

WCCUSD
CITIZENS' BOND OVERSIGHT COMMITTEE

MINUTES

Meeting of May 11, 2020

A) OPENING PROCEDURES

Note: this meeting was held on line using the Zoom platform and was open to the public to attend.

B) CALL TO ORDER/PLEDGE OF ALLEGIANCE

Mr. Gosney called the meeting to order at 2:03 pm.

C) ROLL CALL

Present: Sallie DeWitt, Guadalupe Enllana, Don Gosney, Vanessa Hill, Lorraine Humes, Anton Jungherr, Cameron Moore

Absent: None

7 members ~ 4 required for a quorum; a quorum was present.

Staff Present: Luis Freese, Julio Arroyo, Melissa Payne, Seung Cha

Board Liaison: Absent

Guests: John Anderson, Maisha Cole (CBOC applicants)

D) APPROVAL OF AGENDA

The agenda was approved via consent.

E) PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA

None.

D I S T R I C T R E P O R T S

F) BOND PROGRAM PROJECTS STATUS and FINANCIAL REPORTS (Luis Freese/Melissa Payne)

Mr. Freese and Ms. Payne presented the standard project and financial reports. Highlights of the presentation and discussion:

Fairmont: the critical needs project was initially bid during early stage of Covid-19 restrictions and the responses were high; the District rejected the bids and rebid with the winning bid coming in at \$1.3 million.

Obama School: overtime related to a 7-day work schedule by the contractor is being absorbed by the project/contractor contingency. The contractor is proposing change orders (some related to Covid-19) that are likely to result in additional costs charged to District contingency and will likely exceed the contingency budget.

Obama School: there are a number of additional costs related to soil conditions at the site that were not indicated in the soils report for the project. Mr. Moore asked why the soils report was so far off, and whether the District was pursuing recourse to the engineer; Mr. Freese indicated not at this time.

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Korematsu Fall Protection: the Board deferred approval of the fall protection contract for Korematsu due to misunderstanding about its purpose. Ms. Enllana commented that the Board liaison should attend CBOC meetings so that misunderstandings such as this could be cleared up.

Covid-19: Mr. Moore asked if any of the contractors were invoking Force Majeure provisions in the contracts, Mr. Freese stated not yet, but it is likely, and so far there is no guidance from the state on how to handle such claims.

PVHS Contractor Settlement: the \$2.5 million negotiated settlement payment (relative to \$5 million in change order claims) would exceed the contingency budget for the main construction contract, however, since the fields restoration contract was budgeted at \$19 million, and its contract value was \$15 million, the overall PVHS project should be completed within the established budget.

Facilities Master Plan: budgeting for the final 7 projects of the near-term 2016 Facilities Master Plan would be completed in June. Funding for these projects will come from the final issuance of \$130 million of bonds under Measures D and E in June. Mr. Moore asked if there was enough cash on hand to cover existing contract commitments, and Ms. Payne stated yes.

Budget: In response to written questions from Mr. Jungherr, Ms. Payne confirmed that (1) there was no borrowing from the bond fund by the general fund, and (2) the salary charge adjustments between the bond and general funds were a result of review of actual staff time relative to budget estimates.

Project Management Plan: there has been a delay in the overall schedule with the Project Management chapter to be released for comment in May rather than the scheduled March date, and the overall/full Project Management plan from May to June. Ms. Payne noted that all public comments and responses would be catalogued in a spreadsheet and released to the public.

G) RFP FOR BOND PROGRAM PERFORMANCE AUDITOR (Staff and Anton Jungherr)

Mr. Jungherr made the following motion, seconded by Ms. DeWitt.

Motion: The CBOC supports the staff recommendation that an RFP be issued for Proposition 39 school bond performance audit services for FY2020 through 2022. The audit scope should include compliance (California Guide for Annual Audits, Appendix A attached) and program effectiveness and results (Government Auditing Standards 2018 Revision, section 1.22a attached in the agenda packet).

There was some discussion and clarification, followed by a roll call vote: Yes (7), No (0), Abstain (0), Absent (0). The motion passed.

H) BOARD OF EDUCATION LIAISON REPORT (Consuelo Lara)

None.

C B O C R E P O R T S

CONSENT ITEMS

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Consent items were approved.

- I) **ADOPTION OF MINUTES (Cameron Moore)**
03.09.20 CBOC Draft Minutes
- J) **CBOC MEMBER INFORMATION REQUEST LOG (Don Gosney)**
05.11.20 CBOC Member Information Requests Status Log
- K) **APPROVED RECOMMENDATIONS BY THE CBOC (Don Gosney)**
05.11.20 CBOC Approved Recommendations

C O M M I T T E E R E P O R T S

- L) **MEMBERSHIP (Cameron Moore and Don Gosney)**
No discussion.
- M) **NEW MEMBER APPLICATIONS (Don Gosney)**
No discussion.
- N) **MEMBERSHIP ROSTER (Don Gosney)**
No discussion.
- O) **CHAIRPERSON REPORTS (Don Gosney)**
No discussion.
- P) **ANNUAL REPORT UPDATE (Sallie DeWitt and Don Gosney)**
Ms. DeWitt provided a summary of her proposed plans for completing the 2019 annual report.
- Q) **BOARD POLICY 7214.2 UPDATE (Don Gosney)**
Mr. Gosney provided background on the latest draft version of the BP 7214.2 update. He made a motion for the CBOC to approve the new version, seconded by Mr. Moore. Ms. Hill expressed concern that the provisions regarding CBOC legal counsel could impinge on the CBOC's ability to obtain independent legal advice. Roll Call Vote: Yes (5), No (2 Enllana, Hill), Abstain (0), Absent (0). The motion passed.
- R) **TIMEKEEPING (Anton Jungherr)**
Mr. Jungherr made the following motion, seconded by Mr. Gosney:
Motion: That FY2021 salaries and benefits charged to Fund 21 Building Fund shall have a beneficial relationship to the Bond Program and be supported by a timekeeping system approved by the District's independent performance auditor.

Ms. Hill and Mr. Jungherr discussed the practical possibilities for auditing and corrective action. Ms. Payne noted that the District had no issue with the motion. Mr. Moore requested an amendment to the motion substituting the word "reviewed" for "approved"; Mr. Jungherr and Mr. Gosney accepted this amendment. Roll Call Vote: Yes (6), No (1 Humes), Abstain (0), Absent (0). The motion passed.
- S) **PERFORMANCE AUDIT RFP RECOMMENDATION (Anton Jungherr)**

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Mr. Jungherr made the following motion, seconded by Mr. Gosney:

Motion: Recommend to the WCCUSD Board of Education that an RFP be solicited for performance audit services to verify the 29 forensic investigation recommendations that were not verified in the Moss Adams, LLP Phase 1 report and are not covered in their Phase 2 Report contract.

Ms. Hill noted that it was not necessary for the District to conduct a new RFP, rather it could simply adjust the scope of the existing Moss Adams agreement. Ms. Payne noted that the cost estimate for the extra scope was \$36,000. Mr. Moore expressed the opinion that much of the scope of the review overlapped with that of the annual performance audit, and that the cost/benefit of the extra expense was not justified. Roll Call Vote: Yes (6), No (1 Moore), Abstain (0), Absent (0). The motion passed.

T) CALENDAR

No discussion.

U) FUTURE AGENDA TOPICS

Ms. Humes suggested Brown Act training and school bond training.

V) ADJOURNMENT

Mr. Gosney requested feedback on the meeting structure. Mr. Gosney adjourned the meeting at 6:13 pm.

Submitted by: Cameron M. Moore, Secretary

June 9, 2020