concludes the presentation. Any questions I can answer?

Reina: Yes. I did go to the ribbon cutting for the La Puente High School. It was really wonderful to see all the students and employees who will be working in that facility. I'm very excited about the long overdue upgrading to that high school. Thank you. Is there within the reports that so far, was there any accommodation or support from the funding of the bond to that job or was it all from the General Fund from the District?

Manoj: The La Puente Pool and Kitchen, it was all funded by COP and General Fund.

Reina: Thank you.

Manoj: It was a combination of both. The presentation that Joel did, all the projects are non bond projects.

Reina: Excellent work. Thank you.

Manoj: Mr. Klinakis, you had a question?

Charlie: I was just going to clarify that most of what we heard, if not all of it, was non bond related.

Manoj: All of the projects that Joel identified on the presentation are non bond. None of the bond Measure BB spent on that. Just a few additional items I wanted to let you know. This district as we went through the 2 weeks of the heat wave, we realized our HVAC's are failing across at many of our school sites. We started looking into what we can do. For example, this particular room that we are in and even the main HVAC building, the main HVAC at the DO office failed. We started inspected those machines. And they bought some time in the 1960's to 1970's. Typically the lifespan of an HVAC is 25-30 years. We kind of stretched it. Parts are not available. This A/C right now is working on a loaner machine. A rental unit that we have,

even the DO office. We are working outside our bond to have a fresh evaluation on our HVAC. Particularly with Covid-19 pandemic, there is also a focus on indoor air quality. Which we didn't focus on the ventilation aspect. Primarily the HVAC focused on the cooling and heating part. But with the Covid-19 there are things like Merv-13 filter, which is, a much thicker filter. These HVAC's will not be able to support that kind of filter. Districtwide we are looking at a large HVAC replacement upgrade project, which will be a significant dollar amount. We will pick it up and do it in chunks. More news to come on that. The 2nd item also, this is again, HVAC. We are also looking into the Board direction to improve the curb appeal for our school sites. You will see that we are replacing the front landscaping with artificial turf. Not only to make it more sustainable from a water usage. We are replacing some of the turf area, which is degraded, we are replacing with artificial turf. So far we have done it for Lassalette School and Sparks Middle School. But going forward, you will see that change over a period of time.

Reina: Lassalette and ?

Manoj: Lassalette and Sparks Middle School already have been implemented.

Reina: So we can go and see that work is actually in progress.

Manoj: Complete.

Reina: Completed.

Manoj: Yes, so if you drive by Lassalette School or Sparks Middle School, the front of the school, looks very very different. We have heard very good reviews so far.

Reina: Very good.

Manoj: I just wanted to share. With that, I'll give it back to the Board.

Reina: Thank you.

B. Presentation from Cumming on Timeline – Sites and Progress

Manoj: Ms. Jessica.

Jessica: Next slide please. As you probably know we went out to bid and opened bids. The Board awarded our next 3 projects. This is the timeline for Grandview, Sparks, and Newton Middle School. Next slide please. Moving forward, we are optimizing and we have been instructed by the Board to look at ways to be more efficient and save some money and just make every dollar count. We put together a list of things we have focused on to realize that cost savings. One of those things is the enrollment analysis and aligning that with the site capacity. Clustering the classrooms together to reduce the required DSA improvements to the site. Value Engineering Sound System Components, there were some redundancy

there. Minimizing or eliminating interim housing which was a really high cost at each site and use existing spaces that we have available. We are looking at re-ordering and re-phasing to expedite the remaining work. We have increased the built in storage in the classrooms. Next slide please. Just shows you what phases 3 and 4 looks like and how they are spread out across the District. This is what we are looking at going forward in the next phases. Next slide please. That's it.

Manoj: If I can add on to some of the items that Ms. Jessica touched on. When we implemented the first 5 schools in phase 1 and 2, we also went back. We had an opportunity to go back to the teachers, to the staff, to the custodian staff, to the Principals, to office staff, and ask for their feedback and asked what items they liked and what they didn't like. Some of the comments we heard, you may have heard during the board presentation, that we moved out all the built in cabinets during the phase 1 and 2 for the first 5 schools, which the teachers did not like. Because the idea was to make it a little clutter free in the conception phase of this project. As you know, kindergarten teachers and even the primary elementary teachers, they have a lot of stuff in their classrooms. They decorate during each season and stuff. That was one of the things we took into notice. We said going forward that if an existing cabinetry is in good condition, because some of the cabinetry finish work was done recently, we will keep them as is. As long as they don't interfere on some of the modernization or ADA project. For example, in an ADA requirement we have to have in the classrooms the sink at a certain height. So we need to replace those existing classroom sink. So if the cabinetry is in the way or there is a fire alarm that is kind of hidden by the cabinetry, we'll have to remove that cabinetry. But we will try and keep it as much as the same. Secondly, the idea is there is the speakers that we had installed in the classrooms. They were not found to be that much of a value for the teachers. Typically, in a small classroom, 960 sq. ft., the teachers' voice carries across the classroom. We saw that they are hardly using that speaker. Sometimes during the Covid, they had used just a wireless speaker, which works similarly, if not better. So, we kind of revalued that component out of the project. Also, we looked at (Jessica, Joel, and other staff) looked at some of the things we did. The water fountain and stuff. Which were kind of a little bit outside, but we do not need to do this at this point in time. Which we'll do it outside of the bond project, the water fountain. Those are the three, if I'm not mistaken. We'll open it up for questions.

Reina: So you're saying that the 5 schools that you got heard from, were a lot of the things that some of us heard about the not enough storage. They were using the tables and putting them together to use it a shelf, kind of. You practically solved that issue. The speakers, you said they are not using it? The sound thing?

Manoj: Right. The speakers that are built into the ceiling, they are integrated speakers. We asked the instructors, the site that has already gone through the projects, we didn't see much use. There was not much value. It was expensive. The total cost was about \$2000 per install. We saw in other schools during the covid, they were wireless speakers. They were \$50 - \$100 from Amazon. They are more flexible because those

	wireless speakers can be moved around and it can be used more flexibly than those built in speakers. Reina: So what you're saying is from the first 5, utilized those and experiences would not repeat. What about in places you don't have your typical classroom. You have a larger room, like for the theater, for the different classes that are not typical of a classroom for elementary and middle school. Manoj: Right. That's a great question. We have a music room, band room. Those are different configurations. Those have some acoustics elements because of the band and stuff. We are capturing those and those will be built in because those will be sound proof kind of, so that the noise does not go. Those designs are different from the regular day to day classrooms. Reina: Thank you. Manoj: The other item I also wanted to show that if you look at the first slide, the total cost is about \$14 million for the 3 schools. As Mr. Klinakis noted, we have over \$20 million left from the first issuance. I believe that from the first issuance we will be able to complete these 3 projects itself. Reina: Well, then maybe then the copper piping can be replaced. Or put copper piping instead of the regular. Manoj: The cast iron pipes, yes. We are looking into it. Reina: Thank you. Leticia: I have a question. If we can go back to slide 4 please. The one that shows that the budget optimization. My question is for these bulleted items is there a dollar amount attached to that so you know what the savings are? Manoj: Some of them we do. Some of them we have to figure this out as we go along. For example, the data infrastructure. There were a couple of things we didn't note extensively. We noted that, as you can see from the phase 1 and 2 groups, we provided mobility desks for the teachers that were smaller than that they were used to. So they were not able to put a lot of stuff in the teachers. We need to provide them with a larger desk. Some of the phone connections were not correctly in place because from the teacher station, they have to walk across the room to get a phone if the phone is ringing in their classroom. Those are the things that we taking into account to see what we can do. Even the jacks, the monitors that we have. The Viewsonic monitors, the touchscreen monitors that we have. Lee's here. He's been installing them. It's not only the feedback from the classroom teachers but also from our technicians that we figured out that if we move the jack to a certain place, then the teacher have more flexibility getting the teacher desk all the way to the monitor, they can be further behind. So, those are the things. Going back, we do not have the actual because its different for each classroom. The increase storage is not much of a dollar amount. We can retain some of the existing cabinetry. If we have to, for
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example, if the cabinetry is in bad shape, we do not want to have that cabinetry. What we said is that we will take down the cabinetry and replace like for like with new cabinetry. That will increase the cost. Those are some of the elements. Then the other phase, as you saw, from another slide, we are losing students. We have been losing students. Enrollment has been going down. What has happened over the last previous years, the classrooms have been spread. There are empty classrooms. What we said is instead of upgrading 2 classrooms in one wing, the 2nd 2 classrooms in another wing, We rather move the 4 classrooms in a single wing and do the entire modification upgrade in the 4 classrooms, rather than touch the building the other building, if that makes sense. Say you have 2 buildings. Building 1, Building 2, 4 classrooms each, 4 classrooms each. 2 classrooms occupied in Building 1. 2 classrooms occupied in Building 2. What we are going to do is move the 2 classrooms from Building 2 to Building 1 because it's easier to upgrade the entire building, rather than Building 2. It's more expensive to do 2 classrooms in Building 1 and 2 classrooms in Building 2.

Jessica: All of your ADA access and everything in between that we have to do to separate everything out.

Manoj: So, what Jessica is saying is, we touch Building 1 and Building 2, we have to do ADA upgrades for both. If we just do the Building 1 with the 4 classrooms, because the school has space, they have moved out, but they are using the 2 classrooms for a different purpose, storage and stuff. We said, we will address that by moving the classrooms, the students in the classroom to do those classrooms upgrades. Ms. Reina, you're thinking something.

Reina: Yeah. The upgrading that you're talking about, to upgrade the needs to the students, I understand that, and the consolidation is great, rather than having 2 buildings with lights and everything else on, you will only have 1 with 4 classes. But the accommodation is you shouldn't, you just said, you're going to upgrade 1, you have to upgrade both.

Manoj: Yeah. So, think of there are 4 classrooms. There are 8 physically classrooms in those 2 buildings, but only 4 are used.

Reina: Right.

Manoj: We do not want to modernize an empty classroom. That's the goal because it's not going to be used. We have surplus classrooms in each site. We are not touching those surplus classrooms because depending on what the future usage is, we can go back if the enrollment increases, we can go back and upgrade. We do not want to upgrade an empty room that will be used for a storage purpose.

Reina: I would think that if you're going to consolidate classes and you're going to accommodate the needs of the students, whatever ADD, whatever issues that the students may have, that necessarily means that a larger percentage of the students have those needs. Which means, the 2nd

	location can be actually utilized for something else, like you said, but not necessarily for that needs for those students. Manoj: Yes. Reina: Am I right? Manoj: We are not consolidating classrooms. We are moving classrooms from one building to another building. The student population will be the same. It's just physically they instead of being in B1 and B2, they will be in A3 and A4. Reina: Got it. Thank you. Charlie: Just for clarification, like you said, the enrollment districtwide is down. And in some schools, instead of, and I'm repeating what you said. I want to make sure I got it right in my head. Instead of remodeling 2 buildings, you're going to remodel 1. If you got a building with 8 classrooms, 4 and 4. You're going to put all 8 in one building. Sometime in the future if enrollment picks up, at that time, you'll look at modernizing the other buildings? Manoj: That's correct. If enrollment picks up, we still can go back and modernize those buildings. Not knowing what it is for, sometimes special education may need a larger classroom, so we can repurpose that room, that classroom in that building. It's just that when you touch multiple buildings, the analogs DSA comes in. Particularly the ADA. We have to be conscious of that. The more buildings you touch, the cost goes up. Just because of the design scope and DSA. We are trying to see what we can do to concentrate the students in 1 building itself. Charlie: Would it be a fair assumption to say, initially, when whoever sat down and decided they needed \$150 million for upgrades for districtwide and so many buildings, my assumption would be most of the buildings at each site and with construction costs running higher, this is actually going to help, I assume. There are some buildings that you're not going to do now. So hopefully those funds that you were going to use to those, can be allocated to the buildings that you are doing. You're not getting more buildings done, you're actually getting the work done with the same dollars that you would have spent for the entire project. Manoj: You said it correctly. One of the things that when I came to the District, one if you heard, a projection of \$225 million was given to the Board. The Board got really concerned and wanted to see what we can do to basically optimize our costs. We kind of looked at everything and said what is absolutely necessary for this project to be within budget. We are looking at different avenues. One of the avenues that we are also looking at, we said earlier, we are trying to lever it with state funds to see how much money goes. You are right, between 2016 and now we have an escalation as you have seen in construction costs. We are trying to be good judiciary responsibility for the money that we already have. And we'll see. On the next presentation that I'll do to the Board, I'll give a fast forward as to where
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	how much we can go. Mostly the \$150, \$148 million that we have will not cover all the bond expenses, but we are going to provide some other avenues and fund generation revenues that we are also looking at. Charlie: One last question, if I may. Manoj: Sure. Charlie: At that point, and I'm probably getting way ahead of myself, at that point, if other expenditures come into play, there other funds allocated elsewhere, would that fall under our purview? Ours is only dealing with the bond. Money that came from the bond. Manoj: So if we lever it with some other funds, state revenue, that will be matching, that will be within your purview also. Charlie: Okay. Manoj: If there is another project, which is non bond, then its not within the CBOC. Charlie: Thank you. Reina: You mentioned we're losing students. What's the percentage? Manoj: Statewide, this is California is losing 2% – 2.5% for the last 4-5 years. LA County is losing 3%. Los Angeles County and Orange County are the highest. We are clipping about close to 2.5% - 3%. Los Angeles Unified is about 3.25%. They are taking the brunt. Reina: It seems the larger the district, the higher the loss. Manoj: Plus the location. Last week I spoke to the CBO at Beaumont Unified. Not sure if you know where Beaumont Unified is. They are growing about 600 students per year. A very unique district. A very unique district within the State of California that's growing. Jessica: Is that affordable housing? Manoj: What they have from what the CBO told me, they have multiple housing complexes projects going on. Building complex clip of 6000 housing for 6 months. New housing. Charlie: If its affordable housing, do they realize they are going to spend \$3000 a month in gasoline driving to LA for work? Manoj: Yeah. That's interesting. This was a first because I have a lot of CBO friends in the Inland Empire in Menifee, Temecula. That part is not going. Somehow, Beaumont is. The 10-corridor East towards Palm Springs, that's growing. Leticia: Thank you Jessica. Thank you for the presentation. Thank you.
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Item No. 6	<u>BOND INTEREST RATES</u> Manoj: I'll jump in. This was a request from the CBOC, what are the bond interest rates? I just wanted to also let you know the Board approved Mr. Rod Gonzales as one of your CBOC members. He's not here today. But Mr. Gonzales, based on the discussion I had, he works professionally in municipal bond market, actually. He works in Los Angeles. He is much more knowledgeable, in what we call the municipal market bond and on how its traded. Just like share markets, stock market, you can trade. Bond markets are actively traded. Bond, typically have lower maturity, a shorter maturity. Shorter maturity has less interest than what a Bond would have maturity. This is our profile of the bond, the \$70 million that we had issued. Can we blow it up a little bit. The bonds when they are issued, they mature on different years. The maturity goes from 2021 all the way to 2047. The \$70 million that we will pay, we'll pay for the next 20-25 years. We already paid some because the bond was issued in 2017. The 2nd column shows those are the outstanding principal amount that we will repay. In 2021 we did not pay. In 2022, it's usually paid in August, the principal portion, \$235,000 we will repay. Next 2023, we will pay \$320,000. And as you can see the interest rates that we are paying for the next 3 years are 4%. As the maturity increases, the bond interest rates increases. From 5%. Depends when we issue and how is the market. What are the investors looking for? 2031 is about 4%. Then that's how it goes. The last few, we pay a lump sum in 2042, that is issued at 5.250%. The last issuance of this particular bond will be 4%. The bond was issued on July 11, 2017, as you see. How is the current market doing? I had another slide, I thought. This is the bond rate that comes out on how the bond is. Just as, you try and go in the market for a personal loan. The first thing that the investors or the lender is going to do is run a credit report on you, right? How good is your credit worthiness? Our credit worthiness is about AA. What we call the Moody's A, the double A rating. Can we maximize that particular slide? If you look at the middle, that part, the general obligation tax exempt bond. That's where we are. Because we are tax exempt bond. It's the middle row. If your maturity is one year, if it's a AAA tax exempt bond, the current interest rate is 2.87%. For a AA bond, you are going to pay the 2.87 plus a spread of 0.05. So it will come to 2.9%. Does this make sense? As the rating goes down, as the rating goes to A, or BB, you are paying more on the spread. You have to add the AAA tax exempt plus your spread to come up with the actual interest rate. Typically, a bond of our size on average is 30 years of repayment. If you go to the bottom, 5th row, the taxable exempt bond is about 3.73 plus if you add 0.36 because we are a AA rated company. It's about 4.09. So far you follow me? 3.73 plus 0.36. So, 4.09. AA bond. Remember, our bond was 4%? So this is about right now at market. This is as of last week. 30 year MMD market is showing about 4.09%. So, the bond market hasn't moved much. It moves day to day. No one can project. I was thinking we will issue the bond sometime next calendar year. Maybe around July or August. It's very hard to project, even a month a head what the rate is. It's not moving much. The interest rates are increasing, as you have seen in the Federal Government. They have upped the interest rate. But that's primarily the 90 day market, short term. But as the short term rate increases, the long term will increase. The question is, and I had this question in my years in bond market, and also Mr. Rod Gonzales. I thought
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	he would be here. One of the questions that comes is, Manoj, why not issue the bond now? Because the interest rates are going to be higher come July or August next year. The issue is that if we issue the bond now, the remaining \$78 million, we will pay interest on the bond to the investors. 4% for every month accumulative interest goes. If I issue it now, remember we have to pay it in December or January, February, March, April and we are not using the money. We'll have to keep it in our money market, in LACOE pool funds, where it does not earn interest. But we have to pay the interest back, the taxpayers have to pay interest back to the investors of this bond. So the question is always, do I issue the bond now at a lower rate, or do I wait for August or September of next year and issue the bond? The interest rate may be higher but you are paying lesser interest because you don't pay interest for the first 9 months. So we will do some calculations. We will work with our fiscal advisor and we'll work through some calculations and see what is an appropriate time and issue the bonds. We'll come back to the CBOC committee and say this is the appropriate time. Right now we have \$20 million. We have enough money to cover the last 3 schools and we do not need cash. And even if there is a temporary need of cash, we can borrow from our other funds to find a suitable time in the market to issue those bonds. Our responsibility is to keep the tax payer that you pay on your school bonds as low as possible. Right now its about \$24 - \$30 per \$100,000 of your assessed value. Reina: For the new homeowners it will be a big impact. But I appreciate this. It's very helpful. It helps us understand what the interest on the bond is going to be going up between now and then and how much you have for the future schools that we need to go through the phases. This is helpful. Thank you. Manoj: Thank you. Leticia: I have a question on the Principal and the Interest. Column 1 has the Principal. That doesn't include the Interest, right? Manoj: No. Those are the Principal repayment that we need to make. Leticia: Okay that's the Principal repayment. We just know it's the 4%. Manoj: \$235,000. We borrowed that at the 4% rate. Leticia: So we don't have Principal plus Interest here. Like an additional column. A total payment. Manoj: Right, we do not have the total. But we can provide you with that. The total repayment of the bond. That's in our issuance book. We can bring it next time. Leticia: I think that's in the audit report right? Manoj: Yes, that's also in the audit report. Leticia: I think so. Thank you. I like this. I appreciate this. Thank you.
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	Charlie: I actually did have one question. This came up months and months, not years ago. Our excess cash that we have on hand right now, \$20 million, or whatever, that's an interest bearing account, correct? Manoj: Yes, that's an interest bearing account. It's with LA County. LA County is very very conservative. They keep it on the very low interest thing bond pool. Once, the, I'll have to ask Earl, Earl do you remember what the latest earnings interest rate that we are seeing from LA County? I guess its more than 1%. Earl: I think its pretty low right now. I'm pulling it up. I'll have that for you. Charlie: I mean it's not very much. Manoj: Yeah, we get a very low interest. Charlie: It's still an interest bearing account. Manoj: Yes, it is an interest bearing account. But very very conservative. So it's like 1 or 1.5% if I had to guess at this point. Earl: It's lower than that. Manoj: It may be lower than that. Charlie: I'm good. I just wanted to know. Manoj: As Earl finds out, we'll come back and address that.
Item No. 7	<u>SBE UPDATE</u> Manoj: That is the State Board of Education. That's the agency that actually issues the State Bond and funds the matching portion of the school districts projects. As we saw in our last presentation, the school district is in the process of applying for the state loan matching funds, modernization funds, 60 40. But right now there is a huge pending list from the State. There are millions of dollars that other school districts that are ahead of us in their application. But there is no money. Last issuance was 2016 of the General Bond Issuance. There was some chatter about Governor Newsom will issue a General Obligation Bond this year for school district construction. He said no. Most likely it will be 2024. What the Governor did, Governor did actually allocate some funds from General Fund this year for State Matching funds. It will clear some waitlisted account, but it will not clear everything. The other item is the September meeting of State Board of Education, I shared with you that they have approved our waiver. Remember, we had our waiver request to see if they will decrease the required number of bond members in the committee from 7 downwards. They agreed to having 6 members. The waiver is just for 2 years. They also approved that members can serve 1 additional term after 2 years. They did say that the District have had long standing members. If the long standing members are termed out

	it loses the continuity. They agreed to that rationale. They approved our waiver. Leticia: Do we need to update our bylaws? Manoj: The Bylaws are going to our school board. They approved the bylaws and we are working on that. Lelia is already taking our bylaws next board meeting. Reina: To include those changes? Manoj: Yes. To include those changes. Reina: Thank you. Leticia: Thank you for that. Do we have any other questions regarding this agenda item? No other questions, lets move over to the CABOC Conference.
Item No. 8	<u>CABOC CONFERENCE</u> Manoj: This is California Association of Board Oversight Committee of Bond. There was a presentation and actually Superintendent was attending a Superintendent's conference, and I believe the Chair of the California Association. There is a committee that kind of guides all of the Citizens' Bond Oversight Committee in the State. And he did make a presentation and he was there and made a presentation to all of Superintendents in LA County. He did mention about the annual conference. We were aware of the annual conference that happens. It's a zoom conference. I don't know if you have been to the conference. It's a great refresher as to what the role and responsibilities of the Bond oversight committee are. What are the questions that you need to ask? What are the things that you need to look for? It's a group registration. We have registered for that conference. Lelia will send out the invite if you want to attend the conference. Please feel free to zoom. It takes about 2 hours. You can hop in and hop out and ask questions. I recommend that you go, even if you have been to that conference before. It's a refresher. Reina: The 15th is a Saturday? Manoj: Yes. Lelia: It's October 15th. I believe it's a Saturday. Leticia: So they just register via a link? Lelia: If you're interested in attending, I can send you the link to go via zoom. It's already been paid for. Leticia: So the members would reach out to you then. Lelia: Yes.

	Leticia: Okay perfect. Thank you. Reina: I'm very interested in participating. The problem is I'm going to be in Wahaka. And I don't know how the WiFi is going to work there. But I'm definitely going to attempt to login early to see whether I have access to. Thank you.
Item No. 9	<u>SCHOOL SITE VISITS</u> Leticia: October 19th or October 26th. Do we have a schedule? Manoj: Joel, do you want to share what are the logistics? Joel: We had set up some site visits a month or 2 ago. I don't quite remember when it was. The weather was really uncomfortable and a couple of CBOC members reached out and said because of the heat they didn't want to go. So we cancelled at that point. These are the 2 dates that we thought might work. If so, then fantastic. We can definitely do that. The plan was to visit Newton. Newton is the site that we will be starting construction very very soon. We have already completed interim housing. So the CBOC members will be able to look at the interim housing that was completed there. Then we could look at a fore picture of what we're doing. And after that, we could go to Los Altos Elementary. We finished Los Altos awhile back. So you can get the after view. Reina: The idea is 2 dates are opened and we select which of those 2 dates we'll go. Manoj: Or is it preferably that we select one of those 2 dates? Joel: I think preferably if the members could agree on one date that would be ideal. If your schedules do not allow for that, then the District will be willing to work out both dates. Reina: Same tour? Manoj: Yes, same tour. Joel: Correct. Reina: I would think earlier rather than later because the week of the 26th is Halloween week. Is that right? Manoj: That's right. Reina: Maybe the 19th makes sense. Just because its away from the children's celebration of Halloween. And adults too. Leticia: Would you like the members to email Lelia? Manoj: If you could email your preference to Lelia.

	Reina: Rather than doing it today? Manoj: Mr. Kraft, if you have any preference on those dates? Philip: No, I don't have any preference. Just one of them, not both. Manoj: Ok. I'm hearing the 19th as a preference. Any thoughts Mr. Klinakis? Does it work for your calendar? We'll send the invite for the 19th. Let's do it that way. That way its on your calendar. And we'll circle back if we hear something else. Leticia: Thank you. Lelia: Are we doing the same time? At 4:30 pm as scheduled previously? Joel: Typically we do 4:30 pm because students are all gone. Reina: Yes. That has worked once they're gone. Actually the Principal prefers that too. No children, no students, no activities, more freedom to show. Manoj: Right. We will have a vehicle at the District office if you want to park here or go there directly. It's up to you. Reina: Okay thank you. Manoj: We'll share those logistics on the invite. Leticia: Thank you.
Item No. 10	<u>CBOC RESIGNATION</u> Moved by Charlie Klinakis and seconded by Reina Schmitz for Olivia Roberts Resignation. 4 yes 0 No 0 Abstain Moved by Charlie Klinakis and seconded by Philip Kraft for Leticia Covarrubias Resignation. 4 yes 0 No 0 Abstain
Item No. 11	<u>IDENTIFY POINTS OF DISCUSSION FOR UPCOMING MEETING</u> Reina: Can I have a suggestion of a summary of jobs completed. A brief history of jobs on what was done. Especially for the new comers. For Mr. Gonzales. Hopefully by then, we will have more people in the pipeline. Confirmed to be CBOC members. That would be my suggestion. A brief history with the funding, their accomplishments, the before and after, if at all possible. This is a special request to have acknowledge the

	administration on behalf of us (CBOC), to thank Leticia and Ms. Roberts for their incredible support to this small group of committee. We appreciate you Leticia. You can take it to the Board too for something special for them. Manoj: Thank you. I would also like to acknowledge Ms. Leticia for her service to the CBOC and to the District. In fact, as I was coming to the District, one of the items that I looked at was the CBOC. Indeed, without any doubt, this is the most comprehensive CBOC meeting notes that I saw on this particular website, for this particular District. I've worked in many Districts, but none of the CBOC records are so organized. I wanted to thank Leticia and also Lelia and the staff. This was very helpful during the forensic specialized audit that Eide Bailly also did. They were able to look extensively at the history of the project from the CBOC artifacts from the Bond and other artifacts. Because this project has been going on for some time, and stuff like that. I personally want to thank Ms. Covarrubias and other members who have been with us supporting. We will definitely take the recommendation to the Board. Reina: Thank you. Charlie: Also, thank Leticia and Olivia for all the hard work you have put in. I see just in general looking at other committees and other organizations, you have done a great job at keeping everybody on focus. The meetings have run very smoothly. I think this committee, especially for the most part, all of our Board members, knew their roles coming in. We've done what we think we are supposed to do. I want to thank you for that. Hopefully, in the future we'll be able to work together again on other projects. I want to thank you and also Olivia for everything that she did. You're both professionals. So, thank you. Leticia: I also want to say thank you to the CBOC members. We've been together for many years. I am going to miss everyone. But I know I will see you all. I feel very confident in what we've done here. The foundation has been set. And now its for the remaining committee members to move forward. I want to thank Lelia. I know she has been very patient with me. I know it's not easy getting the minutes to you. Thank you very much. The staff. Joel, thank you. Manoj, thank you very much. I did appreciate my time, but its time to move on. You'll still me all. I'm just going to focus on other priorities that I have. I also like to recognize Olivia too behind the scenes doing work we had discussions. She had to Chair a couple of meetings also. She had a lot of input. She had a wealth of knowledge. She was engaged in the discussions. I thank Olivia for that too.
Item No. 12	<u>NEXT SCHEDULED MEETING</u> 12/7/22
Item No. 13	<u>ADJOURN</u> Moved by Charlie Klinakis and seconded by Reina Schmitz for Adjournment at 7:30 pm.

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