

UNADOPTED MINUTES OF THE REGULAR MEETING
 CITIZENS BOND OVERSIGHT COMMITTEE MEETING
 HACIENDA LA PUENTE UNIFIED SCHOOL DISTRICT
 FEBRUARY 7, 2024

The Regular Citizens Bond Oversight Committee Meeting on February 4, 2024, was called to order by Reina Schmitz at 6:32 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, Antonio Ruiz, Reina Schmitz, Weixiang Chen, Erica Estrada

Members absent were: Rod Gonzales, Gabriela Navar, Philip Kraft, Jason Hinojosa

Item No. 1	<p><u>AGENDA REVIEW AND RE-ORDER</u></p> <p>Moved by Charlie Klinakis and seconded by Antonio Ruiz for Review and Re-order.</p> <p>5 yes 0 No 0 Abstain</p> <p>Review and Re-order <u>None</u></p>
Item No. 2	<p>Request to speak to agenda (Non-Agenda) Items</p> <p><u>None</u></p>
Item No. 3	<p>Moved by Charlie Klinakis and seconded by Antonio Ruiz for Approval of minutes from previous meeting – July 12, 2023</p> <p>5 yes 0 No 0 Abstain</p> <p>Review and Change <u>None</u></p>
Item No. 4	<p><u>APPROVE RESIGNATION</u></p> <p style="padding-left: 40px;">a. Gabriela Navar b. Philip Kraft</p> <p>Moved by Charlie Klinakis and seconded by Antonio Ruiz for Resignation of Gabriela Navar and Philip Kraft</p> <p>5 yes 0 No 0 Abstain</p>

Item No. 5	<p><u>NOMINATE AND VOTE FOR CO-CHAIR</u></p> <p>Motion to nominate Antonio Ruiz as Co-Chair by Reina Schmitz. Moved by Charlie Klinakis and seconded by Erica Estrada to approve Antonio Ruiz as Co-Chair.</p> <p>5 yes 0 No 0 Abstain</p>
Item No. 6	<p><u>BOND EXPENDITURES</u></p> <p>Manoj: Thank you, Ms. Schmitz. At this point I'll call, but before, I need to write some context. So what happens is as Ms. Schmitz mentioned, the last meeting we had was in July and we kind of took the September October meeting. What this slide will show you is as the bond is producing, we are spending money so this gives an overview of where we are with respect to the fund. Before we move on, the bond that was issued back or authorized by the citizens or approved by the citizens was millions of \$148 million that was back in November 2016. Back in 2017, January, the administration of the district issued the first part of the bond. We don't issue the bond and encumber the money, so to say, like because once we issue the bond, the taxpayer has to pay the bond. That's what you see on your tax bill. So we issued \$70 million worth of bonds to start the project. So that \$70 million is there and last September/October we issued the remaining \$78 million. So right now the bond is issued fully \$148 million. What we see on this at this point of time and we will have these details. So we have the month of February and we will have the up-to-date data as to how much we have spent so far of that \$148 million. I think your handout is correct. As Lelia is pulling up the correct slide, we'll go through this. So just to give you about \$148 million has been issued. We have about \$60 million that we have spent so far. Jessica will come in subsequently and show you where we are with the bond projects. Are we there? OK. So the first column that you see is 2/2/24. That is the expenditure data as of February 2nd and we compared with the last data that we have provided to the Citizens Bond. On the bottom you'll see that we have committed and expended so far about \$62 million from the bond. And last time when we presented it was \$57 million. With that I'll pass over to Earl. And then if you have any questions we can clarify.</p> <p>Reina: So when you say that all the money is from the bond has been already allocated to the projects we have?</p> <p>Manoj: So we have issued the bond, so we have got the funding initially when we issued the bond, we got \$70 million from investors which the taxpayers have to refund over the next 25-30 years. Last year, we were anticipating that we will be expending the bonds fully. So we went ahead and issued the bond, because also at that point of time, the interest rates were a little lower. So we presented and we issued the bonds bringing \$78 million. So we now have \$148 million that we have fully issued. So far we have spent out of that \$148 million, \$62 million. And the remaining are already been encumbered. Does that make sense?</p> <p>Reina: It does.</p>

Weixiang: Sorry. A real quick question. So for paying back of the bond monies, is it out of a special sort of tax or just out of the property tax within the district?

Manoj: It is the property tax that the taxpayers are paying. So when you receive your property tax bill, if you're living within the District boundaries, you will receive your property tax. Maybe that will show you 2016 HLPUSD Bond Measure. That's where Measure BB will show you how much it is that you're getting paid. It's based on your assessed value of the property, not on the market value.

Weixiang: Right. And that is so the bond is only going to be used for the school district, like the school projects or it's actually also going to other projects?

Manoj: It's just HLPUSD school sites projects.

Weixiang: Thank you.

Reina: OK, anyone has any other questions?

Manoj: No, no, let Earl go through all the details.

Reina: OK.

Earl: So first a little bit of context on this. PowerPoint slide that we have up here for the new members on the board, on our website, there is a section of page that's dedicated to the CBOC Committee. If you go to our website, hlp schools.org, and then go to the Community tab, there will be highlighted with the drop down options and you go to Citizens Bond Oversight Committee. This is where you'll find all the information about the CBOC, the bond, the projects that we have going on, all the things that we discussed here are posted there. So as we look at this presentation, you'll notice that the date on there is as of 11/8. We did have a CBOC measure meeting scheduled which was November 22nd. We didn't have quorum, so the meeting didn't go through, but all the documents that we had prepared for. That meeting are there. So when Lelia had pulled up the other slide, it was from the meeting before. So this would kind of pick up where that went off. So that's why our prior meeting was July 12th. But this one picks up as of 11/8 because those documents are still there just to keep the continuity with the documents that are posted on the website. So what we do is we go over this slide, which is a comparison of our expenditures and our encumbrances since our last meeting. Our last planned meeting, let's say that. And what this does is just kind of, so like Manoj said, that the projects are moving forward. We're within our invoices. Moving forward. So the key things to look at in this are the total expenditures to date and the committed amounts to date, particularly the variance which is on the far right side which shows the delta between 11/8 and 2/2 which is when we ran, which was last week. So you can see that our expenditures to date just about one point of variance in that period is about \$1.8 million. Which means that between 11/8 and 2/2, we paid about \$1.8 million worth of invoices and requests,

you know, before the construction projects. And you can also see that our committed amounts to date have also gone up by \$2.4 million. Now for some of the Members who have been on the committee for a while, you know there was a period where, you know, things weren't moving as fast as we would have hoped and you would have seen perhaps a negative amount in the committed amounts because when you pay an invoice, your commitment is reduced because you're paying the bill. By showing that we have positive expenditures and positive committed amounts means that the projects are ramping up. So not only are we spending, but our commitments are essentially eclipsing our spending by \$2.4 million, right. So things are moving forward as we're starting to get things moving again. So that's kind of the things that you know, we want to focus on with this report. Now, going back to our website and what's on there, we do have a very detailed Excel spreadsheet of all of the expenditures in the entire history of the bond. So you'll notice that in the two column total expenditures, \$52,692,118.15, that's cash that's left the district's hands. That spreadsheet has details of everything, so if you're ever wondering, did we do this? Did we do that? It's all there on the spreadsheet, and you can also look at the variance between 2 periods if you just sort by date and then you know, highlight the expenditures from the last report to this report. So if you go on there anything after 11/8, which I think the next expenditure was 11/17 on down and it will match up to what we've what that variance is for our expenditures up to this report. If you highlight the whole column, you'd see the total you know \$52.7 million. And you can look at that information however you want, there's a few different tabs on there that kind of break it up and make it so you can work it in different ways. Whether you want to look at it with a slicer and look at it by school or by phase, by type of expenditure, it's all there for you to review. You know, you could look at that and then come back and ask questions about any particular item and we'll be happy to answer them for you. So at this time, I know we've had a couple questions already, but are there any other? Any questions that anyone adds about anything that's on there?

Erica: What is DSA?

Earl: Part of the State Architecture. So the DSA has to approve all of our projects.

Manoj: So just to give a little more context, when we do a large project in a school, all our projects have to be approved by DSA, Division of the State Architect. Even for your home when you are doing major remodeling, asking for permits you have to go to the City or the County. So for our oversight, districts, school oversights know its not the City or the County. It's usually the Division of the State Architect because they have different codes, different standards for building schools, as opposed to the County or the City standards.

Reina: So in this report, that's why, as you explained, there is no negatives because they're being utilized all the time.

Manoj: Yes.

Earl: There are no negatives right now because we are increasing our commitments as in you know we're giving contracts and you know the Board is accepting bids and things of that nature showing that the projects are picking up.

Manoj: I think we have some attendees in from zoom, so if you can switch on.

Erica: Sorry.

Manoj: Sorry. This is how we do meetings. So if you are speaking, if you can switch on because that way it takes away the static.

Erica: OK. Just in another style that we got sent in in our e-mail. I saw the 21st century. Is this the right time to ask the question? The 21st century Bond, I noticed that the schools have different percentages of completion. Some have 80, a lot of them have 100, but some of them have like 30%, 23% and I'm just wondering is the goal to have 100% and that the money is allocated per school 100% for the 21st century fund?

Manoj: Thank you for that question. So at this point of time, the money has not been fully allocated. So what has happened over the last few years has you understand, is the construction cost has gone up. So as we budget for the allocation for the projects, we are seeing some increase on the cost. So as we are seeing some increase and we're allocating some cost to each of the site. Jessica will go ahead and show you as to what the conclusion means on the project side. On the operation side, where we are with the duration of the project. So it will show as to why we have 20% in some school and 80% and 90% in some of the schools. So that's the idea. But once Jessica does her presentation, we'll get into that.

Reina: Anyone else has any other question?

Weixiang: Yeah, just like a quick question about the committed amount. So like really how far ahead of time that this committed amount will be, you know, where is it going to be committed a year in advance or is typically 3 to 6 months. What's the typical time frame?

Manoj: That's a great question. So probably the amount is something that in the district contracts with the general contractor. So I am a contractor, the contractor has, for example, when you have anybody contract for \$3,000,000 and that shows in the committed amount. That's on the length of the project. Now the high school refresh of the projects is six months to a year. For some other projects, the project could be one or two years because it takes time for DSA and stuff like that. So, but that's why it's very difficult to see how long is the commitment. But we'll see the decrease in commitment increases in commitment as we go to through the project. Jessica will show you a lot of the projects that are forthcoming.

Weixiang: Yeah, but also you mentioned because of the increase in construction prices, the cost and everything, is the idea is that once you

	<p>committed and goes through the whole bidding process, the price should be fixed?</p> <p>Manoj: That's correct. So when we enter into the contract, the price is fixed for the part of the contract through the execution of the whole project. Is there another question?</p>
Item No. 7	<p><u>BOARD BOND PRESENTATIONS</u></p> <p>A. Site Improvements (Information Only)</p> <p>Reina: On the next on the agenda we have the bond presentation and the improvement. This is only for information. This is where we're going to, I think understand a little bit more on what we just got presented. Thank you.</p> <p>Charlie: Madam Chair. Quick question. The other one of these were, you know, they showed the remainder of the bond being issued which we don't have in our in our packet. Do you have any extra there? This is only for. This is only for February, but you showed another one that has the November data. It's the first one you put up. It showed the \$150 million.</p> <p>Earl: The first one that was put up was the expenditure report. That was the slide that was prepared for the last CBOC.</p> <p>Charlie: Sorry. OK, I take that back. OK. OK.</p> <p>Manoj: This was the last presentation that we had. Scheduled for November.</p> <p>Reina: But then those numbers are already including in these numbers.</p> <p>Manoj: Yes. So we are on items 7a and 7b. Just to give your perspective as to what's the difference between 7a and 7b is. 7a are school projects. These are the school projects that goes on in the school district which are using other funds like school General fund. Just to give you an idea to the CBOC members as to what are the other projects that are going on in the school district.</p> <p>Leonard: Good afternoon CBOC members. Next slide please. So this slide indicates some of the projects that the facilities crews have completed. We're looking at the Dibble of fire alarm installation has been completed. The District office fuel station, there was a leak upon a routine service and we noticed there was a leak that has been completed. The Golden Bell Award signage, several schools of our district earned this award, so we want to congratulate Del Valle, La Puente High School, Nelson Elementary School, Sierra Vista Middle School, Sparks Middle School, Sunset Elementary School and Workman Elementary School. What our men in our team did was display the logo in front of their school to indicate that they achieved the Golden Bell signage. At Wilson High School, the bottle water filling station we implement or we installed some handrails. At the Valley Alternative School we had some administration landscaping. At Sparks</p>

Elementary School, we did some school beautification. At Sparks Elementary School, we did some flooring in room 21 and 22. At Amar, we painted Room 30 into a painting. Next slide. These are some past completed projects. Next slide, please. So this is the before and after pictures of our District Fuel station of the construction and then the completion of the work. Next slide. This is the Golden Bell signage that is displayed in front of our school sites, our carpentry displayed and put up through award signage. Next slide.

Charlie: Quick question, please.

Leonard: Yes, Sir.

Charlie: These projects are those that are non bond related, correct?

Manoj: That's correct. So these are non bond. This is not related to the CBOC committee but we just wanted to share with the CBOC committee the different projects. So you are there are several projects that goes on in the school district.

Leonard: And at Valley Alternative School, we have some before and after picture of landscaping. We've got rid of the foliage and putting some synthetic turf in front of the administration, giving it a more appealing aesthetic look. Next slide. This is some beautification. We believe we're going to highlight some of our school sites. Some of the beautification that's going around our district performed by our own team members in our department. Next slide please. Some of the projects we have in progress that is out there. We have some, we're working on some asphalt. At Willow, the fire alarm installation. We're just pending a passcode and so that's almost complete. At Dibble, HVAC. We're 75% installation. At Willow Adult School we're at 100% installation. And some of the roofing that went on throughout this past summer, we are complete with the exception of Los Altos High School, we're at 95% complete. And also Workman High School, the phase two stadium of the baseball we're working on that. Next slide. Kwis Elementary softball field, we are going to go out to rebid. The numbers came in too high. We're working with our architects to de-scope some of the work that's there so they could come within a reasonable budget. The Center Performing Arts we're currently looking at the phase two. The bids that came in to move forward with that project. The District Office Portable installation meeting, we had a meeting today with our director here, my colleague, Joel Duarte. We're going to put in some portables in the back. The Willow Adult item, the two-story is under construction. It's a medical class that they're doing. It's a two-story. So that's under construction. Our district office warehouse freezer, that came in over bidding and we're going to go out to rebid soon. Los Altos High School Locker, Gym Locker, we had some outstanding prior open DSA projects. We just got the notice of completion certification and we're going to move forward with the HVAC with the gym and the locker rooms, boys and girls locker room. We have a project with the room rain, a portable installation that's got DSA, and we're waiting on the approval for the drawings. And that's it for this presentation. Are there any questions?

Erica: Amar Center? Is that recent?

Leonard: Yes, that's recent. That was actually like in December. The room was painted and flooring.

Erica: The reason I ask is just yesterday there was a parent that approached me yesterday. Touring the Amar Center for her daughter in Valinda. She lives in Valinda. She says that it looked you know what not she thought it was going to. Maybe the curb appeal, I think she said the curb appeal something. So I just wanted, so maybe she can go online and see what kind of work has been done and maybe that'll motivate her to, you know, apply for, you know, she wants her daughter to go there. So she just made a comment about visiting it, not being not being so attractive or something.

Leonard: Thank you for that comment. Yes, we are working throughout our district regarding curb appeal on the fronts and paying more attention to the classrooms and inside the classrooms. So we are out there to ensure Amar is scheduled to get a roofing this summer. Complete roofing at the site. So we are doing our best to ensure that our facilities are attractive to our community, but thank you. Your comment is well noted.

Antonio: Sorry. Can we go back to slide nine, I think I. Missed the update on Wedgeworth.

Leonard: I'll reach out to my colleague here, Mr. Joel Duarte.

Joel: What's the question? I'm sorry.

Antonio: I don't think I heard the update on Wedgeworth, what was going on there?

Joel: Thank you for the question. Yes, we are really under construction at Wedgeworth. The current schedule for the current project schedule has us completing the new buildings and the new campus areas sometime in early 2025, February 2025. At that point we will move the kids from the old campus into the new campus and there's about another three months left after that to demo the existing campus and turn those spaces into a playground area.

Antonio: Great. Thank you. Can you also define the funding source, COPS?

Manoj: So COPS stands for basically, it's an instrument that will ensure for short term. The full acronym stands for Certificate of Participations. So it's an instrument we issue COPS for \$55 million in 2018 when it was issued to fund this whole project, \$55 million.

Reina: In what year?

Manoj: Earl, am I correct it's 2017 or 2018 2019? Somewhere in 18/19 I believe.

Earl: Coming right up.

Antonio: Thank you.

Erica: I was, like, so determined to turn on the microphone first. So you mentioned about the Golden Bell recognitions. They were all on in the schools, now that I think some of the schools that you mentioned are closing, is there going to be a way to honor that and not be destroyed because it is tax money that's spent. You know, it's beautiful, and now it's not no longer gonna, you know, so maybe are you guys have an idea what's gonna happen with those golden bells?

Manoj: That's a great question and I will answer it. So when you said when the schools are getting reconfigured, that means the school itself, the students, will not stop going to the school. The school building will still remain. The schools will be used for interim housing. So when we are going from for example, I'll just take an example of Del Valle, that school particularly is still there when we will reconfigure. For example, Fairgrove Academy, the students from Fairgrove, part of the students will move to Del Valle so that we can complete Fairgrove. So they will be used for interim housing. It saves money for the bond. And so to answer your question, yes, those will stay in the building and at some point of time, if the plan is to do something sooner, yes, point well taken and we'll discuss that.

Reina: So at this point, there's no more questions? I have a question on the same area, you mentioned that the students, the logos are going to be maintained and they're going to be moving either to a different school while this is getting... and you mentioned Fairgrove and Del Valle, those are the 2.

Manoj: So all the schools are going to be modernized in every room for the new CBOC members. So we are using most or all the schools. Jessica will present completion of 8 schools. So all the remaining schools will be modernized. So getting modernization when construction is happening, we will move the students from active construction area to another area. That's what we call the interim housing. So when Fairgrove is going to be modernized, just an example when Fairgrove is going to be modernized, students from Fairgrove will deliver the instruction will go on. Not all the students will move. Students will move because we move section by section. Same thing will happen. For example, when we want to modernize Kwis elementary school, some students from Kwis to Los Robles Academy. The students will come back from Los Robles to Kwis to their modernized classroom, and we'll move another section of students from Kwis to Los Robles. So both sites will be used for the active sites for the foreseeable future, those 2 schools. To house the students when under construction. And for our veteran members, like Mr. Klinakis and Ms. Schmitz, when we modernized those the first eight schools, we actually made interim housing. When construction happens we need to keep students safe. It saves costs for the district. And having some surplus school sites during construction.

Reina: So the modernization in moving saves money because of the alteration in the moving. You're not putting the permanent as in the beginning of the bonds working.

Manoj: That's correct. So now we don't have to build interim housing because that's very expensive.

Reina: Any other questions?

Earl: I have a comment. The last COPS was issued in 2015.

Manoj: 2015?

Earl: Yes.

Manoj: I think that was a \$50 million. This was \$55 million.

Earl: That one was for Wedgeworth. 2021.

Manoj: 2021. So the COPS for Wedgeworth \$55 million was issued in 2021. Okay.

B. Presentation from Cumming on Timeline – Sites and Progress

Jessica: Hey, I'm Jessica Morley. I'm with the Cumming Group and I am the Bond Manager, the Program Manager for the bond. If you ever want to come see me, I work over at the yard in one of the classroom portables. Next slide please. I'm happy to show this one because for a long time there were just three little dots on there. Now there's twelve. We have 12 projects that are underway in terms of design, bidding and construction. We have 8 completed. Next slide please. This slide gives you an idea that we are, it's a little behind time, so we are actually in DSA for the first two Division of State Architect. We submitted this week. Actually, last week and those are getting plan checked the first two, the next two are slated to go shortly after. And then we have four more that are in schematic design phases. That's Kwis and Lasalette, Orange Grove and Fairgrove. Next slide please.

Manoj: So Jessica, this one. So just for folks that have not gone through the experience. Division of State Architect usually is something that is held up with the Architect and construction. So if you have gone through something at your home, its similar. City or County are usually very efficient. They turn around and they will approve the plan in about four to six weeks time. Our time is a long time, in about three to four months. So when Jessica mentioned that we just submitted Baldwin Elementary school and California Elementary School plans sometime now we can anticipate earliest April, May so we can project the expectation. Thank you.

Jessica: Alright, next slide please. These are site plans of the ongoing projects. Next slide. Same. Next slide, please. And this is a survey crew out at Lasalette that was doing the civil engineering survey topographic surveying for the improvements at Lasalette. Next slide please. This slide

is important because of the High School refresh has limited scope. The things that we did on purpose was we took out the variable that was required for DSA, so we're avoiding that four to six months of DSA review by just doing items in the scope that are finishes and things that don't require fire and life safety review, structural review or accessibility review. So we have started the projects at Workman High School and La Puente High School and awaiting approval of the contract for Los Altos and Wilson.

Reina: Was the timeline on the waiting? Is it faster approval? Is that one of the reasons I think you mentioned that?

Jessica: Like when you mean they go to DSA?

Reina: Right.

Jessica: Whenever we require any review.

Manoj: Our schools were built between the 1950s and 60s. Over the last several decades, like seven or eight decades, the codes have changed. So there are new codes. So you have to have certain and stuff. So when we submitted these projects to DSA, they go make sure that all the codes are of today. So that's a significant expense, significant projects. So we try to make sure that if we can execute the projects that will not structurely the sites deficient, then we'll go ahead. For example, if we're just painting the room, that does not require a DSA approval, because it's just a refresh of the school. So we tried to execute the high schools a little different from the projects. Also aside, I want to mention, usually once or twice a year we'll invite CBOC members to school sites to show what we have done. For the elementary and the high schools we are doing a significant project for high schools. We descoped the projects and we're just doing the flooring, redoing the carpet, and some minor finishes. So that's why the high school projects, we call it refresh. We are not calling 21st century improvements. These are happening for all the four high schools.

Reina: Thank you explanation.

Antonio: Because it's a refresh, does it mean we're not using bond funds?

Manoj: It is bond funds, It's 21st century, but it also is the other improvements in the schools. One of the complaints that I heard from high school is even the parents that are in high school, the carpet looks the same, so these are carpets back 1970. That's why we are doing the carpet. Doesn't need DSA approvals.

Antonio: So these refreshes are in progress now? What's considered under HAZMAT abatement?

Manoj: So I'll answer the question. If you look at the high schools, usually when we are doing construction, because that was the construction material that was allowed and that point of time, as you know Asbestos has been done. So when we found the floor, there are still some asbestos on the floor.

so when we get on the floor, what we call the abatement as a hazardous material abatement on the in the walls, sometimes the paint have asbestos and lead. So it has to be performed by certified abatement construction people. So they come in, just like, think about termite, they will taint it. They will do a negative suction vacuum and they will take out the materials before our construction crew can go in and replace or replace the flooring. Jessica?

Jessica: Yeah. You leave your classrooms completely, you know, abated. So gets rid of that.

Reina: So all the refreshing you're addressing right now, it's all bonds money.

Manoj: Yes.

Jessica: Yes, ma'am.

Reina: OK, thank you.

Weixiang: And I guess just in comparison for the high school, just later projects for the refreshments. So in comparison, the elementary school are like major, like larger projects.

Jessica: They are.

Weixiang: Like consisting of building new buildings etcetera.

Jessica: Not new buildings, but we are bringing them up to code as far as the path of travel to each of the classrooms and the fixtures inside. And we're also covering windows. Not all the windows, but putting up Tackable Wall board and doing some structural framing, etcetera.

Manoj: So we organize a visit to some of the completed classrooms or the school sites that have finished the construction and you will see the difference between what has gone on behind new PA system, structural integrity. Some of those things that we did that we are avoiding for the high schools.

Weixiang: Also, I noticed that some of the elementary schools are not listed on the projects in progress or completed. For example, I think you just mentioned Wedgeworth where the construction is under a different vehicle of the money. It's not bond money. And I think Wedgeworth is also not listening here. So I guess it's just not being planned yet.

Manoj: So the Wedgeworth to the existing campus will be demolished. So there will be no improvement to that existing campus. Since we are building the new construction and we will not see all the schools because Cumming Team is working on some other schools as they are going to DSA. But we are addressing all the remaining schools other than the four schools that has been reconfigured or the board decided to reconfigure.

Weixiang: So I guess it's like Wedgeworth, once the new building completes, then they will, they won't need any refreshment. So there's not bond money that's going in there.

Manoj: That's correct. So. We will demolish the old building and that's part of the COP funding.

Reina: Thank you.

Jessica: Next, next slide please. This is the timeline which is basically shows you what line by line by line, what we're going to do in 200 days. Next slide please. This is the La Puente timeline, also 200 days. Next slide. And this is a slide showing Wilson, Los Altos and Stimson. And Stimson is not necessarily a refresh, but it fit well with the tasks that were being bid at the time. So it's falling into that bid and it went out to bid on the 18th of January and we have bids in hand. Next slide please. And it should be probably on the 22nd board meeting to be approved for award anticipated and then it should be completed. That work should be completed by March 4th of next year. I mean, it starts on March 4th of this year and it should be 200 and some days after that and it's completed.

Reina: I'm sorry, are you talking about these four high schools class, Stimson.

Jessica: Yes.

Reina: OK.

Antonio: Can you disclose the bid amounts?

Joel: So once the board awards. Board awards February 22nd, we'll be able to disclose the amount. But we have started the construction work for the Workman High School and La Puente High School and those bid amounts are disclosed already.

Antonio: OK. Thank you.

Jessica: And I think that's my last slide, next slide. Any questions? Other questions?

Erica: The question we had I had asked previous maybe you kind of already answered it, but just to reiterate the 21st century schools have different percentages. So what you showed there, the 200 days is that for the remaining ones that are not finished that have a 20% or 30%?

Reina: We have several that are beyond those that are under construction right now or in design. We're still selecting architects for those. So yes, it would be kind of where we are in the expenditure of that money.

Joel: OK. So can we go to the slide 2 or slide 3, I think. And I'll try to go to the next slide. So I'll try to see if I can explain so as you're seeing, there are

8 new schools that are going to DSA. For example, out where it shows Baldwin, California, Los Molinos, Grazide, Kwis, Lassalette, all going to DSA. When they go to DSA and gets approved or DSA approves those projects, those projects will be able to bid. For example, out of Baldwin and California, it may be like California gets approved by DSA in and then Baldwin doesn't get approved until May or June. So once California gets approved, we will go on about our procurement and then Joel will go out and bid the project and we'll start construction because we will not wait till Baldwin comes out. So if that gets a head start, then California will have more completion percentage as things progress and they will finish earlier than Baldwin.

Erica: OK.

Manoj: Like so they will have different percentage of completion at any point of time.

Erica: I do see Los Molinos here, they have 59% and I see it up there. But La Puente has 19% and I don't see it up there. Is that like the next phase or maybe?

Manoj: Yeah, the La Puente High School, you're talking about La Puente high school? That's the construction going on for the refresh. Los Molinos is the design part.

Erica: Right.

Manoj: Yeah. So one is the design one and one is construction.

Erica: And so this one is is design?

Manoj: It's design because we have not started the construction. The construction documents has been sent in March. And once the DSA approves, then we will bid out and construction starts. So there are different phases of completion. If it's designed because design is working with architect, construction is actually the in on hands construction with the general contractor.

Erica: OK, but the ending goal is to have all 21st century schools 100% in the long run.

Manoj: Yes, by our goal, yes I mean, that's a stretch goal for me is we are trying to finish all the 21st century modernization by December of 2026.

Erica: Oh, OK.

Manoj:

That's my stretch goal and we'll see because the variable is DSA. Because we don't have control as to when it gets approved.

Reina: So what you both are saying is basically DSA determines the green light.

Manoj: Yes.

Jessica: It does ma'am.

Manoj: That's correct. So once we finish the design, the projects are submitted to DSA. Then we are at the decision of whether DSA approves. Once DSA approves, then we have control because we bid out the project, we work with the general contractor, Cumming Group, works in completion of the project on time, within budget at that point of time.

Jessica: And we do sort of push DSA in a gentle way if we as much as we can.

Reina: You're an expert that.

Manoj: Right. So we are saying there are just four sections of DSA. DSA, San Diego, DSA, Los Angeles, DSA, Sacramento and DSA, San Francisco. So these four location basically approves all the 1000 school districts that we have in California. All the projects. So for example, LA area, the LA branch of DSA, Los Angeles, they approved like all the 85 - 90 school districts, all the projects including your school district projects. So everything gets lined up. It's first come first serve basis.

Erica: You mentioned that you there was not going to be any work on the four schools that are closing. But Del Valle will be used to just temporarily house like a year or two. You said depending on the project. Would that impede safety concern for the students that are going to be coming in, whether it's not going to get any kind of.....

Manoj: I just want to make sure of one thing here, all our schools are safe. All our safety system is working. The enhancement will not happen on the reconfiguration schools. When we go and visit, you will see the enhancements that our schools are happening. It's brand new flooring, furniture fixture, wall covering what we call the tackable walls, the PA system. It's a clock PA System. So it's all moving from old cabling system which is depending on copper wire into more IP what we call. Those will not happen in the reconfigured on the sites that are physically closing and like the Del Valle and the Sunset. But the schools are safe.

Erica: Well, I don't want to say safe maybe, but like let's say they're not going to be 21st century, but students will temporarily not have all the amenities that the other students have, but that will be temporary because it's going moving back.

Manoj: The construction of the 21st century that's happening in their home schools that will force them to move out because we want to fence and cordon of that area.

Jessica: Strictly interim. Just interim housing.

Erica: And those schools have the basic necessities like Internet, Wi-Fi, computer. So it's kind of like the basics, but then they're going to be going into.

Jessica: They are pretty much exactly the same as the ones that they're moving out of so that we can do the improvement.

Manoj: That's why I wanted to make sure that our schools, even the schools that are reconfigured will be active in the foreseeable future and it will be active. We'll have a Principal, Acting Principal. We'll have the custodian, we'll have the office manager to serve those housed kids which are interim housed. Mr. Ruiz, you have a question?

Antonio: Yes, I just wanted to say that I'm looking through the November presentation and it has the KPI overviews for several of the projects. And so I'm hoping that, you know, I find them very useful and informative. So I'm hoping that for April's meeting, we can include the KPI overviews for each of the sites.

Jessica: I'll put them in here.

Manoj: So KPI stands for key performance indicators. The KPIs that we have for Cumming is the project for the blog overview the project. Has to be under budget because we don't want to spend over more than what we budgeted and that project has to be finished on time. So those are the two KPI's as Mr. Ruiz have talked about. Once the projects goes to construction that's where the KPI starts, the metrics. But also we have some metrics for the high schools. Because as Jessica showed, we have a timeline and a cost budget for those high schools, we don't want to spend more than what we budgeted.

Reina: Which school did you mention?

Manoj: The 4 high schools.

Reina: OK.

Manoj: And also we have the KPI for those schools that are in DSA, once we start construction.

Erica: Sorry, can you repeat what KPI stands for?

Manoj: It's key performance indicators.

Erica: Performance indicators? OK, thanks.

Antonio: It's very useful to have the percentages of funds spent, but if possible, it would be great to know also the timeline.

	<p>Jessica: I put it on microscopic. A timeline for you.</p> <p>Manoj: Any other questions? If not, but this is exciting work. I promise you we'll take you to, we'll schedule, Ms. Lelia will schedule a visit. That way you have hands on experience as what has it happened in the eight schools. If you go to the slide before Lelia. So those eight schools at the bottom, those are all completed. So we'll take you to one of those schools and you will see what has happened. And then we'll take you to the existing schools where modernization has not happened and you'll see the contrast. OK. Thank you, Jessica.</p> <p>Jessica: Thank you.</p> <p>Reina: Again, I want to thank you every time you do presentations. It's really educational, so I appreciate all your efforts. Thank you.</p> <p>Jessica: Thank you for your kind words and it's a pleasure. Thanks.</p> <p>Antonio: Just I have a question before we move on. Since we're having different sources of funds, non bond, bond and COPs. Do you ever pull the funds and aggregate them to take advantage of economies of scale when bidding out project?</p> <p>Manoj: That's a great question. Yes. So the question was sometimes it's economies of scale. So for the vendor or the contractor, it doesn't matter where we are paying from. So that's independent. So when we are doing some projects we need, for example, the California school in that you saw California elementary schools, but if there is a fencing project that we want to integrate with the whole construction work, we will include it in the bid. And we will pay the source of funding will be the modernization will be paid from the bond fund, the fencing project which is safety project, will be paid from non bond fund. But yes when we have this opportunity, we do leverage those opportunity where if it's one project that we have to, for example, if classroom based being modernized and there's a new fire alarm that we have to do or now even if we are putting in the new water bottle filling stations, those we are keeping it outside the bond funds.</p> <p>Reina: So that's coming from the main.</p> <p>Manoj: General. Since we are opening the wall for the classroom modernization, it might be a good time to have the contractor, same contractor, put in the water bottle filling station infrastructure. But we will pay it separately, from the non bond funds. And you will not see it in the bond project that scope. Thank you for the question.</p> <p>Reina: Anyone else any questions or we're moving on?</p>
Item No. 8	<p><u>MOODY'S CREDIT RATING</u></p> <p>Reina: Who is Moody's investor service?</p>

Manoj: I will give you context. Again, I try to bring it to a personal level. Everyone aware of their own credit rating, the FICO score right? As an individual, you are aware that when you are trying to go to the bank and get a mortgage or get a loan, they will run your credit report and what they do is run the FICO score. It's the companies like Experian or what are the other two agencies?

Antonio: Transunion.

Earl: And Equifax

Manoj: And Equifax, right. Thank you. Earl is the expert. But those are the agencies that get your credit data and run the report and tell the bank that you are good source, a good person to lend to. So similarly for companies we have what we call credit rating agencies. So one of the credit rating agencies is Moody's. Moody's goes and looks at our finance and rates, OK are HLPUSD bonds, investable? So when we are going out for the issue of the bond the 70 million and the 78 million, what I said, Investors are investing in bond. They want to make sure that HLPUSD you will be able to repay the bond or the investment that they're making because they're giving us the money up front and the taxpayer are paying it over a period of time. So those agencies, Moody's is one of the agencies that review our financials and tells the investors, yes, HLPUSD is a strong borrower and you can rely on agencies. So they give a rating A, AA, AAA and then they have plus minus a + a minus AA plus AA minus. So our rating agency Moody is one of the rating agency and you will see that it has kept the credit rating that were came in July 2023. So HLPUSD is still an investable. It's a good credit rating for a school district of our size. So we wanted to share that with you. The credit rating we also have sometimes standard and poor Moody's. Those are the usual credit rating agency and such. So this is the Moody's credit rating agency. They look at our programs, our strength of financials, not related to bond, but our financial strength, our expenditures in the general fund and make sure that we have enough reserve to continue our operations for the foreseeable future. That's just a document that we shared, so take it, read it in your own time and see how we bring on the general fund. Side of the house.

Reina: Not inclusive of the bond.

Manoj: That's inclusive of the bond, but we will look at the general fund.

Reina: OK

Manoj: How we've been operating operations of the district. So for payment of salaries expenditure, all our expenditures, including the school site improvements.

Reina: Thank you. Any questions on this?

Weixiang: So yeah, would you mind maybe just give us a little bit explanation as to the financial performance some of the, so I guess the

operating revenue is pretty much like the property tax income for the whole district?

Manoj: So the district will share the how the general fund, and maybe I'll go just do a presentation on how the school operates. We get most of our funding from the State. From the income tax. The states funds about 70% of our revenues. Then there's a few pot of money, we get property tax and then federal money and local money also. So, but that's a different. I don't want to take time on this but if the state does good, the school district does good, so we get our revenue and expenditures.

Weixiang: So then what's the difference between the available fund balance versus the net cash? The cash is the money, so we say.

Joel: Cash and fund balance are different. So cash is important because if we run out of cash, we will not be able to pay our salaries. Fund balance is the actual resources that we have. So for example we know the state revenue for us is \$200 million, but the state does not provide us the cash upfront when the school starts in July, they are giving us the money every month. Part of like what we call they will give 10% of the whole revenue in September, 9% in October and stuff like that. So that's the cash piece. But for our revenue, we booked the entire revenue of \$200 million from the state right in the beginning of the school year.

Reina: Is that a guarantee every year?

Manoj: Yes, yes. So when state, they can, I mean Ms. Estrada may know that since she has worked in the school district back in 2008, 2009, when state was under a crunch, they will say, by the way, we will not pay you what I owe you in February, we will pay you what I owe you in February 2024, in March 2024, so they will push it by a year. So all in all, we have to make sure, but we still have to pay our salaries for February, so we have to have enough cash on our hand to pay our salaries, although we have not received the cash from the revenue. So such thing happens, it has not happened for the last 15-16 years. We'll keep our fingers crossed.

Weixiang: Yeah, I guess I'm still a little bit confused. It's like the revenue will be booked once these states make a decision that this money will go to us. But they will pay in trenches. So cash will come in trenches, right? So how about the available fund balance, that's like the...

Manoj: That's the accrual piece. So it's a different, accrual. So we accrue the \$200 million what I just said example, right in the beginning. So that's the fund balance, but our cash balance may be \$120 million. So it's a different but for our operations, regular operations, we will need the cash because salaries are our biggest expense. It's about 85% of our expense in salaries and benefits. You had a question, Ms. Estrada?

Erica: Just a quick question. Right here on page three, it says detailed credit considerations. It has the word declining enrollment, so even though declining enrollment is everywhere, this wasn't enough to affect?

	<p>Manoj: It does. It does, but they understand Moody's. For example, they understand that it's across a state phenomenon. We don't have much control if the live birth is not happening, but that's impacting that defines if our enrollment was on the upswing, maybe we would have got AA1 or better, better. So because of the declining enrollment, it does impact the credit rating,</p> <p>Reina: Any more questions? Or do we go to the next item?</p>
Item No. 9	<p><u>IDENTIFY POINTS OF DISCUSSION FOR UPCOMING MEETING</u></p> <p>Reina: Identify the points of discussion for upcoming meetings. I'm going to suggest that before we adjourn, maybe we can throw in a couple of days for the visitations of the high schools.</p> <p>Manoj: Yes. So we will organize not only the high schools because it will be good to have the new CBOC members visit one of the schools that is completed so that we see and then we'll go high schools. So at this point of time what I'll recommend or my recommendation is we'll have Lelia reach out to all of you and kind of figure out a date because that's always a challenge when we can go and we will get it to you so that she can calendar a date. Just from a point time perspective, it's usually better if we go after the schools. So anytime after 3:00 pm, after the school dismissal, we'll organize a visit.</p> <p>Reina: OK, you have mentioned Antonio, that you were interested too. We can put that on the agenda. What was that?</p> <p>Joel: What was the request?</p> <p>Reina: He was trying to say that. You wanted to have KPI.</p> <p>Antonio: The KPIs, yeah. For the next assessment.</p> <p>Manoj: Yes, we have noted.</p> <p>Reina: OK.</p> <p>Manoj: So it will be included in the presentation that Cumming has, the KPI.</p> <p>Antonio: Thank you.</p> <p>Reina: And then maybe bring in the handout that usually every member gets at the beginning to understand.</p> <p>Manoj: The CBOC roles and responsibilities.</p> <p>Reina: Yes.</p> <p>Manoj: So also wanted to share, there is an agency which is called the California Citizens Bond Oversight Commission. So they give some guidance to the CBOC members as to your roles responsibilities. So there</p>

	<p>is an online training, I am not sure as to when the next online training is. So if you're interested, Lelia will reach out to you and schedule that online training. It's a presentation from a statewide agency as to what the roles and responsibilities of the CBOC members. It's a good training that we provide and it's an online so you can watch it on your own time.</p> <p>Reina: Usually on Saturdays.</p> <p>Manoj: Yes. So we'll share that with you.</p> <p>Erica: I did read the online duties before I applied. There's just this one that says report to the community. And I was asking what, what does that entail? What would be an example of reporting to the community?</p> <p>Manoj: One of the key responsibilities of CBOC Committee is you have to present an annual report to our school board. So it's a public meeting where you go, usually the chair or someone will go to the board meeting and you certify that you have basically examined all the expenditures and they confirm to all the requirements that are in the bond. It's on our Bond CBOC website, you'll see there is an annual presentation. So we will share those with you. Lelia, if you can share those annual presentation from the last two years that will be very helpful for you to see what's the presentation. So that's a requirement. And sorry, Lelia also reminded me that from a housekeeping, we don't want to have you suffer. So there is a restroom for those. This is what we call the LP conference room. Usually we have our CBOC meetings here, sometimes in the boardroom, sometimes here. And there is a restroom. And please feel free. And also we have food for those who came in a little late. We brought in some refreshments. Although the coffee has become colder. But there are salads and sandwiches that we have for you before you leave. Please take some.</p>
Item No. 10	<p><u>NEXT SCHEDULED MEETING</u></p> <p>4/10/24</p>
Item No. 11	<p><u>ADJOURN</u></p> <p>Moved by Charlie Klinakis and seconded by Antonio Ruiz for Adjournment at 8:00 pm.</p> <p>5 yes 0 No 0 Abstain</p>