



**PROPOSITION AA  
INDEPENDENT CITIZENS OVERSIGHT  
COMMITTEE MEETING**

**Board of Trustees**  
Joyce Dalessandro  
Kristin Gibson  
Beth Hergesheimer  
Melisse Mossy  
Maureen "Mo" Muir

**Superintendent**  
Robert A. Haley, Ed.D.

**Union High School District**

**Independent Citizens Oversight Committee Members:**  
Robin Duveen/President, Jerilyn Larson/Representative,  
Kristina Leyva/Secretary, Kim Bybee, Clarke Caines, Mary Farrell,  
Amy Flicker, Robert Nascenzi, Rhea Stewart, Jeffery Thomas

**Supported by the Business Services Division**  
Tina Douglas, Associate Superintendent

**TUESDAY, APRIL 2, 2019  
6:00 PM**

**DISTRICT OFFICE, TECHNOLOGY LAB, SUITE 206  
710 ENCINITAS BLVD, ENCINITAS, CA. 92024**

*Welcome to the meeting of the Independent Citizens Oversight Committee of the San Dieguito Union High School District.*

**PUBLIC COMMENTS**

If you wish to speak regarding an item on the agenda, please complete a speaker slip located at the sign-in desk and present it to the Secretary to the Committee prior to the start of the meeting. At the discretion of the Committee President, members of the public are entitled to speak on agenda items either immediately after the item is called or following background information provided related to the item. Members of the public are entitled to comment on an agenda item only once at any meeting. Although the Committee President may seek additional information, participation in debate on any item before the Committee shall be limited to the Committee and staff. The Committee President shall determine the order of speakers, when the Committee President calls on a member of the public they are asked to provide their name prior to making comments.

Members wishing to address the Committee on any bond program-related issue not elsewhere on the agenda are invited to do so under the "Public Comments" item. If you wish to speak under Public Comments, please follow the same directions (above) for speaking to agenda items.

In the interest of time and order, presentations from the public are limited to three (3) minutes per person, per topic. The total time for agenda and non-agenda items shall not exceed twenty (20) minutes. An individual speaker's allotted time may not be increased by a donation of time from others in attendance.

In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. They may 1) acknowledge receipt of the information, 2) refer to staff for further study, or 3) refer the matter to the next agenda.

**PUBLIC INSPECTION OF DOCUMENTS**

In compliance with Government Code 54957.5, agenda-related documents that have been distributed to the Committee less than 72 hours prior to the Meeting will be available for review on the Committee website, [www.sduhsd.net/ICOC](http://www.sduhsd.net/ICOC) and/or at the district office. Please contact the [Business Services Office](#) for more information.

**CELL PHONES / ELECTRONIC DEVICES**

As a courtesy to all meeting attendees, please set cellular phones and/or electronic devices to silent mode and engage in conversations outside the meeting room.

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In compliance with the Americans with Disabilities Act, if you need special assistance, disability-related modifications, or accommodations, including auxiliary aids or services, in order to participate in the public meetings of the District's Independent Citizens' Oversight Committee, please contact the [Business Services Office](#). Notification 72 hours prior to the meeting will enable the staff to make reasonable arrangements to ensure accommodation and accessibility to this meeting. Upon request, the staff shall also make available this agenda and all other public records associated with the meeting in appropriate alternative formats for persons with a disability.

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**MEETING OF THE INDEPENDENT CITIZENS OVERSIGHT COMMITTEE  
OF THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**

**SPECIAL MEETING**

**AGENDA**

**TUESDAY, APRIL 2, 2019  
6:00 PM**

**DISTRICT OFFICE, TECHNOLOGY LAB, SUITE 206  
710 ENCINITAS BLVD., ENCINITAS, CA. 92024**

**PRELIMINARY FUNCTIONS ..... (ITEMS 1-3)**

1. CALL TO ORDER ..... 6:00 PM

\* WELCOME / MEETING PROTOCOL REMARKS..... COMMITTEE PRESIDENT

2. PLEDGE OF ALLEGIANCE

3. CALL FOR PUBLIC COMMENTS

In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. The Committee may 1) acknowledge receipt of the information, 2) refer to staff for further study, or 3) refer the matter to the next agenda. (*See Agenda Cover Sheet*)

**DISCUSSION / ACTION..... (ITEMS 4-6)**

4. REVIEW / DRAFTING OF 2018 ICOC ANNUAL REPORT..... (ITEM 4)

5. APPROVAL OF PROP AA ICOC 2018 ANNUAL REPORT ..... (ITEM 5)

- Moved by \_\_\_\_\_, second by \_\_\_\_\_, to approve the Prop AA Independent Citizens Oversight Committee 2018 Annual Report, in substantially the form being presented, subject to any corrections, as needed.

6. ADJOURNMENT



Prop AA  
Independent Citizens Oversight Committee

**Board of Trustees**  
Joyce Dalessandro  
Kristin Gibson  
Beth Hergesheimer  
Melisse Mossy  
Maureen "Mo" Muir

**Superintendent**  
Robert A. Haley, Ed.D.

**Union High School District**

**Independent Citizens Oversight Committee (ICOC) Members:**  
Robin Duveen/President, Jerilyn Larson/Representative,  
Kristina Leyva/Secretary, Kim Bybee, Clarke Caines,  
Mary Farrell, Amy Flicker, Robert Nascenzi,  
Rhea Stewart, Jeffery Thomas

**Business Services Division**  
Fax (760) 943-3508

**INFORMATION REGARDING ICOC AGENDA ITEM**

**TO:** Independent Citizens Oversight Committee

**DATE OF REPORT:** March 28, 2019

**ICOC MEETING DATE:** April 2, 2019

**PREPARED & SUBMITTED BY:** Limited Term Ad Hoc Committee: Rhea Stewart, Robin Duveen, Jerilyn Larson & Kristina Leyva,

**SUBJECT:** **REVIEW WORKING DRAFT & APPROVAL OF INDEPENDENT CITIZENS OVERSIGHT COMMITTEE 2018 ANNUAL REPORT**

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**EXECUTIVE SUMMARY**

The Limited Term Ad Hoc Committee will present a working draft of the 2018 Independent Citizens Oversight Committee annual report for committee review and approval at the April 2, 2019, Special Meeting.

**RECOMMENDATION:**

It is recommended that the Independent Citizens Oversight Committee approve the 2018 Annual Report, in substantially the form being presented, subject to any corrections, as needed.

# San Dieguito

## Union High School District

**Proposition AA Independent Citizens Oversight Committee  
2018 Annual Report**

**April 2, 2019**

**San Dieguito Union High School District**

**710 Encinitas Blvd.  
Encinitas, California 92024**

**(760) 753-6491**

**<http://www.sduhsd.net>**



**Carmel Valley MS / Music & Drama**



**Oak Crest MS / Science Classroom Quad**

Dear Community Members,

The Independent Citizens Oversight Committee (ICOC) of the San Dieguito Union High School District (District) is pleased to present our fifth annual report. The 2018 Annual report covers activity for the period ending December 31, 2018.

Building on the commitment from the voters in 2012, the District has issued \$364,040,000<sup>1</sup> in general obligation bonds and has expended or contracted \$337,849,351<sup>2</sup> on projects through December 31, 2018.

The ICOC wishes to thank the District staff and project management team for their support, their detailed updates and transparency of information, not only to the Committee, but also to the public.

We welcome your questions and comments. You will find ICOC members' e-mail addresses within this report.

For more information about Proposition AA and the ICOC, please visit:

[www.sduhsd.net/PropAA](http://www.sduhsd.net/PropAA)  
[www.sduhsd.net/ICOC](http://www.sduhsd.net/ICOC)

Sincerely,  
*Robin Duveen*  
President,  
San Dieguito Union High School District Independent Citizens Oversight Committee



**Oak Crest Middle School Science Classroom**

<sup>1</sup> Bond Series Issued: Series A, issued 2013 for \$160,000,000, Series B, issued 2015 for \$117,040,000, Series C, issued 2016 for \$62,000,000 and Series D, issued 2018 for \$25,000,000 for a total of \$364,040,000.

<sup>2</sup> This \$ amount represents funds expended to date on completed projects, on projects currently under construction (partial), and projects that are currently in the planning phases (partial).

## **INTRODUCTION**

Proposition AA is a \$449 million bond initiative approved by over 55% of District voters in November 2012. The Abbreviation section of the Proposition AA Bond Measure stated that Proposition AA is to "provide safe, modern schools and prepare students for success in college and careers by repairing and upgrading outdated classrooms and schools, construction and upgrading school facilities, including classrooms, science labs, and libraries, improving safety and security, and supporting career training and math, science, and technology instruction with 21st Century instructional technology and facilities." See "Full Text of Measure" in **Exhibit A**.

Proposition AA was passed under the rules of California Proposition 39 (passed in November 2000). California Assembly Bill 1908 (executed July 2000) required school districts that passed Proposition 39 bonds to appoint an Independent Citizens Oversight Committee (ICOC) "to assure that funds are spent only on school and classroom improvements and for no other purposes." The purpose of the ICOC is "to inform the public concerning the expenditure of bond revenues."

For additional information about the ICOC and Proposition AA projects, visit the ICOC page at [www.sduhsd.net/ICOC](http://www.sduhsd.net/ICOC) and the Proposition AA page at [www.sduhsd.net/PropAA](http://www.sduhsd.net/PropAA).

The projects mentioned in this annual report, including the Performance Audit, Project Status, Master Plans, and ICOC actions can be found at the ICOC page.



**Pacific Trails Middle School / 2<sup>nd</sup> Classroom Building**



**Torrey Pines HS / Performing Arts Center (PAC)**

## **DISTRICT AWARDS & RECOGNITION**

The District has received awards and accolades regarding their building program from prominent community organizations. On May 17, 2018, the District were the recipients of the "Regional Golden Watchdog Award" at the 23<sup>rd</sup> Annual Golden Awards sponsored by the San Diego County Taxpayers Association. This award highlighted the District's collaborative partnership with the Solana Beach School District (SBSD) in which SBSB would be a tenant of SDUHSD during the 2017-2018 school year required to rebuild Skyline Elementary School. This kept students in the same community and saved Measure JJ the expense of building an interim campus and shortened the overall construction duration to 14 months, thereby saving an estimated \$10 million.

The District also received an award from Engineering News Record (ENR), a weekly publication that provides news for the construction industry worldwide. Earl Warren Middle School was awarded the "2018 Best Project, Southern California" for K-12 Education. An awards ceremony was held at the Omni Hotel & Resorts in Los Angeles on October 11, 2018. The event was attended by Board of Trustees member, Joyce Dalessandro, ICOC Committee member, Rhea Stewart, Executive Director of Planning, John Addleman and representatives from McCarthy Construction.



**ENR's - 2018 Best Project, So. California, K-12 Education / Earl Warren MS**

**INDEPENDENT CITIZENS OVERSIGHT COMMITTEE (ICOC)**

Members of the ICOC are listed below:

Name	Affiliation	Email Address
Kim Bybee	At-Large Member	<a href="mailto:kim.bybee@sduhsd.net">kim.bybee@sduhsd.net</a>
Clarke Caines	At-Large Member	<a href="mailto:clarke.caines@sduhsd.net">clarke.caines@sduhsd.net</a>
Robin Duveen, President	Taxpayer Association Member	<a href="mailto:robin.duveen@sduhsd.net">robin.duveen@sduhsd.net</a>
Mary Farrell	Senior Citizen Organization Member	<a href="mailto:mary.farrell@sduhsd.net">mary.farrell@sduhsd.net</a>
Amy Flicker	Parent Active in Teacher-Parent Organization	<a href="mailto:amy.flicker@sduhsd.net">amy.flicker@sduhsd.net</a>
Jerilyn Larson, Representative	At-Large Member	<a href="mailto:jerilyn.larson@sduhsd.net">jerilyn.larson@sduhsd.net</a>
Kristina Leyva, Secretary	Parent of SDUHSD Student Member	<a href="mailto:Kristina.leyva@sduhsd.net">Kristina.leyva@sduhsd.net</a>
Robert Nascenzi	Business Organization Member	<a href="mailto:robert.nascenzi@sduhsd.net">robert.nascenzi@sduhsd.net</a>
Rhea Stewart	At-Large Member	<a href="mailto:rhea.stewart@sduhsd.net">rhea.stewart@sduhsd.net</a>
Jeffery Thomas	At-Large Member	<a href="mailto:jeffery.thomas@sduhsd.net">jeffery.thomas@sduhsd.net</a>

To fulfill its duty, the ICOC will:

- Understand the District’s priority setting process for Proposition AA projects.
- Compare the initiative’s language with the District’s project plans to verify compliance with voter approved Proposition AA improvements.
- Maintain trust with District representatives - but, verify the appropriateness of District bond expenditures.
- Ensure that the District’s information is transparent and open to the public.
- Review the annual independent performance and financial audit of Proposition AA funds.
- Remain current on all matters pertaining to the District’s implementation of the Proposition AA projects.



## **ROLE OF THE ICOC**

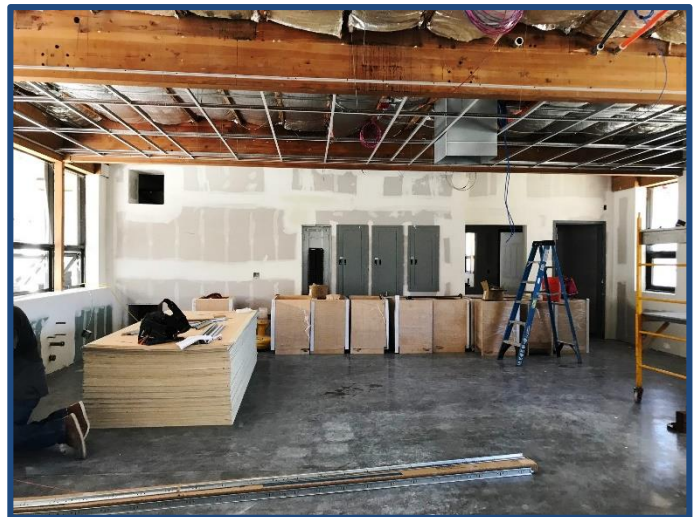
The ICOC provides only after-the-fact review and monitoring of how the District spends bond funds. The ICOC does not have the authority to approve or determine how the bonds funds are spent, the rate of taxes collected, bond financing, or the contracting process (requirements definition, contract modeling and strategy, bid solicitation, contractor or consultant selection, contract negotiations, authorizing contract changes, etc.).

The ICOC is required to advise the public on the District's compliance with the requirements of Article 13A, Section 1(b)(3) of the California Constitution, including:

- Expenditure of bond funds only for the construction, reconstruction, rehabilitation, or replacement of school facilities;
- Prohibiting the expenditure of bond funds for any teacher or administrative salaries or other school operating expenses;
- Requiring annual independent performance audits to ensure that bond funds have been expended only on the specific projects listed; and
- Requiring annual independent financial audits of the proceeds from the sale of the bonds until all those proceeds have been expended for the school facilities projects.



**San Dieguito HS Academy / Arts & Humanities Building**



**Diegueño MS / Bldg. B & G Modernization / Phase I**

## **INDEPENDENT PERFORMANCE AND FINANCIAL AUDIT**

California Senate Bill 1473 (SB 1473), signed September 22, 2010, requires that the financial and performance audits required by Article 13A, Section 1(b)(3)(c) of the California Constitution for bond funds approved under Proposition 39 be conducted in accordance with the Generally Accepted Government Auditing Standards (GAGAS), also known as the Yellow Book, issued by the Comptroller General of the United States.

The required independent performance audit and independent financial audit for Proposition AA was conducted by WILKINSON HADLEY KING & CO. LLP (Independent Auditor) for the year ending June 30, 2018. The complete report is included as **EXHIBIT B**. The report included no findings of noncompliance by the Independent Auditor for the use of Proposition AA bond funds during the review period. This report and all prior audit reports are available on the District's Proposition AA page at [www.sduhsd.net/PropAA](http://www.sduhsd.net/PropAA).

It should also be noted that the District received a perfect score in the San Diego Taxpayers Association's 2018 Annual School Bond Transparency Report, in which all of San Diego County's current school bond programs are evaluated on transparency and performance.

## **ICOC AUDIT REVIEW**

California Senate Bill 581 (SB 581), signed August 12, 2013, requires that independent performance and financial audits for the preceding year be conducted and submitted to the ICOC no later than March 31 of each year for its review. SB 581 also requires that the District provide the ICOC with responses, within three months, to any finding, recommendation, or concern addressed in the annual independent performance and financial audits.

The ICOC held a special meeting on March 19, 2019, to receive and review the 2017-18 Proposition AA Annual Audit report and ask questions of the Independent Auditor's representative. On the basis of this review, the ICOC concurred with the Independent Auditor's conclusion of no findings of noncompliance and that the District complied with the requirements of Article 13A, Section 1(b)(3) of the California Constitution as it pertains to Proposition AA.

**PROPOSITION AA FINANCING**

In 2018 the fourth Bond Series (D) was issued for \$25,000,000. \$364,040,000 of financing has been secured by the District for Proposition AA to date.

• Series A (Issued in 2013)	\$160,000,000
• Series B (Issued in 2015)	\$117,040,000
• Series C (Issued in 2016)	\$ 62,000,000
• Series D (Issued in 2018)	<u>\$ 25,000,000</u>
TOTAL:	\$364,040,000

**PROPOSITION AA BASELINE BUDGETS**

Since its inception, the ICOC has been working with the District to adjust project status reports to reflect the budget baselines for each project based on the estimates that existed when the voters passed Proposition AA in 2012. The baseline budgets established for authorized Proposition AA, summarized by project sites, are summarized later in this report.

The original baseline budget for Proposition AA was \$449 million. The revised estimated budget through 2018 will be \$544 million. The estimated program completion costs are represented below:

• Proposition AA 2012 Baseline Budget	\$449,000,000.00
• Additional Project Funding (Non-Bond Funding + Estimated Interest Earned)	\$ 24,357,551.50
• Additional Escalation & Project Administration Costs	<u>\$ 70,603,134.80</u>
TOTAL:	\$543,960,686.30

This results in an estimated total program shortfall of \$94,960,686.30.

The chart below demonstrates the added escalation (significant) and administration costs for projects that have yet to be commenced. It was originally estimated by the District in 2011-2012 that the remaining projects to complete would cost \$83,409,852.46. However, with the estimated escalation (\$59,257,294.34) and administration costs (\$11,345,840.46), an additional \$70,603,134.80 has been added to the 2011-2012 initial baseline year estimate (excluding projects to be completed in 2018-2019), resulting in a revised projected cost to complete in the amount of \$154,012,987.26.

### Project Escalation Costs

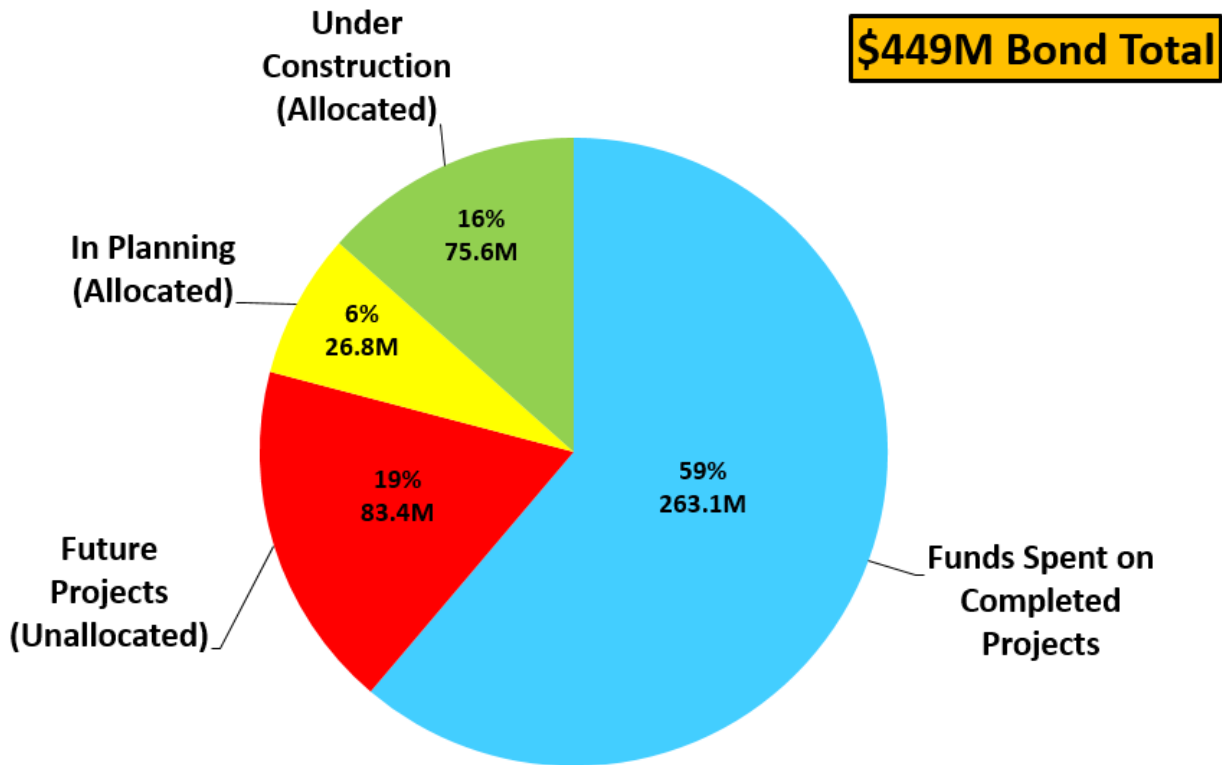
Project List	Initial Year of Estimate (Baseline Year)	Estimated Cost of Remaining Projects	Projected Year of Construction	Added Escalation	Revised Estimated Cost
<b>Canyon Crest Academy</b>					
New Black Box Theater and Spin Room	2011/12	\$ 3,685,663.91	2020/21	\$ 1,470,907.64	\$ 5,156,571.55
AV Technology Improvements	2018/19	\$ 500,000.00	2018/19	\$ -	\$ 500,000.00
<b>Carmel Valley MS</b>					
New Student Entry, Student Quad Reconfiguration	2011/12	\$ 743,756.19	2020/21	\$ 265,536.77	\$ 1,009,292.96
AV Technology Improvements	2018/19	\$ 500,000.00	2018/19	\$ -	\$ 500,000.00
<b>Diegueno MS</b>					
Modernization of Math, History, English and Science Buildings	2011/12	\$ 4,212,812.42	2024/25	\$ 2,246,606.27	\$ 6,459,418.69
Multipurpose Expansion (Music, Locker Rooms, Food Service), Administration, and Parking Lot Improvements	2011/12	\$ 9,896,733.45	2024/25	\$ 5,277,724.53	\$ 15,174,457.98
<b>La Costa Canyon HS</b>					
Field House, New Science Building, New Classroom Building and Administration Building Modernization	2011/12	\$ 15,316,195.49	2034/35	\$ 16,552,102.37	\$ 31,868,297.86
<b>La Costa Valley-San Dieguito Sports Complex</b>					
Multi-Purpose Building	2011/12	\$ 6,438,756.43	2034/35	\$ 6,958,317.79	\$ 13,397,074.22
<b>Oak Crest MS</b>					
New Black Box Theater and Dance Room, and Media Center Renovations	2011/12	\$ 3,134,869.58	2034/35	\$ 3,590,034.74	\$ 6,724,904.32
Balance of Campus Modernization/ Buildings C-G, I, K, M, N, Locker Rooms and Crest Hall	2018/19	\$ 1,946,599.55	2018/19	\$ -	\$ 1,946,599.55
<b>Pacific Trails MS</b>					
Marquee at Gym Building & Stage Lighting at Gym Building	2018/19	\$ 90,330.00	2018/19	\$ -	\$ 90,330.00
<b>San Dieguito HS Academy</b>					
Modernize Industrial Arts, A&B Buildings, 10's, 40-44, 70-74	2011/12	\$ 6,145,016.26	2020/21	\$ 2,193,901.47	\$ 8,338,917.73
Modernize, Mosaic Café, Fields, Reconstruct Gym, Locker Rooms and Weight Room	2011/12	\$ 9,612,257.42	2024/25	\$ 5,126,019.31	\$ 14,738,276.73
<b>Torrey Pines HS</b>					
Gym, Field House & Administration Building Remodels	2011/12	\$ 14,413,109.13	2034/35	\$ 15,576,143.43	\$ 29,989,252.56
<b>District Wide</b>					
Project Administration	2018/19	\$ 6,773,752.63	2034/35	\$ 11,345,840.46	\$ 18,119,593.09
<b>TOTALS</b>		<b>\$ 83,409,852.46</b>		<b>\$ 70,603,134.80</b>	<b>\$ 154,012,987.26</b>

With state legislative constraints, factors beyond the control of the District and economic effects of inflation due to the lengthening of the bond program from six to twenty-three years, the remaining projects as originally identified in 2012 may not occur as originally timed or conceived under Prop AA. However, it is the Committee’s understanding that it is the District’s intent to continue, as it has since 2013, to seek other funding sources and partnerships to offset future escalation.

### Project Funding Status

Prop AA planned for \$449 million of capital improvements within the District. Of those funds, the District has completed 46 projects and spent \$263.1 million through 2018 to complete the highest priority projects. In addition, \$75.6M is committed to projects currently under construction with \$26.8 million being committed to projects in the design and planning phases. There remains \$83.4 million of the original funds to be allocated. The chart below demonstrates the current overall project status.

## Funding Allocation



**Completed Projects - \$263.1M Expended**  
**2012-2018**

**Canyon Crest Academy**

New Building B, Landscape/Enhancements - Building B, Stadium Improvements, Technology Infrastructure, Track & Field Improvements & Rough Grade

**Carmel Valley Middle School**

New Drama & Music Classrooms, Technology Infrastructure & Media Center Upgrade

**Diegueno Middle School**

Building B & G Modernization, Media Center & Front Entry Improvements

**Earl Warren Middle School**

Campus Re-Construction Phase 1, Interim Housing & Data Center Upgrade

**La Costa Canyon High School**

Building 200 Renovation, Media Center Landscaping, Modernization of Gym HVAC upgrade, Performing Arts Center HVAC upgrade, Building 200 HVAC & Media Center Upgrades

**La Costa Valley Sports Complex**

Development of a sports complex consisting of sports fields & restroom

**Oak Crest Middle School**

Interim Housing, Technology Infrastructure, Landscape & Balour Street Improvements, Learning Commons Remodel, Field Access/Path of Travel Upgrades & C-Smart & Art Classrooms Modernization

**Pacific Trails Middle School**

Construction of New Campus, Phase I & 2 & New 2<sup>nd</sup> Classroom Building,

**San Dieguito High School Academy**

Modernization of Culinary Arts Classroom, New Math & Science Building, Technology Infrastructure, New Tennis Courts & Interim Housing,

Track & Field Improvements, New Stadium Press Box, Bleachers & Bathroom Improvements

**Sunset High School**

Multi Media Upgrade

**Torrey Pines High School**

New Culinary Arts, Building B & Front Entry Modernization, Technology Infrastructure, Interim Housing, New Chemistry Building J, Stadium Lighting Upgrade & New Weight Room Building

**Projects Under Construction - \$75.6M Allocated Funds**

**Diegueno Middle School**

New Building P - Phase 2

**Earl Warren Middle School**

Campus Re-Construction Phase 2

**Oak Crest Middle School**

Science Classroom/Quad & Administration Building Re-Construction

**San Dieguito High School Academy**

New Arts & Humanities Building

**Torrey Pines High School**

New Performing Arts Center & Theater

## Projects In Planning Process - \$26.8M Allocated Funds

### **La Costa Canyon High School**

Modernization of Building 200 Culinary Arts & New Weight Room

### **Sunset High School**

Campus Re-Construction

### **Torrey Pines High School**

Modernization of Building I & Custodial Warehouse, Modernization of Building I/New Art Building & Quad Enhancements

## Future Projects Remaining

### **Canyon Crest Academy**

New Black Box Theater & Spin Room (2020-2021)  
Audio Visual Technology Improvements (2018-2019)

### **Carmel Valley Middle School**

New Student Entry, Student Quad Reconfiguration (2020-2021)  
Audio Visual Technology Improvements (2018-2019)

### **Diegueno Middle School**

Modernization of Math, History, English & Science Building  
Multi-Purpose Expansion (Music/Locker Rooms/Food Service)  
Administration & Parking Lot Improvements (2024-2025)

### **La Costa Canyon High School**

Field House, New Science Building, New Classroom Building. &  
Administration Building Modernization (2034-2035)

### **La Costa Valley-San Dieguito Sports Complex**

New Multi-Purpose Building (2034-2035)

### **Oak Crest Middle School**

New Multi-Purpose Building (2034-2035)  
Balance of Campus Modernization/Buildings C-G, I, K, M, N, Locker Rooms & Crest Hall (2018-2019)

### **Pacific Trails Middle School**

Marquee & Stage Lighting at Gym Building (2018-2019)

### **San Dieguito High School Academy**

Modernize Industrial Arts Building, A&B, Building 10,  
40-44 & 70-74 (2020-2021)  
Modernization of Mosaic Café, Upgrading Fields, Reconstruct Gym, Locker Rms. & Weight Rm.  
(2024-2025)

### **Torrey Pines High School**

Gym, Field House & Administration Building Remodels (2034-2035)

### **District Wide**

Technology Improvements (2018-2019)

**BOND DRAW BUDGET AND COMMITMENTS SUMMARY**

Project Sites	Budget 12/28/17	Budget 12/26/18	Commitments 12/26/18	Delta 12/26/18
Pacific Trails Middle School	66,209,795.95	65,715,833.84	65,226,054.97	489,778.87
Carmel Valley Middle School	7,419,974.39	7,419,974.39	7,377,017.20	42,957.19
Earl Warren Middle School	54,992,759.22	54,992,759.22	55,236,186.52	(243,427.30)
La Costa Valley Site	10,679,955.04	10,679,955.04	10,679,955.04	-
Diegueno Middle School	13,973,192.75	14,627,921.75	14,465,736.59	162,185.16
Oak Crest Middle School	21,389,942.22	24,564,173.22	24,300,847.00	263,326.22
Canyon Crest Academy	31,750,637.34	31,444,989.34	31,437,707.67	7,281.67
Torrey Pines High School	59,011,019.59	58,781,604.61	57,564,601.63	1,217,002.98
San Dieguito High School Academy	58,588,512.83	58,588,512.83	57,866,363.73	722,149.10
La Costa Canyon High School	9,282,324.96	12,205,104.03	9,630,120.04	2,574,983.99
Sunset High School	1,182,930.00	16,700,000.00	1,313,367.78	15,386,632.22
DW Tech Infrastructure	11,511,231.88	11,511,231.88	9,659,082.60	1,852,149.28
QSCB - 10 yr. Option	6,262,122.64	7,655,890.28	4,593,534.00	3,062,356.28
Administration	7,360,014.75	10,107,210.81	6,884,440.46	3,222,770.35
<b>Subtotal Expense Budget</b>	<b>359,614,413.56</b>	<b>384,995,161.24</b>	<b>356,235,015.23</b>	<b>28,760,146.01</b>
<b>Project Funding</b>				
Prop AA Project Fund	336,471,227.78	361,437,755.50		
North City West Funding	5,586,098.00	5,586,098.00		
2016 CFD Bond Funding	9,434,548.67	9,819,548.67		
State School Building Fund	-	-		
County of San Diego/FOTL	427,738.41	427,738.41		
CVMS PTSA	20,722.00	20,722.00		
Building Fund 21-09	3,499,155.76	3,499,155.76		
Solana Beach School District	461,718.43	461,718.43		
Insurance Funds	-	698,394.00		
Estimated Interest Earnings	3,844,176.23	3,844,176.23		
<b>Subtotal Funding Budget</b>	<b>359,745,385.28</b>	<b>385,795,307.00</b>		
<b>Excess/(Shortage of) Funding</b>	<b>130,971.72</b>	<b>800,145.76</b>		



**COMPLETED PROJECTS 2018**

Project	Delivery Method	Budget	Actual Expenses	Estimated Savings*
Earl Warren Middle School – Campus Reconstruction, Phase I	LLB	\$46,279,571.18	\$45,908,875.46	\$370,695.72
Earl Warren Middle School Interim Housing	LLB	\$4,732,785.00	\$4,580,580.34	\$152,204.66
Oak Crest Middle School – Science Classroom Building/ Quad	CM-MP	\$13,001,223.25	\$10,119,084.04	\$2,882,139.21
Canyon Crest Building B Landscape/Pathways	DBB	\$164,000.00	\$124,355.00	\$39,645.00
Carmel Valley Middle School - Music/Drama Classrooms	CM-MP	\$7,239,037.88	\$6,786,920.86	\$452,117.02
Diegueno Middle School Buildings B & G Modernization, Phase I	LLB	\$3,770,142.00	\$3,045,224.66	\$724,917.34
La Costa Canyon High School Building 200 Renovation	District Forces/DBB	\$419,500.00	\$392,057.39	\$27,442.61
Pacific Trails Middle School 2nd Classroom Building	CM-MP	\$18,174,199.89	\$15,819,897.19	\$2,354,302.70
San Dieguito High School Academy Culinary Arts Renovation	CM-MP	\$2,821,052.00	\$2,351,907.00	\$469,145.00
<b>Subtotal:</b>		<b>\$96,601,511.20</b>	<b>\$89,128,901.94</b>	<b>\$7,472,609.26</b>

\*Estimated Savings are projected savings due to finalizing contracts, such as construction retention releases, and construction document closeout.

**LEGEND:**

DELIVERY METHOD:	FUNDING SOURCE:
LLB – Lease/Leaseback CM-MP – Construction Manager – Multi Prime DBB – Design-Bid-Build	CFD – Community Facilities Districts County of San Diego/FOTL – County (Library) and Friends of the Solana Beach Library SBSB – Solana Beach School District NCW – North City West Joint Powers Authority Foundation/PTSA – varied – Parent/Teacher Groups 21-09 – Capital Building Fund State School Building Program – State Prop 51 Funds  (These funding sources are in addition to Prop AA, to either supplement projects for items asked for by the school site or community outside the scope of Prop AA, or to offset the overall cost to Prop AA.)

**2018 AMENDMENTS AND CHANGE ORDERS TO CONSTRUCTION CONTRACTS ITEM 4**

These are the 2018 amendments and change orders to construction contracts approved by the Board and included in the Board minutes.

Board Meeting	Site & Project	Contractor	Original Contract Amount	Current Amendments *Unforeseen Conditions	Current Change Order	Revised Contract Amount
1/18/2018	San Dieguito High School Academy Math/Science Building	South West Construction Services	\$928,695.00	-	(\$56,006.00)	\$872,689.00
1/18/2018	San Dieguito High School Academy Math/Science Building	RND Contractors, Inc.	\$1,825,534.00	-	(\$297,740.00)	\$1,527,794.00
1/18/2018	San Dieguito High School Academy Math/Science Building	Precision Concrete Construction, Inc.	\$1,729,000.00	-	\$3,783.00	\$1,750,376.00
1/18/2018	San Dieguito High School Academy Math/Science Building	South West Construction Services	\$4,313,282.00	-	(\$552.50)	\$4,312,729.50
1/18/2018	San Dieguito High School Academy Math/Science Building	Sylvester Roofing Co. Inc.	\$369,999.00	-	(\$15,723.00)	\$354,276.00
1/18/2018	San Dieguito High School Academy Math/Science Building	JG Tate Fire Protection Systems, Inc.	\$134,567.00	-	(\$29,476.00)	\$105,091.00
1/18/2018	San Dieguito High School Academy Math/Science Building	Interpipe Contracting, Inc.	\$1,267,000.00	-	(\$24,078.37)	\$1,309,211.00
1/18/2018	San Dieguito High School Academy Math/Science Building	Chapman Air	\$1,229,000.00	-	(\$88,560.00)	\$1,140,440.00
1/18/2018	San Dieguito High School Academy Math/Science Building	Fredricks	\$1,284,000.00	-	(\$67,499.00)	\$1,216,501.00
1/18/2018	San Dieguito High School Academy Math/Science Building	Western Rim Constructors, Inc.	\$416,000.00	-	(\$419.00)	\$434,063.32
2/8/2018	San Dieguito High School Academy Math/Science Building	Whillock Contracting	\$703,734.00	-	(\$91,096.00)	\$612,638.00
2/8/2018	Carmel Valley Middle School Music Classroom Building	White's Steel Roof Materials			\$10,780.00	\$287,713.31
3/15/2018	Torrey Pines High School Culinary Arts	South West Construction Services	\$677,885.00	-	(\$541.52)	\$677,343.48
3/15/2018	Torrey Pines High School Culinary Arts	AO Reed & Co.	\$25,830.00	-	(\$1,230.00)	\$26,259.00

Board Meeting	Site & Project	Contractor	Original Contract Amount	Current Amendments *	Current Change Order	Revised Contract Amount
3/15/2018	Torrey Pines High School Culinary Arts	Ace Electric	\$170,690.00	-	(\$2,960.00)	\$16,773.00
3/15/2018	Torrey Pines High School Culinary Arts	Clauss Construction	\$292,202.00	-	(\$4,580.00)	\$287,622.00
4/19/2018	Pacific Trails Middle School 2nd Classroom Building	San Diego Steel, Inc.	\$1,524,983.00	\$133,539.00		\$1,658,522.00
4/19/2018	San Dieguito High School Academy Culinary Arts	Conan Construction, Inc.	\$702,000.00	-	(\$83,757.00)	\$618,243.00
4/19/2018	San Dieguito High School Academy Culinary Arts	Sylvester Roofing Co. Inc.	\$60,000.00	-	(\$13,694.00)	\$46,306.00
4/19/2018	San Dieguito High School Academy Culinary Arts	Kitcor Corporation	\$279,093.00	-	(\$56,639.00)	\$222,454.00
4/19/2018	San Dieguito High School Academy Culinary Arts	Interpipe Contracting, Inc.	\$268,000.00	-	(\$60,562.00)	\$207,438.00
4/19/2018	San Dieguito High School Academy Culinary Arts	Chapman Air	\$375,000.00	-	(\$77,630.00)	\$297,370.00
4/19/2018	San Dieguito High School Academy Culinary Arts	Ace Electric	\$226,470.00	-	(\$81,002.00)	\$145,468.00
4/19/2018	San Dieguito High School Academy Culinary Arts	Whillock Contracting	\$532,483.00	-	(\$95,858.00)	\$436,625.00
6/21/2018	Carmel Valley Middle School Music Classroom Building	Western Rim Constructors, Inc.	\$341,000.00	\$24,540.67	-	\$365,540.67
6/21/2018	Carmel Valley Middle School Music Classroom Building	Brady SoCal, Inc.	\$1,057,330.00	-	\$3,972.00	\$1,094,758.00
6/21/2018	Carmel Valley Middle School Music Classroom Building	LVH Entertainment	\$229,000.00	-	(\$13,200.00)	\$215,800.00
7/26/2018	Carmel Valley Middle School Music Classroom Building	Whillock Contracting	\$411,107.00	-	\$33,450.00	\$444,557.00
7/26/2018	Carmel Valley Middle School Music Classroom Building	South West Construction Services	\$951,569.00	-	\$74,863.00	\$1,026,432.00
8/16/2018	Carmel Valley Middle School Music Classroom Building	Brady SoCal, Inc.	\$1,057,330.00	-	(\$2,599.00)	\$1,092,159.00

Board Meeting	Site & Project	Contractor	Original Contract Amount	Current Amendments *	Current Change Order	Revised Contract Amount
8/16/2018	Carmel Valley Middle School Music Classroom Building	Chapman Air	\$273,000.00	-	(\$12,002.00)	\$265,742.00
8/16/2018	Carmel Valley Middle School Music Classroom Building	Fredricks	\$574,000.00	-	(\$1,582.00)	\$607,723.82
10/11/2018	Carmel Valley Middle School Music Classroom Building	Sylvester Roofing Co. Inc.	\$470,000.00	-	(\$3,653.00)	\$466,347.00
10/11/2018	Carmel Valley Middle School Music Classroom Building	Western Rim Constructors, Inc.	\$341,000.00	-	(\$500.00)	\$365,040.67
10/11/2018	Pacific Trails Middle School 2nd Classroom Building	Baker Electric	\$1,199,000.00	-	\$111,955.78	\$1,310,955.78
10/11/2018	Pacific Trails Middle School 2nd Classroom Building	USA Shade & Fabric Structures	\$105,575.00	-	(\$33,000.00)	\$72,575.00
10/11/2018	Pacific Trails Middle School 2nd Classroom Building	Williams & Sons Masonry, Inc.	\$363,346.00	-	(\$11,946.00)	\$351,400.00
11/1/2018	Oak Crest Middle School Science Classroom/Quad	Western Rim Constructors, Inc.	\$397,100.00	-	\$13,481.00	\$410,581.00
11/1/2018	Pacific Trails Middle School 2nd Classroom Building	JG Tate Fire Protection Systems, Inc.	\$158,321.00	-	(\$23,380.00)	\$134,941.00
11/1/2018	Pacific Trails Middle School 2nd Classroom Building	Buxcon Sheetmetal, Inc.	\$387,145.00	-	(\$30,711.00)	\$356,434.00
11/1/2018	Pacific Trails Middle School 2nd Classroom Building	Roof Construction	\$343,643.00	-	(\$30,760.00)	\$312,883.00
12/13/2018	Torrey Pines High School Performing Arts	Rocky Coast Builders, Inc.	\$2,610,582.00	\$57,790.00	-	\$2,668,372.00
12/13/2018	Torrey Pines High School Performing Arts	HPS Mechanical	\$496,146.00	\$45,346.00	-	\$541,492.00
12/13/2018	Torrey Pines High School Performing Arts	K&Z Cabinet Company	\$325,390.00	-	(\$7,979.00)	\$317,411.00
12/13/2018	Torrey Pines High School Performing Arts	Interpipe Contracting, Inc.	\$718,980.00	-	(\$81,919.00)	\$637,061.00
12/13/2018	Torrey Pines High School Performing Arts	Able Heating & Air	\$1,182,551.00	-	(\$121,317.00)	\$1,061,234.00

Board Meeting	Site & Project	Contractor	Original Contract Amount	Current Amendments *	Current Change Order	Revised Contract Amount
12/13/2018	Torrey Pines High School Performing Arts	Western Rim Constructors, Inc.	\$158,976.00	-	\$406.00	\$159,382.00
<b>Subtotal:</b>				<b>\$261,215.67</b>	<b>(\$1,271,460.61)</b>	

\*Amendments (Unforeseen Condition) – For example: repair a piece of conduit struck during the course of construction not previously discovered or noted prior to bidding the project.

\*Change Order (Owner Directed) – For example: installing an additional or deleting a piece of conduit beyond what was described in the plans at the time of bidding the project.

**ONGOING PROJECTS AS OF DECEMBER 31, 2018**

Project	Delivery Method	Bond Series	Start Date	Current Project Status	Budget
San Dieguito High School Academy Arts/Humanities Building	CM-MP	C	1/29/18	Under Construction	\$29,217,814.00
Torrey Pines High School - Performing Arts Center	CM-MP	A/C/CFD/Building Fund 21-09	10/13/17	Under Construction	\$27,822,418.43
Earl Warren Middle School – Campus Reconstruction, Phase II	LLB	B	1/1/18	Under Construction	\$1,204,766.00
Oak Crest Middle School - Admin Building/ Building F Reconstruction	LLB	C/D	11/1/18	Under Construction	\$3,174,231.00
Diegueno Middle School New Building P Reconstruction, Phase II	LLB	D	1/2/19	Planning	\$9,568,602.77
Sunset High School Reconstruction	LLB	D	7/1/19	Planning	\$16,700,000.00
La Costa Canyon High School Culinary Arts	TBD	D	12/26/18	Planning	\$2,574,022.39

**LEGEND:**

DELIVERY METHOD:	FUNDING SOURCE:
LLB - Lease/Leaseback CM-MP – Construction Manager - Multi Prime DBB – Design-Bid-Build	CFD – Community Facilities Districts County of San Diego/FOTL – County (Library) and Friends of the Solana Beach Library SBSD – Solana Beach School District NCW – North City West Joint Powers Authority Foundation/PTSA – varied - Parent/Teacher Groups 21-09 – Capital Building Fund State School Building Program – State Prop 51 Funds  (These funding sources are in addition to Prop AA, to either supplement projects for items asked for by the school site or community outside the scope of Prop AA, or to offset the overall cost to Prop AA.)

## **OVERVIEW OF 2018 PROJECTS, BY SCHOOL**

The following represents the status of the projects under ICOC oversight upon publication of this annual report.

For more information about each site's projects, and to view photos from 2018 work, visit [here](#).

### **CANYON CREST ACADEMY**

- Building B landscape & pathway enhancements – **Complete**
- Science classroom/ Building B – **Complete**
- Black Box theater & Dance room, planning & design – **In progress**

### **CARMEL VALLEY MIDDLE SCHOOL**

- Music classroom building & Drama classroom and Performing Arts Center renovations – **Complete**

### **DIEGUENO MIDDLE SCHOOL**

- New Building P, planning & design – **In progress**
- Renovation of B and G classrooms, planning & design – **Complete**

### **EARL WARREN MIDDLE SCHOOL**

- Campus reconstruction, Phase II – **In progress**
- Campus reconstruction, Phase I – **Complete**
- Interim housing - **Complete**
- Redesign of Warren Hall with shared-use spaces for the County Library – **Complete**

### **LA COSTA CANYON HIGH SCHOOL**

- Culinary Arts – **In progress**
- Building 200 classroom audio/visual improvements - **Complete**
- Building courtyard improvements, planning and design – **Complete**
- Media Center landscaping, planning & design – **Complete**

### **PACIFIC TRAILS MIDDLE SCHOOL**

- Construction of second classroom building – **Complete**

### **OAK CREST MIDDLE SCHOOL**

- Balour Street and landscape – **Complete**
- Science classroom building – **Complete**
- Administration and Building F Reconstruction – **In progress**

### **SAN DIEGUITO HIGH SCHOOL ACADEMY**

- Construction of two-story math and science building – **Complete**
- Culinary Arts renovation - **Complete**
- Construction of two-story Arts and Humanities building (formerly English, Arts, and Social Science) – **In progress**

### **SUNSET HIGH SCHOOL**

- Campus reconstruction, planning and design – **In progress**

### **TORREY PINES HIGH SCHOOL**

- Learning Commons and front entry renovations – **Complete**
- Culinary Arts - **Complete**
- Performing Arts Complex – **In progress**



## **ICOC ACTIVITIES IN 2018**

The ICOC reviews the progress of the Prop AA Bond Program in the planning and construction of projects in 2018, as well as timelines, budgets, change orders, and management processes as a standing practice at each meeting.

The first meeting of the year was held on **January 16, 2018**, at the District Office. The ICOC received information about the changes in prioritizing, timelines and escalation costs of Prop AA projects. The committee members discussed communication strategies and offered recommendations on how the District may want to proceed in assuring the most accurate information is communicated to the community. Tina Douglas, Associate Superintendent of Business Services, discussed the Board's actions regarding the California Voters Right Act (CVRA) and how it will affect the District's communities. Mike Coy, Chief Facilities Officer, reviewed current projects and Director of Planning, Dan Young, discussed upcoming projects. John Addleman, Executive Director, Planning Services, reviewed change orders and provided an update on projects and budgets. Staff and committee members discussed bond draws, state funding, assessed values and their effects on timelines, budgets and future projects. It was recommended that the committee recommend escalation costs and its effect on Prop AA projects be addressed in their 2017 ICOC Annual Report. The ICOC reviewed the process for drafting and completing the 2017 Annual Report and appointed committee volunteers to an ad-hoc committee to manage the drafting of the report.

On **March 13, 2018**, the ICOC met at the District Office to review the 2016-17 Proposition AA Annual Audit report. No deficiencies or material weaknesses were found for the Proposition AA financial and performance audits. The ICOC approved the 2017 Annual Report, presented by the ad hoc committee, in substantially the form presented, subject to any required corrections.

The ICOC met on **April 17, 2018** at the District Office. John Addleman reviewed change orders and presented a draft of the new project/budget summary chart for committee review and discussion. Mike Coy and Dan Young provided an update of completed, current, and upcoming Prop AA projects. Rhea Stewart reminded committee members that five ICOC members would be ending their terms in March, 2019. The process for finding new ICOC members will commence in January, 2019, with new members being seated at the April 23, 2019 meeting. The ICOC nominated and elected Robin Duveen to serve as President, Jerilyn Larson to serve as Representative, and Kristina Leyva to serve as Secretary. Regular meetings for the 2018-2019 term were set for July 17, 2018, October 16, 2018, January 15, 2019, and April 23, 2019. A special meeting for the audit review and 2018 annual report was scheduled for March 19, 2019.

At the **July 17, 2018** meeting, held at Carmel Valley Middle School, Tina Douglas shared information regarding Moody's rating and reported on the search for a new Superintendent. Dan Young updated the ICOC on current and upcoming projects. John Addleman reviewed change orders and discussed the Prop AA Series D financing

structure and provided a bond financing update. Committee questions regarding future timelines, priority and forecasting of future projects for Series E, F and G were answered.

On **October 3, 2018**, the ICOC joined the Board and District staff for a tour of Proposition AA projects. The tour included review of construction work at Diegueño Middle School, Torrey Pines High School, Pacific Trails Middle School, and Oak Crest Middle School.

At the **October 16, 2018** meeting, Tina Douglas updated the ICOC on the District's development of a brochure as another way of communicating the progress of Prop AA Bond projects to the community. Tina shared information on the new District Superintendent, Robert A. Haley. John Addleman reviewed the year's change orders and discussed compliance issues. Drawings for the Sunset High School campus were presented and discussed. The committee also discussed the communication and feedback process by which the District will include the Special Education community. A budget update was provided and funding for future facility needs was discussed.

## **EXHIBIT A**

### **PROPOSITION AA BALLOT MEASURE**

The San Dieguito Union High School District Proposition AA Ballot Measure follows. The Proposition AA ballot measure can also be located at [www.sduhsd.net/ICOC](http://www.sduhsd.net/ICOC).

## **EXHIBIT B**

### **2018 AUDIT REPORT**

The San Dieguito Union High School District Proposition AA Building Fund General Obligation Bonds Audit Report, dated June 30, 2018, follows. The report can also be found at [www.sdhusd.net/PropAA](http://www.sdhusd.net/PropAA).