

**SIERRA SANDS UNIFIED SCHOOL DISTRICT
MEASURE A CITIZENS' OVERSIGHT COMMITTEE**



2012-13 Annual Report

We, the members of the Sierra Sands Unified School District Measure A Citizens' Oversight Committee (the Committee, or COC), submit this report to the residents, voters and taxpayers in the Sierra Sands Unified School District (the District). This report is issued in conformance, as instructed by our by-laws, with the Strict Accountability in Local School Construction Bond Act of 2000 (Strict Accountability Act), requiring that the School District Board of Education (School Board) form an independent citizens' oversight committee, and that this committee report to the public on the proper expenditure of bond funds at least once annually. This submission represents the seventh year of the activities of the COC.

The Committee wishes to thank the District staff who has so diligently worked with us to set up our processes to ensure that vigorous and independent oversight will endure throughout the lifetime of the ballot measure. We also wish to thank the school board for providing the resources to enable us to do this important work. We appreciate this opportunity to serve the children, residents, voters and taxpayers in the Sierra Sands Unified School District.

Respectfully submitted,

Sandee Roberts, Chair
Measure A Citizens' Oversight Committee
Sierra Sands Unified School District

Statement of Compliance

The Sierra Sands Unified School District Measure A Citizens' Oversight Committee submits this Annual Report to the Board of Education on March 20, 2014.

The Committee advises that, based on the Performance Audit provided for the period covering July 1, 2012 through June 30, 2013, the District is currently in compliance with the requirements in Article XIII A, Section 1(b)(3) of the California Constitution. In particular, bond revenue has been expended only for the purposes so described in Measure A. As prohibited by Article XIII A, Section 1(b)(3)(a) of the California Constitution, funds were not used for any teacher or administrator salaries or other operating expenses.

Respectfully submitted,

A handwritten signature in dark ink, consisting of a large, stylized 'S' followed by a horizontal line that tapers to a point on the right.

Sandee Roberts, Chair
Measure A Citizens' Oversight Committee
Sierra Sands Unified School District

I. Executive Summary

This is the seventh COC annual report which reviews the 2012-2013 activities and findings of the Measure A Citizens' Oversight Committee and is organized into the following topics:

- Executive Summary
- Measure A Ballot Proposition
- Original Intent of Measure A Bond
- Responsibilities
- Membership
- Meeting Dates
- Activities
- Statement of Compliance
- Findings
- The Committee's Recommendations

The Sierra Sands Unified School District was successful at the election conducted on June 6, 2006, in obtaining authorization for the District's voters to issue \$50,500,000 in bonds within legal interest rates. Proceeds from the sale of the bonds are intended for improvement, upgrade, and renovation of the District's existing facilities, construction of new facilities, and paying costs incident thereto. The election was conducted under Proposition 39, being chaptered as the Strict Accountability in Local School Construction Bond Act of 2000, at Section 15264 et seq. of the Education Code of the State (Prop 39). Measure A Bond was passed with a 61.16% vote exceeding the 55% vote required under Prop 39.

On January 19, 2006, the School Board established the Measure A Citizens' Oversight Committee in accordance with Proposition 39. On September 7, 2006, appointments to the committee were made and approved by the board. The Committee's responsibility is straightforward. The Committee is charged by state law to review the use of Measure A proceeds and to inform the public about the proper use of their tax dollars. The Committee by-laws require regular meetings to be held at least semi-annually. Since its inception the committee has met twenty-seven (27) times, more than satisfying the requirement to meet quarterly.

The Independent Auditor's Report performed by BURKEY, COX, EVANS, & BRADFORD ACCOUNTANCY CORPORATION covering the period July 1, 2012 through June 30, 2013, states the following:

We have examined Sierra Sands Unified School District's compliance with the performance requirements for the Proposition 39 Bond Construction fund Financial and Performance for the period from July 1, 2012 through June 30, 2013. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Sierra Sands Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides reasonable basis for our opinion. In our opinion, Sierra Sands Unified School District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2013.

On or before April 30, 2014, the 2012-2013 Performance Audit ending June 30, 2013, as conducted by BURKEY, COX, EVANS, & BRADFORD ACCOUNTANCY CORPORATION was provided electronically to all Citizen Oversight Committee members. A subcommittee consisting of Julie Ann Pennix, Ken Amster and Stephanie Hudson met the morning of February 28, 2013 to review the audit and begin to draft the annual report. The subcommittee reviewed the audit and directed Mrs. Rummer to prepare a draft report for the committee to review. The Measure A Citizens' Oversight Committee is in agreement with the Performance Audit conclusion that the Sierra Sands Unified School District is in compliance, in all material respects, with performance requirements for the Proposition 39 General Obligation Bonds for the period ended June 30, 2013, under the applicable provisions of Section 1(b)(3)(C) of the Article XIII A of the California Constitution.

II. Measure A Ballot Proposition

The Measure A Citizens' Oversight Committee was established under the requirements of the School Construction Bond program known as Measure A. The ballot language stated that the passage of Measure A would authorize the issuance of \$50,500,000 of bonds at interest rates within the legal limit, to construct new classrooms, renovate and improve school sites and facilities; and to qualify the District for state matching funds. The language further stated that a citizens' oversight committee would be established to guarantee funds were spent only for the specified purposes and not for administrator salaries.

FULL TEXT BALLOT PROPOSITION OF THE SIERRA SANDS UNIFIED SCHOOL DISTRICT BOND MEASURE ELECTION JUNE 06, 2006.

The following is the full proposition presented to the voters by the SIERRA SANDS UNIFIED SCHOOL DISTRICT.

"To improve the quality of education, shall Sierra Sands Unified School District be authorized to construct new classrooms, upgrade, renovate, and modernize classrooms and facilities including upgrading plumbing systems, renovating restrooms, making health and safety improvements, repairing and replacing roofs, improving student access to computers and technology, and qualifying the District for over \$13,000,000 in State grants by issuing \$50,500,000 in bonds within legal interest rates, with a citizens' oversight committee, annual audits and NO money for administrator salaries."

ARGUMENT IN FAVOR OF MEASURE A

*Argument In Favor Of
Sierra Sands Unified School District Measure "A"
Tuesday, June 6th 2006*

Your YES vote on Measure "A" will have a lasting, positive impact on our local schools and on our community. Measure "A" will provide updated classrooms and school facilities and allow us to continue providing our children with a quality education.

The average age of our schools is over 45 years and Inyokern Elementary, the oldest, was built in 1934. While some facilities have been modernized, many others still need major upgrades and renovations. It is now time to improve our schools.

MEASURE "A" WILL IMPROVE OUR SCHOOLS BY:

- *Upgrading deteriorating plumbing systems and outdated restrooms*
- *Constructing additional classrooms and cafeterias/multipurpose rooms*
- *Repairing and replacing roofs*
- *Making health and safety improvements like upgrading fire alarm and communication systems*
- *Improving access to computers and technology by renovating inadequate electrical systems*

Good schools are an investment in our children and community. It's important that Sierra Sands Unified School District maintain this investment and provide school facilities and technology comparable to other districts.

MEASURE "A" MAKES FINANCIAL SENSE BY:

- *Qualifying the District for over \$13,000,000 in State grants*
- *Making improvements now instead of later when they will cost more*
- *Improving property values in our community and homes*

As taxpayers, we agree on the importance of education and the value of quality schools.

BY LAW, TAXPAYER SAFEGUARDS ARE IN PLACE. MEASURE "A" WILL:

- *Include financial audits and an independent oversight committee*
- *Only be used to improve our children's schools - not to pay salaries*

COST

- *\$54 per year for the average homeowner*

Voting YES will have lasting, positive benefits. Measure "A" will maintain our schools as focal points of our communities and allow for the continued quality education of our children. Let's keep our communities a great place to raise our children and grandchildren.

MEASURE A will:

- Upgrade deteriorating plumbing and water drainage systems, and outdated restrooms;
- Repair and replace roofs;
- Build new classrooms to accommodate student growth;
- Modernize computer technology throughout the District, including improving computer labs, renovating electrical systems, and providing additional computers;
- Modernize outdated classrooms, including improving handicapped accessibility (ADA), lighting, ceilings, flooring and painting;
- Provide adequate multi-purpose rooms through new construction and/or renovation;
- Make health and safety improvements such as upgrading fire alarm and communication systems;
- Construct a more efficient maintenance, operation, and transportation facility to decrease operational expenses and replace the current inadequate facility;
- Replace outdated playground equipment to improve student safety;
- Renovate or expand bus loops as necessary to increase student safety and improve traffic flow;
- Renovate, expand, construct, and upgrade student support facilities including joint use projects, as needed;
- Necessary site preparation/restoration in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms;
- Address unforeseen conditions revealed by construction/modernization (e.g., plumbing or gas line breaks, dry rot, seismic, structural, etc.); and
- Furnish and equip schools as needed to the extent permitted by law.

III. Original Intent of Measure A Bond

In 2004, the District realized that a modernization program at all school sites was required. Toward that end, the Board approved a contract with SCArchitects, Inc. to perform a district-wide facilities needs assessment study. The results of the study, which were presented at the June 14, 2005 Board meeting, focused on infrastructure, Americans with Disabilities Act (ADA) requirements, safety and security, technology, and the classroom environment. At that time, estimated cost for such an effort at District school sites was about \$105,000,000. At the December 8, 2005 Board meeting, the district authorized the architectural firm of Westberg + White to provide a Facilities Master Plan dealing specifically with the District's school sites. The District Board accepted the plan on May 4, 2006. At the March 2, 2006 Board meeting, the District was authorized to begin work on a facilities bond under the Proposition 39 authority. The community supported the District's bond campaign, and on June 6, 2006 the bond in the form of Measure A was passed by 61.16%, which exceeded the 55% required by Proposition 39 regulation. Since that time, in accordance with Education Code, a Measure A Citizens' Oversight Committee has been appointed and has met multiple times, the annual

performance audit has been presented to the Committee, and a number of actions related to the Measure A effort have been initiated.

IV. Responsibilities

The mission of the COC is to oversee the expenditures of taxpayer money for the construction, repair, and modernization of schools by the District and to communicate its findings and recommendations to the School Board and the public so that Measure A bond funds are invested as the voters intended and projects are completed prudently and efficiently. The COC oversees both internal and external controls and provides feedback to the School Board and public by highlighting successes, shortcomings, and identifying areas for improvement. In order to maintain controls to ensure that they are constantly improved and updated, the COC monitors the District's actions with regard to their recommendations.

According to its bylaws, which are guided by the requirements of California's Proposition 39, Article XIII A of the California State Constitution, and the ballot language of the bond, the COC must oversee the Bond program's compliance with the accountability requirements of Article XIII A of the California State Constitution. These accountability requirements include annual performance and financial audits on use of bond proceeds. The School Board established the independent Citizens' Oversight Committee (COC) January 19, 2006, according to the guidelines established by Proposition 39, Article XIII A of the California State Constitution, and the ballot language of the Measure A bond.

V. Membership

The Committee is composed of district residents with a broad base experience in business, government, and finance, as well as parents of school children and members of parent-teacher organizations, a senior citizen organization, and a taxpayer association.

Name	Representative Group	Term
Vacant Member	Parent or guardian of a child enrolled in the district	
Carter Pope Member	Active in a business organization representing the business community located within the district	First Term Expires in October 2015
Ken Amster Member	Both a parent or guardian of a child enrolled in the district and active member of Richmond Elementary School Site Council	First Term Expires in October 2015
Linda Klabunde Member	Active in a senior citizens' organization	Second Term Expires in October 2014
Jennifer Mather Member	Community Member at Large	First Term Expires in October 2013
Julie Ann Pennix Member	Community Member at Large	First Term Expires in October 2013
Sandee Roberts Chair	Community Member at Large	First Term Expires in October 2013

VI. Meeting Dates

January 1, 2013
March 8, 2013

April 5, 2013
October 5, 2013

VII. Committee Activities

We have specified procedures for the Committee to obtain data concerning project progress, budget information, and work quality. The data gathering systems are now in place to provide the committee with the essential reports needed to make it possible to conduct oversight.

To achieve its purpose, the COC actively reviewed:

- Expenditures of the school construction program funds
- The status of the school construction projects

Specific activities of the COC included:

- Interviewing representatives of the administration and Measure A consultants
- Providing feedback and recommendations to District Staff
- Requests for independent legal counsel as needed
- Visiting sites undergoing Measure A modernization
- Advertised, interviewed, and made recommendations for replacement members to the COC due to resignations or expiring terms.

VIII. Statement of Compliance

By a vote of 6 (yes) to 0 (no), the Committee finds the District is currently, (as of this reporting period, July 1, 2012, through June 30, 2013) in substantial compliance with the standards of Article XIII A of the California State Constitution Section 1 (b) (3), as described below.

IX. Findings and Conclusions on Accountability Requirements

Based on information provided, the Committee finds and concludes that from July 1, 2012 to June 30, 2013, the School District is currently in **compliance** with the accountability requirements of Article XIII A, Section 1(b)(3) and the original bond language as follows.

1. The District has conducted the state required annual, independent performance audit to ensure that funds have been expended only on the specific projects listed.
2. Funds designated Measure A Bond Funds have been properly accounted for and were used for authorized bond projects. The bond sale proceeds have not been used for salaries of school administrators or other operating expenditures.
3. The audit report reported no compliance findings in the audit. t.

X. Exceptions

There are no exceptions with the accountability requirements of Article XIII A, Section 1(b)(3) during this reporting period, July 1, 2012 to June 30, 2013.

XI. The Committee's Recommendations

The status of the Committee's recommendations to the District from the 2012 Annual Report is noted below:

The Committee has no further recommendations this year.

Appendix A.

Status Report on Construction Program

Following is a summary of how bonds have been spent:

Bond Happenings

Issuance of School Bonds:

Adoption of Resolution #18 0506 Ordering an Election to Authorize the Issuance of School Bonds, Establishing Specifications of the Election Order, and Requesting Consolidation with Any Other Election Occurring on June 6, 2006, was passed on March 2, 2006. This set into motion the modernization program. On June 6, 2006, the voters of the Indian Wells Valley passed Measure A ensuring the trust of the education of the valley's children to the District. This is the first bond to ever be passed in the IWV and the District is extremely thankful for the vote of confidence from its citizens.

Citizens' Oversight Committee (COC):

The formation of the Citizens' Oversight Committee (COC) is required by the Education Code Section 15278(a) for the purpose of expending general obligation bond proceeds. The Board approved to establish the COC on January 19, 2006. On September 7, 2006, the Board made their appointments to the COC.

Committee for School Facilities Improvement:

The School Facilities Improvement Committee was established by the Board on January 19, 2006, and made appointments on September 21, 2006. Though the formation of the committee is not required by code or citation, the District believes that such a committee, which consists of professions in the construction environment (architects, general contractors, and institutional contractors, civil, electrical, and structural engineers), will be a valuable resource to the District as it pursues its modernization agenda. This committee did meet in 2009 – 2010.

Westberg + White Architects and Planners (W+W):

Since December 2005, the architectural firm of Westberg + White, Architects and Planners, has been working with the District in support of its modernization initiatives.

On May 4, 2006, the Facilities Master Plan was adopted. The Master Plan discussed projections of future enrollment, improvements which were necessary to bring existing facilities up to modern educational standard, and identification of potential funding sources. Since its adoption, the firm has visited all District sites a minimum of three times, met with District staff, met with all site principals and managers, met with representative staff at each site, and met with parents and members of the community. This continues to be an ongoing effort as the District progresses through the modernization process.

Additionally, members of the Westberg + White team and the District's project manager for construction meet and confer to discuss, evaluate, and make preliminary recommendations regarding the architectural and technical standards and requirements of

the project. These meetings are regular and ongoing and have been held at the school sites as well as at the architects' offices.

Significant Completed Efforts in Support of and in Preparation for Construction:

Performance of the following tasks was required in preparation for construction. The information will be utilized by the Division of the State Architect, the Office of Public School Construction, Westberg + White (architectural firm), other contractors, and District personnel during modernization and beyond.

- Over 150 individual plans from the District for use in developing the new modernization plans have been scanned and converted into an AutoCAD database.
- Land surveys, property boundary confirmation, aerial photographs, and topographical surveys of all Sierra Sands school sites have been completed.
- Video inspection of sewer pipe at Richmond Elementary School, Vieweg Education Center, and Mesquite High School has been performed. All District school sites will undergo video sewer pipe inspection.
- Soil sample and compaction tests have been completed at all school sites.

2013 Measure A Projects

Many of the activities for this year included completing projects that were nearing the end of this phase of the Measure A allocation.

- **Faller Elementary School**
The fire alarm system was upgraded and work was completed on the heating and air conditioning systems.
- **Inyokern Elementary School**
Soil testing was performed.
- **Las Flores Elementary**
Lights were purchased and installed. A new parking lot and sidewalks were constructed. New playground equipment was installed. Plumbing was repaired and/or installed and power was upgraded. The site was prepped and fencing, landscaping, sidewalk and flooring were installed. Portable classrooms were installed and teachers were moved into their new classrooms. The general contractor and services received payment for work completed regarding inspections, testing, architecture, and hazardous materials removal .
- **Pierce Elementary School**
Architectural and Department of State Architecture fees were paid for the parking lot work.
- **Richmond Elementary School**
Fees were paid to the Department of State Architecture for inspections.
- **Burroughs High School**

Fees were paid for closing the power upgrade project, Department of State Architecture for inspections, hazardous waste removal, general contractor for work completed, architect for work completed, and California Department of Education. Work was done on the heating and air conditioning system, telephone system, and the fire alarm was upgraded.

- **Mesquite High School**
The heating and air conditioning system was inspected, cleaned and reconnected.
- **Monroe Middle School**
The heating and air conditioning system was inspected, cleaned and reconnected.
- **Murray Middle School**
The heating and air conditioning system was inspected, cleaned and reconnected.
- Funding was used to provide modular classrooms for Las Flores as interim housing at Vieweg, project management facilities, phone, and utilities, and for consulting services.

Measure A Activities – 2012

Sherman E. Burroughs High School: Three distinct phases were designed to replace the circa 1958 electrical system:

- **Phase I** – Completed during the summer of 2009 included replacement/repair of the gas, water sewage systems. Also included in this work was the installation of 90,000 linear feet of electrical and data conduits.
- **Phase II** – Was completed and certified as closed in 2012. This project was made possible by an easement contract made between the United States Navy and Southern California Edison that allowed for a new underground electrical service from near Stater Brothers to a new switch gear located northwest of the Ed Dille Baseball Facility. The new easement is located on Navy property along Drummond Avenue. Currently, the new electrical service consists of some 20 miles of new conductors, new transformers and new electrical panels in all campus buildings. The new electrical service has substantially increased the capacity and significantly reduced the potential for campus blackouts. The new service is also a much safer design.
- **Phase III**, the scope of which is new classroom branch circuitry (grounded) and lighting will be included in the upcoming DoD modernization of the campus. However, the Phase III scope was completed as a component of the Career and Technical Education (CTE) modernization (not Measure A funded) of the Video and Television Production Laboratory (F2) and in shops GO3 and GO4 over the summer of 2012.

Application was made to the Office of Public School Construction for state matching funds for the BHS Phase II project. At its December 12, 2012 meeting, the State Allocation Board approved the district's application in the amount of \$5,042,273 (unfunded). *It is not anticipated that these funds will be received until following a new

state school facilities bond and contingent upon how a new state facilities bond is managed. In short, for the district to receive these funds, a new state school facilities bond measure would need to pass and the new program would need to allow for the funding of projects approved, but not funded in the previous program.*

Theodore Faller Elementary School: The modernization of this campus was completed in 2009. However, subsequent to completion a defect was noted in the fire/life safety system, which was corrected in December 2012.

Las Flores Elementary School: Phase I of this modernization project was funded by Measure A. The Phase I scope consisted of the installation of six new relocatable classrooms and a relocatable ADA compliant restroom facility, an electrical upgrade and some flatwork replacement. This project was completed in 2011, however the electrical component currently has code compliance issues requiring remediation by the contractor.

Phase II of this project was multi-source funded, including some Measure A funds. Phase II was conducted during 2012 and completed in time for the annual ice cream social/opening of school. The student body and faculty had spent the previous three years on the Vieweg campus. The primary component of this project was the seismic retrofit of the HVAC units conducted (and funded) by Siemens Industries under a contract with West Coast Air. This was the first HVAC retrofit effort conducted solely by Siemens, as previously the projects were a component of the campus modernization (Faller, Inyokern and Pierce) with Siemens “reimbursing” the district, likely at approximately 80% of the true cost. Concurrent with the Siemens project, the district conducted a “maintenance project” consisting of interior and exterior paint, new carpet and flooring, new tackable wall surfaces, Smartboards and selected window replacement. Windows that were not replaced received interior film to prevent glass shards from flying in the classrooms in the event of a major earthquake. Central to the project was a totally redesigned student drop-off, new play equipment with rubberized fall zones and a new playfield. Restroom modernization is currently in design as a summer 2013 project.

During this project, the district demolished seven outdated/uncertified relocatable classrooms. The state school facilities program has a reimbursement component for replacement of such buildings with new classrooms, as was accomplished at Las Flores. The district is in the process of making application for some \$2.5 million. Whether the district receives funding will not be known for several years (see * above).

Inyokern Elementary School: This project was completed in 2011. In December 2012, the district received reimbursement from Siemens in the amount of \$753,000 for the HVAC retrofit component of this modernization project. The \$753,000 included minor reimbursement adjustments for Faller and Pierce Elementary Schools. The \$753,000 was deposited in the district’s Measure A fund to offset current encumbrances and liabilities.

Measure A Recap

Total Authorization	\$50,500,000
Bonds Sold	\$24,869,400
Remaining Authorization	\$25,630,600

The \$24,869,400 of bond proceeds funded modernization projects at Faller, Inyokern, Las Flores (ongoing) Pierce and Rand Schools, as well as infrastructure improvements at Sherman E. Burroughs High School. Also funded by Measure A were shade structures and ADA accessibility to these structures on most district campuses.

Some of this work would not have completed except for a unique opportunity provided by the Qualified School Construction Bond program funded by the American Recovery and Reinvestment Act, which allowed the district to acquire an “advance” of \$13 million in unsold bond authority. State matching funds (the district has on deposit \$4,481,211 and an additional \$5,042,273 in unfunded, but approved status) and future bond sales may provide for the repayment of the “advance.”

In sum, although precisely unknown, in the out years there may be some significant amount of Measure A funds for future projects.

Of Significant Note

Although not Measure A funded, the Sherman E. Burroughs High School campus enjoyed significant facilities enhancement by the completion of the much anticipated Career and Technical Education (CTE) building. This building was dedicated on April 3, 2012, just months ahead of the 20th anniversary of the district’s most recent new permanent construction, Gateway Elementary School. Likewise, three aged facilities were modernized during summer 2012. Classroom F2 was gutted and transformed into a modern television and video production laboratory, while shops in GO3 and GO4 were gutted and transformed into a modern woodshop and a modern woods technology lab.

In December 2012, Congressman and Majority Whip Kevin McCarthy announced that Sierra Sands was awarded a \$57 million Department of Defense grant to modernize Sherman E. Burroughs High School and build a new middle school on US Navy property just east of Sherman E. Burroughs High School.

Measure A Activities – 2011

- Inyokern Elementary School: Phase II of the Inyokern Elementary School modernization was completed. This project required the relocation of the preschool from the east to the west side of the campus, as the weight of the building was crushing the sewer. The media center classroom building was totally gutted and two classrooms were eliminated to create a much larger library and computer lab. Two new relocatable classrooms were installed to replace those consumed by the media center. Restrooms were made ADA accessible. Infrastructure was replaced. The faulty Siemens HVAC installations were corrected. New flooring, tackable wall surfaces and lighting were installed throughout the campus.
- Las Flores Elementary School: Six new relocatable classrooms and a new relocatable restroom were installed. A partial replacement of the electrical system was completed. Scheduled for 2012, are a new campus-wide fire safety system, the HVAC seismic retrofit and classroom modernization.

- Burroughs High School: Major progress was made on the electrical conversion by the installation of 20 miles of conductors, panels and transformers in all campus buildings. The current status of the conversion is that the new electrical feed to the campus buildings is complete. The new electrical service has substantially increased the capacity and significantly reduced the potential of blackouts. The service is also a much safer design. However, the final phase, which is the branch circuitry to the individual classrooms, is yet to be completed.

Measure A Activities – 2010

Heating Ventilation Air Conditioning (HVAC) Retrofit: Until July 2008, the Sierra Sands Unified School District had no indication that there were structural issues with the Siemens heating-ventilating-air-conditioning (HVAC) installations, which were conducted district-wide. In July 2008, the district was confronted by the Division of the State Architect (DSA), which directly asserted that no district projects would move forward unless the structural issues universally characteristic of the Siemens HVAC installations were evaluated and corrected. Essentially, Siemens completely ignored DSA and conducted their installations at will and without record. In short, DSA could not accept the responsibility for installations that it could not document. To create the DSA structurally approved retrofit and record, the district suffered enormous unbudgeted costs. Measure A has been the primary source of funding for these projects. During this reporting period the district (d) and Siemens(s) have completed the following seismic retrofits:

- Complete seismic retrofit of Faller and Pierce Elementary Schools (d) – Siemens has contributed approximately \$800,000 to this effort and is in negotiations with the district to increase their contribution. The total cost of the seismic retrofit was in excess of \$1.5 million for these two schools.
- Complete seismic retrofit of G Wing at Sherman E. Burroughs High school (s).

Measure A Funding: In 2005, the district contracted for a comprehensive facilities needs analysis, primarily focusing on modernization of its campuses. This needs analysis totaled some \$150 million, but did not include invasive or destructive analysis. As the result of the invasive and destructive analysis done at Faller and Pierce during modernization, particularly as regards infrastructure components (water, gas, sewer and electrical systems) which required total replacement, this total needs cost is estimated to be in excess of \$200 million.

On June 6, 2006, Measure A passed authorizing \$50.5 million in general obligation bond sales. This authorization is significantly lower than the assessed need, yet reflected the level of voter tolerance. Voter tolerance was determined by a political telephone survey. Attempting authorization higher than \$50.5 million could have resulted in a failed attempt to pass Measure A.

Two primary factors determine when bonds can be sold and the denomination of the bond sale. The district promised the community that it would maintain the cost to the taxpayer at \$60/\$100,000 of assessed valuation. The district was able to sell \$24.9 million in August 2006 at the \$60/\$100,000 threshold. Assessed valuation within the community grew sufficiently to provide for an additional bond sale in December 2008 of \$5.4

million, consistent with the \$60/\$100,000 of assessed valuation. As of this writing, the district could sell an additional \$2 million, consistent with \$60/\$100,000 of assessed valuation. As predicted prior to the passage of Measure A, the balance of Measure A funds cannot be totally obtained until 2018, based on the \$60/\$100,000 tax threshold.

The total bonding capacity for the district is approximately \$100 million (if strategically amended over the course of the life of the bonds and based on assumed assessed valuation growth, or \$47.5 million absent assessed valuation growth and no strategic plan to increase bond proceeds). \$100 million is roughly one-half of the assessed facilities needs.

Essentially all of the Measure A funds have been expended on:

- Design and engineering services
- Management and legal services
- Playground and shade improvements
- ADA accessibility to these structures
- Comprehensive modernization of Faller School
- Comprehensive modernization of Pierce School
- Burroughs High School infrastructure project
- Inyokern School infrastructure project
- Las Flores pre-construction services
- New portable classroom acquisition and installation

Qualified School Construction Bonds (QSCB): This is a federal program and part of the economic stimulus package. Sierra Sands was the first district drawn by lot to be eligible for this program. With this program, the district could sell up to \$25 million in QSCB, principal only bonds. The duration of the loan is fifteen years, at which time the district would make one payment to repay the investors. The investors receive tax credits over this period in lieu of interest. During this reporting period, the district made application to participate in the QSCB program, which would allow for:

- Complete modernization of Inyokern Elementary School
- Electrical system conversion at Sherman E. Burroughs High School
- Installation of six relocatable classrooms and one relocatable restroom facility at Las Flores Elementary School, as well as the replacement of the electrical system, fire/life safety system, carpet and paint

The board of education set the limit for this program at \$12 to \$15 million, depending on market conditions. This program was legally challenged and suspended for the time being, pending enabling legislation. Sources for repayment of these bonds are future state matching funds and future Measure A sales. Although the actual QSCB transaction occurred in July 2010, outside of this reporting period, all of the ground work took place in 2009-2010. The district netted \$13.1 million in program proceeds (actually an “advance” on future Measure A proceeds and state matching funds) to continue the projects noted above. Not during this reporting period, but of significant note, the district has received state matching funds as follows:

- Faller \$1,470,770

- Pierce \$1,998,716
- Inyokern \$1,011,725
- Totaling \$4,481,211

2009 Measure A Projects

Although design and engineering and management and legal services are ongoing, four major projects were completed in 2009:

- Faller Elementary School – This project was completed in August 2009. The school was occupied on time. This project consisted of a comprehensive infrastructure replacement, the conversion of the cafeteria/classroom building into a modern multipurpose room, and the enclosure of the previously open classrooms in the media building. The fire/life safety system was replaced. Full ADA accessibility was achieved. Discovered during the modernization project was the fact the seismic drag struts were not completed during the original construction of the media building. The HVAC retrofit was completed as required by DSA. The roof on the media building was also totally replaced, as were the window units in the two main buildings. The total project cost, including temporary classrooms and administrative space and acquisition and installation of the new classrooms, was slightly in excess of \$7.5 million. The cost to complete the HVAC retrofit was \$348,168. Measure A was the primary source for funding this project.
- Pierce Elementary School – This project was completed in August 2009. The school was occupied on time. This project consisted of a comprehensive infrastructure replacement and the conversion of classroom space in the cafeteria building into additional office space. A new classroom and new computer lab were also acquired and installed. The fire/life safety system was replaced. Full ADA accessibility was achieved. The HVAC retrofit was completed as required by DSA. Roofs were repaired as needed. The total project cost, including the acquisition and installation of the new classroom and computer lab, was slightly in excess of \$7 million. The cost to complete the HVAC retrofit was \$815,916. Measure A was the primary source for funding this project.
- Burroughs High School Infrastructure Project – This project was completed one week ahead of schedule. Four thousand linear feet of trenching was conducted and 90,000 feet of electrical conduit, water line, sewage line, and gas line was installed. This project was moved forward in the overall program schedule due to the need to prepare the existing infrastructure for the new Career and Technical education building (not Measure A funded), which will commence this summer. This project came in on time and slightly under the \$4 million budget.

- Inyokern Parking Lot and Infrastructure – A new parking lot was installed (2009) and comprehensive infrastructure modernization was completed (March 2010). The budget for this phase of modernization was set at \$2 million. This project was launched in the fall of 2010 and is now complete.
This project consisted of the installation of two new relocatable classrooms to compensate for a greatly expanded library/technology center that consumed two permanent classrooms, the relocation of the pre-school, full infrastructure replacement, ADA accessibility and signage compliance (including a stage-lift), complete classroom modernization and the HVAC seismic retrofit (currently at district expense/settlement offer by Siemens under district consideration).
- Rand School Modernization – This project was completed in time for the start of school in August 2010. The project consisted of a total restroom modernization and ADA accessibility and signage compliance.
- Sherman E. Burroughs High School Electrical Conversion, Phase Two – During the reporting period, significant effort was made in designing the new electrical system and in acquiring an easement for SCE on Navy property, along Drummond Avenue.