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To: President John McCann
Board Member Mark Anderson
Board Member Sharon C. Jones
Board Member Susan Hartley
Board Member Lyn Neylon

Dear President McCann:

Greetings President McCann, Board Members and Superintendent Glover. This monthly Chair Report will present a brief overview of our Citizen's Bond Oversight Committee (CBOC) developments since your last Board meeting on October 2, 2014. As this is the last meeting in which all of you are our Trustees, the CBOC wishes you well in your future endeavors. Rest assured this CBOC will continue diligently in its work on Bond Oversight.

Two meetings were held on October 8 and November 12. No quorum was present at the October 8 meeting. Some brief highlights are as follows:

1. There were two site tours of Mar Vista High School and Mar Vista Academy. As has been the practice recently, two site tours were conducted prior to the formal meeting. Both schools were well maintained and clean which can be a challenge for these older schools. Kudos to staff, parents and students who showed "pride of ownership".

2. At both meetings we received our standard briefings which required no formal actions. These standard briefings include a Project Status report, a summary of financial conditions, a preview or recap of pending Board actions, and an update on the Long Range Facility Master Plan. As a reminder there has been a major improvement in the Bond Oversight meetings because where possible we hear about actions before it goes to the Trustees. This gives us an opportunity for comment on possible spending decisions before it happens.

3. There was and will continue to be frank discussion about change orders. There was some dialogue regarding the number of change orders for the National City Middle School Project, which is a lease leaseback (McCarthy Construction). Staff indicated that the period of time between the actual design and bidding/award coupled with age of the school (unforeseen conditions) has contributed to the change orders.

4. There has been greater involvement of the public in the Bond Oversight meetings. Due to the site tours and involvement of the school community there has been greater public participation in our oversight. For instance at the October 8 meeting there was mention of the impact of open boundaries on the need for school facilities and future Proposition O investments. The message has gotten out the CBOC listens to the constituencies. The parents actually conduct the site tours.

5. In the next several years serious discussions will be held regarding issuing more bonds somewhere in the neighborhood of $200 million. The ability to issue new debt will largely be a function of the growth in the District's Assessed Value (AV). Assessed Value growth is a function of property value increases, turnover of property, reassessment of Proposition 8 Properties (temporary downward adjustment in AV due to the real estate collapse), and overall new development. The Master Plan being developed will have a major input into spending priorities of the new Board of Trustees.

6. The CBOC further refined its ideas for the expenditure of its travel, education, and training budget. Aside from reimbursement for travel to the California League of Bond Oversight Committees (Calboc), the CBOC thought a retreat with outside experts (e.g. member travel from Calboc) would be helpful. The Chair will surface this idea at the Calboc meeting on November 20.

7. The original Master Plan meetings scheduled for November 3-6 were rescheduled to November 13-20. The Chair expressed his concern about the timing and amount of notice for the meetings. Dr. Glover changed the meeting dates. These are critical meetings in which public input is important. While the CBOC has not discussed in length the noticing and outreach conducted for these critical meetings, the Chair and Member Ditas Yamane have expressed concerns there has not been enough notice and outreach for such an important input to the spending of future bond proceeds. There will be an agenda item at our January 14, 2015 meeting to get the input and guidance on this noticing and master plan issue by the full CBOC.

8. Staff revised their estimated completion of the Bonita Vista Middle School Cafeteria. The September Project Update stated:

> *"Project Scope of work includes HVAC for Room IA3 (science), replacement of HVAC for the music building, restroom renovation at MPR, kitchen and cafeteria upgrades, renovating offices, and accessibility upgrades. Substantial completion was held on August 29, 2013."*

The Chair was contacted by a member of the public regarding the status of the cafeteria. The November Project Update was revised and states the following for this project:

> *"There were some items under dispute with the contractor including the freezer unit. The San Diego County Health Department did not do their substantial completion review until September 29 and they provided a list of corrections. All corrections except for the freezer issue, were completed and approved by the Health Department on October 22. Conversion of the cooler to a freezer resulted in the unintended consequence of peeling paint. Negotiations with the contractor are in progress for a solution and resolution of final change orders. (the freezer fix and other owner requested changes is likely to bring the change order total to nearly 10 percent). Depending on manufacturing and delivery schedules we expect work to*

be complete for move-in over winter break."

10. The Annual Report for FY 2013-14 has been approved by the CBOC. This is the earliest the report has been approved. There was excellent work by staff on the District's portion of this report. It will be an excellent tool for the new Trustees to get an idea of the role of the Bond Oversight Committee and how the money has been spent to date.

Again, on behalf of the CBOC we wish you well on your future endeavors.

Nick Marinovich, Chair
Sweetwater Union High School District Bond Oversight Committee

Cc: Superintendent Tim Glover