MEETING MINUTES

We welcome you to this meeting of the LGSUHSD Citizens Bond Oversight Committee (CBOC). The public may make comments relevant to agenda items at the time so designated on the agenda. Public comment will not be heard outside of the designated time. While not required, we would appreciate it if you would identify yourself with your name and address when addressing the CBOC. Speakers are asked to limit remarks to three minutes (with a maximum of twenty minutes for one topic).

Assistance Information
If you require special assistance such as auxiliary aids or services in order to access the Board meeting room, review the agenda, or otherwise participate in this meeting, please contact the Assistant to the Chief Business Official (CBO) at **pmalas@lgsuhsd.org.** Please provide sufficient advance notice to allow the Committee time to arrange for your accommodation.

To join via zoom, https://lgsuhsd.zoom.us/j/96083636422
Please note, Committee members must attend in-person.

Attendance

Voting Members
Vik Ghai, **Absent**
Shailesh Kumar
Chris Miller
Daniel Snyder

Non-Voting Members
Pola Michelle Alas
Patrick Bernhardt
Steve Chen
Matt Day, *IT Representative*
Julie Grenier, **Absent**
Toby Mockler
Heath Rocha
Katherine Tseng

I. OPENING BUSINESS

A. CALL TO ORDER/ESTABLISH QUORUM

The meeting started at 3:38 and was later called to order at 3:45 PM. when a quorum was established.

B. ADOPT AGENDA

The Agenda was approved as submitted.

Motion made by: Daniel Snyder
Motion seconded by: Shailesh Kumar

> ***Voting results:*** Unanimously Approved

C. PUBLIC COMMENT ON AGENDIZED ITEMS ONLY

There was no public comment.

II. ACTION ITEMS

A. CBOC Minutes, May 7, 2025

The minutes of the May 7, 2025 meeting were approved as submitted. As Shailesh Kumar was not a member at the time, he did not vote.

Motion made by: Daniel Snyder
Motion seconded by: Chris Miller

> ***Voting results:*** Unanimously Approved

B. Appointment of CBOC Chairperson

Chris Miller was appointed as Chairperson for the 2025-26 school year.

Motion made by: Chris Miller
Motion seconded by: Shailesh Kumar

> ***Voting results:*** Unanimously Approved

C. Appointment of a CBOC Vice Chairperson

Daniel Snyder was appointed Vice Chairperson for the 2025-26 school year.

Motion made by: Chris Miller
Motion seconded by: Shailesh Kumar

> ***Voting results:*** Unanimously Approved

D. Appointment of CBOC Clerk

Shailesh Kumar was appointed Clerk for the 2025-26 school year.

Motion made by: Daniel Snyder
Motion seconded by: Chris Miller

> ***Voting results:*** Unanimously Approved

E. Appointment of CBOC Representative to the Budget Advisory Committee

Daniel Snyder was appointed the Citizens' Bond Oversight Committee Representative to the Budget Advisory Committee.

Motion made by: Chris Miller
Motion seconded by: Shailesh Kumar

> ***Voting results:*** Unanimously Approved

F. Appointment of CBOC Member to the Ad Hoc Annual Report Subcommittee

Chris Miller, Vik Ghai, and Shailesh Kumar were appointed to the Ad Hoc Annual Report Subcommittee. It is noted that Vik Ghai was not in attendance at this meeting.

Motion made by: Daniel Snyder
Motion seconded by: Chris Miller

> ***Voting results:*** Unanimously Approved

G. Set 2025-26 Meeting Date

The Committee agreed to hold the next meeting on Wednesday, April 22, 2026, at 3:30 PM.

III. REPORT/DISCUSSION ITEMS

A. Measure E, Facilities and Technology Program/Budget Update

Matt Day, Sr. Computer Specialist, updated the Committee on the Technology budget. Measure E technology allocations will be depleted by the end of the fiscal year. The remaining projects listed were initiated with bond funds. If bond technology funds are exhausted before project completion, the projects will be funded through the general fund, technology allocations or other available funding sources. Remaining projects partially funded through Measure E technology funds include the lab refresh computers and battery backup failover use for additional UPS units. These projects are ongoing and will be expanded as needed.

Toby Mockler, Director of Facilities, Maintenance, Operations, and Transportation, provided an update on the facilities program. As part of the FMOT process, staff continues to review available FMOT grants, including potential funding opportunities for replacement of the Trane chiller unit at the LGHS main building, which is currently operating well. It was noted that the last Facilities Master Plan was completed in 2012, prior to the last bond program.

Patrick Bernhardt, Executive Director of Business Services, provided a summary of the Measure E bond program revenues and expenditures. Measure E, approved by voters in 2014, authorized $99 million in bonds, all of which has now been issued. The District received two interest allocations. Bond proceeds are held in the County Treasury and earn

low U.S. Treasury bill interest rates. Total revenue available for expenditure is $102,832,065.

Mr. Bernhardt explained that, because the bonds are tax-exempt, the District cannot retain excessive interest earnings as an endowment. Under federal arbitrage rules, approximately 85% of bond proceeds must generally be spent within three years, with the remainder expended within seven to ten years. Since the District is now beyond the ten-year period, it must annually commission an arbitrage assessment to determine whether interest earnings may be retained or must be remitted to the IRS. Last year, the District narrowly passed the arbitrage calculation, resulting in the second interest allocation. Staff indicated it is uncertain whether a third interest allocation will be permitted or whether earnings must instead be surrendered to the IRS. Accordingly, the District's priority is to fully expend the remaining bond funds.

Mr. Bernhardt noted that the bonds were issued in two tranches relatively quickly after voter approval. The first tranche was refinanced approximately one and one-half years ago, and the Board will be asked at its January 29, 2026, meeting to authorize refinancing of the second tranche. Bond principal remains unspent.

Completed projects were initially allocated between the two sites using the historical ratio of 60% for LGHS and 40% for SHS. Current expenditures are approximately 51.7% for LGHS and 48.3% for SHS. Staff's goal is to substantially expend the remaining bond balance by June 30 and fully close the bond fund shortly thereafter, ideally during the first quarter of the next fiscal year. If achieved, the District would conduct a concluding bond audit next fiscal year, requiring the Committee to meet only twice more: once this spring and once to review the final audit. If funds remain unspent after June 30, the Committee would need to continue meeting for an additional year and incur another year of audit expenses.

Mr. Bernhardt and Mr. Mockler reviewed all remaining projects and closed projects that were still carrying residual budget allocations. Remaining balances from closed projects were returned to the fund balance, and encumbrances were cleared.

Some encumbrances remained attached to projects that had otherwise been completed. The largest remaining unfinished project is the HVAC replacement project, and staff indicated it is unclear why portions of the work remain incomplete. Aerial HVAC units will be replaced on a like-for-like basis without requiring DSA approval, and those projects are moving forward.

Staff reported that the Board will hold a study session on January 29 to review facility projects, most of which are anticipated to be completed during the summer, with some continuing into the fall. As part of a new practice, the Board will review a consolidated list of all facility-related projects, including bond projects, deferred maintenance, capital improvement projects, developer fee projects, and projects funded through special revenue sources. Following Board approval of the overall project list, staff will be authorized to begin the RFP process and proceed with formal bidding and contract approvals. Staff intends to present a completed projects report to the Board in August.

At the January 29 meeting, staff plans to recommend an aggressive strategy to fully expend remaining bond funds by June 30. Staff identified projects totaling approximately twice the remaining bond fund balance, recognizing that some projects may not be completed by June

30. The District's plan is to prioritize use of bond funds first and complete any remaining work using deferred maintenance funds or the District's capital outlay reserve, Fund 40.

The District is also in the process of completing a new Facilities Master Plan. Staff noted that Facilities Master Plans often lead to community discussions regarding future facility funding needs, and therefore the District should complete the current bond program before considering a potential future bond measure.

In addition to previously approved projects, staff intends to recommend three proposed projects for Board consideration: LGHS Real Property Acquisition, LGHS Solar Power, and LGHS/SHS Energy Efficiency improvements. Nearly all in-room fluorescent lighting throughout the District has already been replaced with programmable LED fixtures financed through PG&E on-bill financing. Under this arrangement, PG&E financed the improvements based on projected energy savings so there would be no net increase in utility costs during repayment. The District currently carries approximately $1.9 million in remaining financing obligations through the PG&E bill. Staff noted that repayment of the outstanding balance would reduce the District's monthly energy costs by approximately $25,000 beginning immediately after payoff. The loan could be repaid upon Board approval.

Committee members expressed support for forwarding the proposed Measure E Bond Program Final Projects list to the Board and stated that the proposed projects represent an appropriate use of remaining bond funds.

Staff noted that several pending projects are expected to remain part of the Facilities Master Plan because the facility needs continue to exist, although project scopes may be revised.

Staff recommended Shailesh Kumar, newest Committee member, to attent the upcoming Facilities Master Plan meetings either in person or via Zoom.

The District maintains a reserve for capital outlay facilities projects with a current balance of approximately $14 million, in addition to annual deferred maintenance funding for routine repair and replacement needs.

Staff indicated the District will seek Board direction regarding whether to pursue a future bond measure. If the Board elects not to pursue a bond, or if voters do not approve one, available funding resources would be significantly reduced, and the District would need to prioritize only the most critical projects necessary to maintain operational facilities, such as the gym air conditioning.

The 2012 Facilities Master Plan identified approximately $156 million in facility needs; however, community survey results at the time did not support a bond measure exceeding $99 million.

Staff also reported that a community mailer highlighting completed bond projects has been distributed.

IV. ADJOURNMENT

The meeting was adjourned at 4:38 PM.