

The Citizens' Oversight Committee is pleased to report that construction remains on schedule for an early completion of the Building for Success program in 2009.

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CITIZENS' OVERSIGHT COMMITTEE (COC)

MEMBERS:

- Kathy Frost (Chair)
- Chrissa Corday (Vice Chair)
- Andrew Berg
- Lee Dulgeroff
- Tony Heinrichs
- Fred Sanford
- John Collins (COC Secretary/ Deputy Superintendent)

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Citizens' Oversight Committee meetings are open to the public. Check the website for meeting times, minutes, and agendas.

FOR FURTHER INFORMATION GO TO WEBSITES:

Citizens' Oversight Committee:
www.pusd.info/news/coc/

Bond program and project information:
www.powayusd.com/bond

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- Construction Starts
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- Current Project Status
- Accomplishments
- Budget Overview



Building for Success Program
Citizens' Oversight Committee
COMMUNITY REPORT
Winter 2004/2005

Your Proposition U Dollars at Work

Poway Unified School District

**Letter to the Community from
Citizens' Oversight Committee Chair, Kathy Frost**

Dear Community Members,

Thanks for your continued support of education and your interest in the Building for Success program, funded by the Proposition U bond measure passed in November 2002. Proposition U is the \$198 million local school facilities bond program to modernize 24 older schools in the Poway Unified School District.

A provision in the Proposition U measure required the formation of a Citizens' Oversight Committee to oversee the bond measure and review and inform the public regarding the expenditure of the bond funds. This Community Report will provide an update on the activities and expenditures of the Building for Success program.

The Citizens' Oversight Committee (COC) has continued to carry out its mission of monitoring and oversight of the program through regular meetings, receiving updates from PUSD's facility staff and the Building for Success program management team. Specific activities included:

- Reviewing and receiving the 2003/2004 fiscal year Performance and Financial Audit for the program in January 2005. This was the first audit completed since the Building for Success program began.
- Performing a site inspection of the new classroom facility at Mt. Carmel High School.
- Briefing the PUSD Board of Education on the status of the Building for Success program in November 2004.
- Receiving updates from the PUSD staff on their successful efforts to find additional funding for the projects and manage the increasing costs of construction.
- Having one member of the Citizens' Oversight Committee attend the monthly Board of Education meetings.

We are pleased to report that the Building for Success program is going very well. Four projects are under construction, with 90 contracts valued at \$60.3 million. Most of the bond funds being spent are staying in our community and benefiting our local economy. Although the work is competitively bid, nearly all of the contracts have been awarded to small and medium-sized local companies.

Design work on another five schools has begun and the estimated timeline, accelerated with the implementation of "Bridge Financing" last year, continues to be met. What remains to be seen, is what impact this extreme rainy season will have on our projects. You may be assured that the Building for Success program team is constantly evaluating the situation, finding creative ways to meet the challenges, and briefing the COC on the outcomes.

Sincerely,

Kathy Frost
Citizens' Oversight Committee Chair

Construction Remains on Track for all 24 Schools in the Bond Program

Over 90 construction contracts valued at \$60.3 million have been awarded at Midland and Westwood Elementary Schools and Mt. Carmel and Poway High Schools.

Design work started on time in the fall at Twin Peaks Middle School and Tierra Bonita Elementary. Design work at Garden Road, Painted Rock, and Chaparral Elementary Schools started on time in January 2005.

The Poway Unified School District Board of Education received a “Building for Success” program update presentation from the Bond Management Team and members of your Citizens' Oversight Committee in November 2004. The full presentation is on the Citizens' Oversight Committee web page. The District planners, architects, and program managers have done an outstanding job in finding additional program revenue and managing the increasing costs of construction. These efforts have been successful in maintaining the commitment to the improvements promised in the Proposition U local bond initiative and starting the construction phase on time. The innovative use of multiple construction contracts at each site has produced the following results:

- Starting the work on time at the first four schools in the program.
- Issuing over 90 separate construction contracts to competitive and responsive trade contractors.
- Completing a new classroom addition at Mt. Carmel High School before school started in August 2004.
- Phasing the work at Poway and Mt. Carmel High Schools to control construction cost escalation.

BUILDING FOR SUCCESS PROGRAM TIMELINE

The changes from the June 2004 timeline are shown below. The estimated construction timeline for the 24 Poway Unified schools in the program will continue to be updated as the program continues, and reflects the impact of the Bridge Financing initiative, which accelerated the program from a 2013 to a 2009 estimated completion date.

<u>School Site</u>	<u>Projected Start</u>	<u>Projected Completion</u>	<u>Change Since last report</u>
Midland Elementary School	Summer 2004	Fall/Winter 2005	no change
Westwood Elementary School	Summer 2004	Winter 2005/2006	no change
Mt. Carmel High School	Spring 2004	Fall/Winter 2006	no change
Poway High School	Summer 2004	Summer 2007	6 month later finish
Twin Peaks Middle School	Fall 2005	Winter 2006/2007	5 month earlier start
Tierra Bonita Elementary School	Fall 2005	Winter 2006/2007	3 month earlier start
Garden Road Elementary School	Winter 2005/2006	Summer 2007	no change
Chaparral Elementary School	Spring 2006	Fall 2007	no change
Painted Rock Elementary School	Spring 2006	Fall 2007	no change
Black Mountain Middle School	Fall 2006	Winter 2007/2008	no change
Sunset Hills Elementary School	Fall 2006	Winter 2007/2008	no change
Abraxas High School	Fall 2006	Winter 2007/2008	no change
Meadowbrook Middle School	Winter 2007/2008	Summer 2008	no change
Pomerado Elementary School	Summer 2007	Fall 2008	no change
Rolling Hills Elementary School	Summer 2007	Fall 2008	no change
Los Peñasquitos Elem. School	Fall 2007	Winter 2008/2009	no change
Valley Elementary School	Winter 2007/2008	Winter 2008/2009	no change
Deer Canyon Elementary School	Winter 2007/2008	Spring 2009	no change
Sundance Elementary School	Winter 2007/2008	Spring 2009	no change
Canyon View Elementary School	Spring 2008	Summer 2009	no change
Rancho Bernardo High School	Spring 2008	Summer 2009	no change
Morning Creek Elementary School	Summer 2008	Fall 2009	no change
Turtleback Elementary School	Summer 2008	Fall 2009	no change
Bernardo Heights Middle School	Summer 2008	Fall 2009	no change

CURRENT PROJECT STATUS:



Midland Elementary School

Construction Start:
Estimated Completion

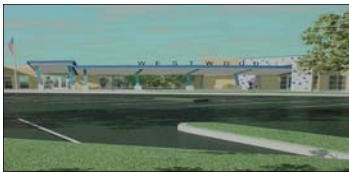
Summer 2004
Fall/Winter 2005



Midland Elementary, the oldest school in the district, has been demolished and will soon be replaced with a new campus including three classroom buildings, an administration center, library, multi-purpose room, and playground areas. Soil has been removed and prepared for the new two-story and single-story buildings. Construction teams are working on the extensive underground utilities and the new building foundations. The Midland students and staff started the 2004/2005 school year on time at the temporary campus hosted by Garden Road Elementary School..

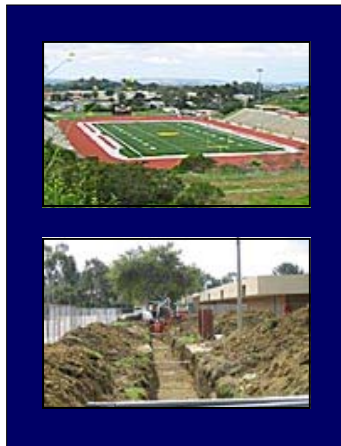
Westwood Elementary School

Construction Start: Summer 2004
Estimated Completion: Winter 2005/2006



Work on the underground utilities and the site for the new joint use multi-purpose room started on schedule in July 2004. Temporary classrooms are accommodating students and staff to allow a more efficient approach to construction. Classrooms and

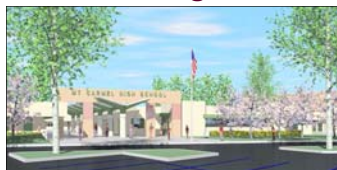
resource areas will be added to accommodate class size reduction and replace existing portable buildings. The library will be relocated and improvements made to the playground areas.



Mt. Carmel High School

Construction Start:
Estimated Completion:

Summer 2004
Fall/Winter 2006



Mt. Carmel's campus improvements include expanded science laboratories, music facility, library, and technology/vocational facilities. Upgrades to utilities and supporting infrastructure on this 30-year old site will also be completed. The project has been

broken into four phases to minimize the impact of construction escalation costs. The new eight-classroom addition was completed on schedule and ready for the start of the 2004/2005 school year. Interior classroom renovations started in December 2004 and will move from building to building until the entire project is complete.

Poway High School

Construction Start: Summer 2004
Estimated Completion: Summer 2007



Work on the girls' softball facility and outdoor basketball area is nearing completion, ready for athletic activities in March 2005 as originally planned. This new facility will accommodate the temporary loss of athletic field space resulting from the staging of construction material and equipment for the new two-story classroom facility that will start construction in April 2005. This two-story and single-story facility includes more than 85,000 sq. ft. of new classroom space. Planners and engineers are also preparing for the extensive work on underground water, sewer, and electrical systems that will start in June 2005.



The Citizens' Oversight Committee is pleased to report that the market challenges facing the construction program are being favorably addressed by the District through cost mitigation and revenue enhancement initiatives.

ACCOMPLISHMENTS SINCE SUMMER 2004 REPORT

BUILDING FOR SUCCESS PROGRAM OBJECTIVES

- √ Connect schools to the community.
- √ Communicate timeline, accomplishments, and challenges.
- √ Hold regularly scheduled Citizens' Oversight Committee meetings.
- √ Minimize costs while maximizing quality.
- √ Maximize open space on campuses.
- √ Minimize disruption during instructional day and impact to existing operations.
- √ Bring meaningful improvements to our older schools.

BUILDING FOR SUCCESS PROGRAM

FINANCIAL CHALLENGES

- Increases in construction labor and material costs continue to challenge the construction program. The good news is that the rate of increase is slowing down. Scarcity in steel products, concrete, wood, and electrical components is still resulting in high prices. These increases, along with other inflationary pressures, are being mitigated, in part, by the planned acceleration of construction under the Bridge Financing Program, the identification of additional sources of modernization and expansion revenue, and recurring reviews of work scope in the design documents.

PERFORMANCE AND FINANCIAL AUDIT

- The committee reviewed and accepted the 2003/2004 fiscal year Performance and Financial Audit at the January 10, 2005, meeting. The Audit was performed by the District Auditor, Wilkinson & Hadley, LLP.

Specific accomplishments include:

- Construction started on schedule at Midland and Westwood Elementary schools, and Poway and Mt. Carmel High schools.
- The first new classroom facility was completed at Mt. Carmel High School, containing eight new classrooms and a new restroom facility. Over \$16 million in modernization and expansion work at Mt. Carmel started in December 2004.
- The construction work at the girls' softball field at Poway High School is complete, ready for the sod and turf planting. This new facility will be ready for use in March after the turf is fully established.
- Additional modernization and expansion revenues have been identified and applied to the program. These revenues include Poway redevelopment funds, interest earnings, and Community Facilities District funds. These efforts will permit the Building for Success program to continue to meet its commitment at each of the 24 schools identified in the voter-approved Proposition U local bond.
- Over 90 separate construction contracts have been awarded.
- The formal facilities assessments for Tierra Bonita, Twin Peaks Middle, Painted Rock, Chaparral, Garden Road, Black Mountain Middle, and Sunset Hills were completed in September 2004. These assessments are used by planners and designers to better prioritize the work on critical facility systems such as air conditioning, water, sewer, electrical, and roofs.

BUDGET OVERVIEW

In November 2002, voters approved a \$198 million local facilities bond, Proposition U. The Proposition U Building for Success program revenue sources include Proposition U bond funds, state funds, and other District funding.

REVENUES	As of Dec 31, 2004
Bond funds (first bond sale)	\$ 75,000,000
Interest on Funds	\$ 1,629,205
State Funds Eligibility	\$ 33,856,345
Additional Facility Funds	\$ 24,200,000
Total Funds Available:	\$ 134,685,550
Commitments	\$ 73,243,491
EXPENDITURES	As of Dec 31, 2004
Total Expenditures to Date:	\$ 30,775,996