

**CITIZENS' OVERSIGHT COMMITTEE  
MEETING MINUTES  
January 12, 2004**

Al Valdez called the meeting to order at 5:08 p.m. with Roger Larkin, Gerald Bruce, Maurice Ayala, Stuart Holland, Michael Calta, Gary Larson and Dr. Andersen present. Geoffrey Vanden Heuvel arrived at 5:12 p.m. Glenn Duncan, Andy Anderson and Gary Ovitt were absent.

1. Review/approval of minutes from November 17, 2003

Michael Calta made a motion to approve the minutes from November 17, 2003, and Stuart Holland seconded, all voted to approve. Those members who were absent from the last meeting, Al Valdez, Maurice Ayala and Gary Larson, abstained.

2. Update regarding Wickman by Al Valdez

Mr. Valdez shared a Power Point presentation of photographs he had taken at Wickman Elementary School a few weeks earlier. The photos were as follows:

1. Sidewalk leading toward Soquel Canyon, temporary fencing blocking sidewalk with an opening where a child could fall into a pit with a pump.
2. Piping beside the driveway that children have to pass in the morning.
3. Temporary fencing in the field between the school and the park, blows over easily.
4. Fence blocking off pad secured with simple wire, easy to get through.
5. Playground area with debris behind temporary fencing.
6. Open dirt area next to building.
- 7 - 11. Two-story building with main exit with a three-foot wide gate where children were crowding through.
12. Gate with chain and padlock, no hardware on all gates on the property.
13. Kindergarten area, no fencing, no landscaping.
14. Open dirt area in kindergarten play space.
15. Another gate with no hardware.
16. Another gate with no hardware.

Mr. Ayala asked about the approvals of the plans and if the three-foot gate was approved. Mr. Valdez talked about a building that was supposed to have water access for the children. Building was built and plumbed with the stub left in the building. The principal was told that a change order was required to get the actual fixtures. He said the principal, Alan Berg, has a list of about 20 items that he was keeping track of with Mr. Bob Olin. Mr. Valdez said he wasn't doing this to throw "sandbags" but he made this effort to show some of the logistical things that exist

at some of the schools, and he wanted to get these Measure M projects fixed so the students are safe and the district doesn't have liability.

Mr. Ayala asked again if these gates were approved in the plans. Mr. Valdez said he was told that they were. Mr. Valdez said he thought this was part of Mr. Olin's job to make sure these things don't fall through the cracks. Mr. Ayala said he understood the need for those items to be corrected, but he asked if this is under the duties of the oversight committee to address these issues. Mr. Valdez said he thought so because he didn't think citizens are getting their bang for their buck. He's concerned about safety with school in operation and the liability for the school district and for the city. Mr. Ayala asked if the committee could discuss whether this was an issue for them to discuss so they wouldn't waste time discussing it. Mr. Calta thought that if the case is made that the money is not being spent for what it should be spent, the committee could spend a reasonable amount of time on it. Mr. Larkin thought the committee should oversee what's being done and if it's not being done adequately and safely and within normal guidelines for a school, the committee has a responsibility to communicate this information to the district and the school board. Mr. Ayala thought this might be a liberal and greatly expanded interpretation of the committee's duties and responsibilities. Mr. Calta said in Section 4.1 it says, "In order to perform the duties set forth in Section 3.0, the committee may engage in the following authorized activities: inspect school sites, facilities and grounds for which bond proceeds have been or will be expended in accordance with any access procedures established by the Assistant Superintendent of Facilities & Planning." He said that Mr. Valdez had followed that procedure and brought pictures to show to the committee, and he thought discussion was a natural extension. Mr. Valdez said he'd go to every Measure M site. Mr. Vanden Heuvel suggested that Mr. Ayala make a motion to not discuss the issue and see if it passes. Mr. Ayala declined to make a motion.

In discussing the first photograph, Mr. Olin said it was not the responsibility of B.E. McMurray. He said it is where the water meter sits and the district is working with the city on the installation of the water meter and the vault. Mr. Valdez asked Dr. Andersen what the district has done. Dr. Andersen said that the vault had been installed, but the connection and installation of the water meter has not been completed. The landscaper has to make final connections to that system because the area depicted in the picture is the area that will feed the irrigation for the school. Dr. Andersen said a permanent fence would be installed to prohibit student access to that area. In response to questions about the timeframe for the fence installation, there was discussion about whether this was part of the original bid or the upcoming bid for miscellaneous extra work. Dr. Andersen explained that the district originally had the understanding and approval for only one tap to the city water system. While construction was in progress the city changed the plans and now requires three individual taps for domestic, fire, and irrigation. That's why the district has had to retrofit the situation. The vault was finished the

previous Friday and one week is required for the landscaper. As soon as the city installs the meter, the landscaper can do their work, estimating a week.

Mr. Larkin asked who put up the temporary fence along the sidewalk. Mr. Olin said the contractor probably put it up but B.E. McMurray has removed it and reinstalled a more permanent temporary fence. Mr. Larkin said the fence didn't appear to meet OSHA standards and thought that whoever put it up should be held accountable for it. Mr. Calta thought it looked like the opening had to be there because of the way the base was designed. Mr. Olin the base had been removed and the fence was wired shut. Mr. Valdez asked which B.E. McMurray employee was responsible for Wickman and was told it was Anker Jacobsen.

Mr. Valdez asked about the debris and thought it wouldn't take a lot to pick it up. Mr. Olin said it was piping that was originally going to be installed in the front of the school. The plans changed, the pipe is no longer needed and the district was asked to pick them up. Mr. Valdez asked who is responsible for the cleanup. Mr. Olin said the pipe belongs to the district. Looking at the other debris on the site, Mr. Valdez asked what had been done since the pictures were taken. Mr. Olin said the permanent temporary fence had already been installed.

Mr. Ayala asked what was going to be done with the pipe, and Mr. Bruce asked who made the decision to dump it where it was in the picture. Mr. Olin said they had to put it somewhere on the site in preparation for installation. Mr. Ayala asked why it wasn't used. Mr. Olin said a decision by the CM, the school principal, Dr. Andersen and the engineer that the parking lot drive entryway needed to be revised. Mr. Larkin asked if there was a "lay-down" yard and Mr. Olin said they have one. Mr. Valdez asked if it had been picked up and was told it hadn't been. He asked if something could be done about it, move it to a "lay-down" yard or move it to a more secure area. When he was at the school, he saw children running over and jumping on it after being dropped off by their parents.

Mr. Valdez told the committee that the principal, Mr. Berg, has requested a sidewalk to be installed on the side of the driveway so the children don't have to walk across the driveway in front of the cars coming in. He said it is a safety hazard. He explained that Mr. Berg and his assistant principal are literally out in the street each morning directing traffic so that no children get hurt.

Mr. Ayala asked what caused the change to the plans. Mr. Olin said the original plans didn't show the exact location of the city park. When the city park was built there was an agreement where the city built the park partially on school district property. The plot plan did not depict the exact existing conditions. When it was discovered, they would have had to cut into the park entrance and relocate the park sign. The driveway to the school was moved down a little bit to accommodate the existing conditions. Mr. Valdez said it was give-and-take situation, a joint use agreement, between the school district and the city to share

the property and the exact lines were not important until the school was being built.

Mr. Valdez asked about the wired fences. Mr. Olin said that had been taken care of. Mr. Valdez asked if the trash and debris could be removed. Mr. Olin said the majority of the trash was all gone, but the dumpster was still there and the green pipe at the rear of the project was still there. He said the district authorized B.E. McMurray to use their forces to clear out the trash in the front. He said the pipe will be "demo'd" and removed from the site. Mr. Larkin asked about the district authorizing BEMc to remove the debris and asked if it was construction debris. Mr. Olin said most of it was from the installation of the F & E (furniture and equipment). Mr. Larkin asked if it costs the district to have them clean it up and Mr. Olin said yes. Mr. Larkin asked why the district didn't have the vendors remove their own debris. Mr. Olin said that some of it was construction debris intermingled with F & E trash. Mr. Larkin thought the contractors are responsible for cleaning it up and that that language is in their contracts. He asked why the district is paying twice to have it done. Mr. Olin agreed that there are dollars allocated in the contracts for cleanup. Mr. Valdez said the point is that the CM is in charge of the contractors and asked why the CM didn't make sure the contractors cleaned up the site. Mr. Olin said they did. Mr. Valdez said the CM is charging the district to clean the mess left behind by contractors. Mr. Olin said it was not all their material. He said if it was all contractor material, they would all be back-charged for it. Mr. Valdez asked if they would be back-charged. Mr. Olin said of the totals that were taken, there are some back-charges there but not that many. He couldn't tell the majority of what was in the picture, looked like some carpeting that might have been dumped at the site by somebody else, and it was hard to tell exactly what all was there. Mr. Valdez said it was all enclosed and a key was needed to get in, unless someone jumped over the fence. He thought that people working at the school did it all. Mr. Olin said he didn't know what the vendors were responsible for as far as trash pickup. Dr. Andersen said he would check with Purchasing on the issue.

In reference to the small gate, Mr. Valdez asked for clarification on the size and if it would be changed. Mr. Olin explained that the Americans with Disabilities Act (ADA) requires panic hardware on every gate requiring only a certain amount of force to open the gate so handicapped people can operate it. In order to fit this requirement of force, a chain link gate can only be three feet wide. So they are restricted by that requirement as to the width of the gate. Mr. Larkin said that if it were made out of aluminum it wouldn't be as heavy. Mr. Calta said that would make it very expensive. Mr. Olin said the hardware was not installed because of the necessity to make the gate wider. Mr. Bruce asked if it had anything to do with fire code. Mr. Olin said he understood the fire department did not approve of the width of the gate. Mr. Calta asked Dr. Andersen if the fire department had signed off on it at some point. Dr. Andersen said they had signed off on it. Dr. Andersen asked Mr. Olin if the gate in question was going to be changed as well. Mr. Olin said this gate is going to go on the bid for alternate pricing and they can

decide if they will change one gate or all three gates. Dr. Andersen thought the principal didn't want the gate that leads to the fire lane changed because he doesn't want the children going out there. Dr. Andersen said one gate will definitely be changed and they will look at the cost of changing the others.

Mr. Valdez asked about the kindergarten area. Dr. Andersen said it will be fenced in and it's in the upcoming bid. Mr. Valdez asked what the timetable was on this bid. Dr. Andersen said the bid would first be advertised on January 22nd, the contractors will have until February 17th to submit their bids, to the Board for approval on the 19th, with 45 days to finish the entire contract by April 15th. Mr. Larson said it would be a year behind schedule. Dr. Andersen said the work covered by this bid is well beyond the scope of the original work. Mr. Olin said that the plans had changed around during the course of construction that affected the location of the fencing. Mr. Valdez said the school currently couldn't be locked down in case of an emergency. He thought that the external perimeter security should be a priority when a school is in operation.

Mr. Bruce asked if the two-story building and the kindergarten building were from Modtech and if one of them is the one that they can't stop the roof from leaking and if it had been addressed. Mr. Olin confirmed that it is the kindergarten building from Modtech and that Modtech had done some work on it, and he said it didn't leak in the last rainstorm. He said he and Dr. Andersen are concerned that the method Modtech used to fix it, which was to slop mastic all over the roof, is a temporary measure and will last only a few years. Mr. Bruce asked why Modtech's fees were not held to the fire to provide what the district is paying for. Dr. Andersen said they were not being paid for the buildings until the problems are taken care of. Mr. Bruce asked if these buildings were being used at other sites. Dr. Andersen said these modular buildings are being used at a few sites at the district. Mr. Olin explained the process Modtech used to install the roofs and proper flashing was not installed. He said the details of roof installation are not in Modtech's specifications because of the piggyback bid process. Mr. Larkin asked if Modtech agrees that they can be properly flashed. Mr. Olin said they agree but they are difficult to deal with and the money being withheld doesn't seem to bother them. Mr. Bruce asked why the district continues to do business with them. Mr. Olin explained that there aren't very many vendors who supply these buildings, just Modtech and Aurora. He said Aurora's reputation was not much different. Dr. Andersen said he visited a school with an Aurora building and he was not impressed. Mr. Larkin asked if the only problem they have is the roofs. Mr. Olin said there are other problems and Mr. Larkin asked if they are as major or equal to the roof problem. Mr. Olin said the roof is the major concern on the two-story. Mr. Larkin asked how long the problem was going on, and Dr. Andersen said six months. Mr. Larkin asked if Modtech seemed as if they wanted to get in and work with the district to get the problem solved. Dr. Andersen said they did come to try to repair the stucco problem on the two-story but it was not satisfactory. Dr. Andersen said the district is getting ready to send letters to Modtech on the various projects they are working with citing the deficiencies and

that the district will withhold funds until they correct the mistakes. Dr. Olin said that Dr. Bloch has called the president of Modtech. They responded by getting out to the site for a day or two, but that was it. Mr. Ayala said that if homeowners were having similar problems they could contact their attorney. Dr. Andersen said it might end up in that arena. Mr. Ayala said that if a company is not going to respond after one or two chances, they probably never will. There was further discussion about turning the issue over to the district counsel. Mr. Larkin asked if there was a clause in the contract that states that if the vendor doesn't perform to the plans and specifications that the district could hire someone else to do the work. Dr. Andersen said there was and that the district was also considering that route. Mr. Larkin said that if it's in writing it's up to the original contractor to take the district to court, not for the district to have to go to court to pay someone else to come in and do the job that the original didn't or couldn't perform. He felt it's not an issue that has to go to Mr. Gutierrez. Mr. Olin said in public works the proper avenue is to turn it over to legal counsel. The contractor is bonded and the bonding company is guaranteeing performance. Mr. Larkin disagreed and said that's what the bond is for. He said the district could go to the bondsman to resolve the issue. Mr. Larson said he thought the attorney would have to file something with a bond company. Dr. Andersen explained that B.E. McMurray doesn't oversee Modtech. Mr. Olin advises the district on how to proceed with Modtech, but that contract is directly with the district.

Mr. Calta asked about the stucco on the building. Dr. Andersen agreed that there's unevenness in the stucco. He explained that the specifications call for less than 1/8th of an inch in variation and it appears there are spots where it differs by more than 1/8th of an inch. It was agreed that it's mainly a cosmetic issue and not structural. Mr. Bruce asked if all of the buildings come in the same format and if each building has the same problems. Mr. Olin explained that in the piggyback bid, there is a basic striped floor unit with a whole series of options to pick and choose. Mr. Bruce asked if all of the roofs are found with the same deficiencies causing the leaks. Mr. Olin explained that one of the options is a hot-rock roof, and the standard model comes with the metal roof. The details are vague as to how the metal roof is put together. Mr. Bruce thought that if all of the roofs have the same problem couldn't the district go back to the architect and come up with a solution. He said when it rains mold could become an issue.

Dr. Andersen said the district had some promises from Modtech about the work that they were going to do over the Christmas break. The next step is to check the work and if it is not sufficient, the district would respond back to Modtech that we're not happy with their quality of work. Mr. Olin said the leak on the kindergarten building being discussed is not going inside the classroom, but it could cause other problems on the outside of the building.

Mr. Holland asked about the alarms. Mr. Valdez agreed and said there was a ground fault alarm going off and asked for the reason and why it couldn't be fixed. Mr. Olin said they had worked on it but couldn't find the problem yet, and

the alarm company, Simplex, was going to be on the site in the morning again. Mr. Valdez said that several of the classrooms are not wired for the Internet even though the specs call for it and why that was. Dr. Andersen said all of the classrooms were wired. Mr. Holland asked about some of the kindergarten rooms that did not have intercom. Mr. Olin said one kindergarten classroom did not get the phone installed. When Verizon was there to install them, they told the principal they didn't wire the data for the phone so they didn't install it. It was found that the teacher had papered over the phone jack and it couldn't be installed. However, the phone is now installed.

Mr. Holland said the floor was damp in the office and asked if the cause had been identified. Mr. Olin said there was a leak in the plumbing waste line and it's been fixed.

### 3. Dr. Andersen's Construction Presentation

Dr. Andersen had distributed the documents used to make a presentation regarding construction to the school board. He explained that he had talked about construction schedules that were developed, the status of the project as compared to that construction schedule, timeline for remaining work at Wickman and Rhodes Elementary Schools. There was a chart on construction costs and change orders and a chart on soft costs for architectural and construction management services. He explained the information contained in these documents.

Regarding Woodcrest, the revised construction schedule was August 27, 2004. He said that even though it's close to school opening, he has spoken to the principal, Mr. Finkbiner. They determined that, looking at the projected student enrollment numbers for next year and the existing housing that can be utilized, it appears the students can be housed for sometime if the completion is delayed. Mr. Holland said that when he was principal for a day at Woodcrest, he learned that there is no room for any more lockers if they have to stay there. Mr. Holland asked what are the plans for lockers. Dr. Andersen said they might have to do something on a temporary basis similar to what was done at Magnolia, which was to provide boxes that can be used for lockers. He said changing for P.E. might be an issue and they might have to have an alternate strategy as far as how the student's dress out. The issues that will slow the project down are the weather and the fact that the District doesn't have DSA approval for some of the plans yet.

Mr. Olin explained that the District doesn't have signed, stamped approved plans. The basic school is the same as Liberty. Working with the DSA field representative, Eric Wu, they are proceeding as far as they can. But when they reach a point, without the approvals, the risk becomes too great to proceed and they stop and move the forces to other buildings. The administration building is stopped at this point because they are not willing to take that risk. There could be a six-month delay, though DSA has said that won't happen.

Mr. Bruce said he noticed there was a lot of work that was not in the original plans in the change orders and asked if those items were reviewed on the punch list. Dr. Andersen said they are aware of the change order items and the change orders are issued with clear specification on how to do the work. Once the work is accomplished it becomes part of the punch list if it wasn't completed correctly. He also said the architect, the CM, Maintenance and Operations are all involved in making up the punch lists. Mr. Ayala asked if the issues brought up by Mr. Valdez would be caught in the punch list process. Dr. Andersen said some would and some wouldn't. He said the gates, if they had the hardware, would have conformed to the contract. He explained that the gate was designed for an area that originally had only three portable classrooms. Instead it was upgraded to "Super" Wickman, which went from three to 10 classrooms. With 10 classrooms, there were a lot more children in the area than originally planned, so the size of the gate needs to be changed. "Super" Wickman was bid after the Wickman bid was out.

Dr. Andersen said that there were a few more items to be done at the Ayala stadium. The bleachers are completed, the ramps have been approved, the buildings are approved, and the wrestling facility has been approved. There are a few remaining items: fencing and additional lighting under the bleachers, traffic bollards. Mr. Ayala asked if small holes could be installed in the snack bar windows so people wouldn't have to bend over to speak to each other. Mr. Bruce asked if electric hand dryers were installed on a change order and asked what would happen if they didn't function. He thought it would be feasible to have paper towel dispensers. Mr. Valdez said students would stuff the paper towels in the toilets. Mr. Larkin said the electric dryers are supposed to be more efficient and more sanitary. Mr. Ayala said people have asked him if there is going to be an all-weather track at the stadium. Dr. Andersen said that was taken out of the project.

Dr. Andersen explained the timeline for the new Wickman and Rhodes bids. He said a lot of the issues that Mr. Valdez highlighted are being addressed in the new bids, mainly fencing, asphalt play areas, ball walls, additional learning walls and cabinetry, and sinks and faucets in the two-story building at Wickman.

Regarding the change order chart, Dr. Andersen said his rule of thumb is if change orders are under 1%, it is an excellent job of maintaining change orders; 2% is good; 3% is acceptable; 4 and 5% is questionable. Overall net compared with the volume of work done, the change orders are right around 3%. Mr. Olin said that a large percentage of the change orders are "added value" change orders, where the district requested additional items rather than the change order being due to a mistake.

There was some discussion regarding the library casework at Liberty that was discussed during a board meeting. Dr. Andersen said there was another side to the story. Mr. Bruce said he didn't see a change order on it in the documents



provided. Dr. Andersen said that after Dr. Bloch spoke with Mr. Goldband, he felt differently about the situation.

Mr. Bruce thought that there were a lot of change orders that are per district request and asked if there is a formal process that the changes go through before they are approved. Dr. Andersen explained that it's done at the construction meetings. Change information is reviewed, alternatives identified, cost information requested from the contractor, and the district makes a decision. He said it's hard to say that just because the district requested it that somehow the district is at fault for poor planning or made a bad choice or the architect or the construction manager made mistakes. Each and every change order has to stand on its own merit and it's very difficult to summarize and categorize all of them. Mr. Valdez asked if it was safe to say that the district is doing everything they could to minimize the change orders. Dr. Andersen said that the overall 3% change order average is not out of hand. Mr. Bruce said it appeared that whatever happened at Liberty with the library casework did not go through this process. Bob Olin said the casework was built according to shop drawings prepared by the contractor and delivered to the jobsite. Just prior to being installed while the casework was all there, the principal and the librarian said it didn't meet the ir needs. It was moved to one side. The paperwork hasn't been done yet. If the district decides to use it somewhere else, there will be a credit for the installation. Mr. Bruce asked if there would be a replacement that will be requested. Mr. Olin thought there wouldn't be but didn't know for sure. He said this library design was a re-use plan and it was designed for junior high school students. Dr. Andersen said they would research the issue and come back to the committee with the information.

Mr. Ayala said he had several people ask him what is the school district doing having a \$10,000 custom furniture in these tough financial times. He said that before Measure M passed, there were school site councils, meetings, needs lists, architects, etc. , and asked why the librarian was making the final decision. Mr. Olin said that every piece of casework in a school is custom built. He said when the plans go out for public bid, several companies bid on building the casework. Mr. Ayala asked if \$10,000 w as an unusually high number for casework. Mr. Olin said it was a large pod. Mr. Bruce said they knew these pods were in their design. Mr. Valdez said somebody knew, but neither the principal nor the librarian knew. Mr. Olin said it would be difficult for the principal or librarian to understand the size of the casework by looking at the plans. Mr. Ayala said he could understand them being consulted as the plans were drawn up, but at that point everything was already done. Mr. Holland said that his wife works at Wickman. She was given the job a month before school opened and when they moved in, it was their first view of the office. They had to figure out where they wanted to put their desks and how to arrange the entire office. He said the actual users aren't involved in the design and they move in when it's done.

Mr. Larkin said that while he understands the district's view of the change orders in coming up with the 3% average, he has a problem with that amount of change requested after the fact. He thought that the state and the district have built enough schools over the past 20 years to know what is needed for K-6, junior high or high school. He thought that since numerous people had reviewed the plans that there shouldn't be that many changes made after the fact. He didn't agree with the outlet the district is using to spend additional monies on schools to make them nicer after the plans were approved. He said the district should have thought of those things when the plans and specifications were put together. He didn't think this is what the people who voted for Measure M had in mind and what they were led to believe. Mr. Ayala thinks this unfairly burdens projects downstream.

Mr. Olin said to keep in mind that the project that has 10% change orders is the school that has added 11 classrooms, and you can't add 11 classrooms and not expect additional cost. Mr. Ayala asked what the difference was between Wickman and Wickman addition. Mr. Olin said Wickman addition is purely the shells of classrooms purchased from Modtech. There was no voltage, no fire alarm, no casework, or plumbing. Mr. Larkin thought that someone blew it and now we have to pay for it. Mr. Larson said that five members of the board made a decision to change to boundaries after the fact. Because they made a boundary change to include the Fairfield Ranch and Higgins Ranch developments, it increased the population of the school and the school had to be changed to meet that need.

Mr. Larkin thought that if the board members knew when the plans and specifications were being put together for this, somewhere in the planning process the district needs to figure out a better methodology to come up with better numbers. Mr. Larson made the point that it would be better to increase the capacity of a school a few hundred students than it would be to try and construct another new school. He thought the tradeoff is there if the numbers are examined, and the district received a better bang for our buck by increasing one school than to put those 350 students into a new school that doesn't have enough capacity. Mr. Vanden Heuvel said from his standpoint in observing Paul and Bob and what they're doing and the decisions that they made, he would not be that hard on them. He thought it looks pretty reasonable. He said he is impressed with the way they make adaptive decisions, and \$93 million of work is an enormous amount of work over about three years. He said he appreciated the work they do and that by and large the public is getting a pretty good bang for its buck. He sees good decision-making, thought processes and justification, and thought that they had answers for everything shown in the photos. Mr. Larson said that the original bid of \$7.8 million was to house less than 700 students. For \$800,000 more, they were able to house another 50% more students. Mr. Larkin thought that the district should learn from the mistakes that have been made, and that extra time should be taken to make sure these mistakes are not repeated.

Mr. Calta asked if electricity could be run during the modernization to accommodate a future stadium at Don Lugo. Mr. Holland and Mr. Larson said that they understood the architect had plans to stub electrical towards the field for that purpose. Mr. Calta asked if the soft costs were staying within the estimated budget. Dr. Andersen said the soft fees were in line with what was budgeted. The CM fees are not exorbitantly high, though they exceed the architect fee. He said their prices are competitive with other CM firms. He thought their 3.75% fees were low and the district is taking advantage of it. Mr. Ayala asked if it is standard that the CM fees exceed the architect fees. Dr. Andersen said the architect fees can vary also. The standard fees for architects is 9% of the first half-million, 8.5% of the next half-million, etc. Mr. Holland said doing quick math it looked like the CM fees are 8% and the architect fees are 6%. Mr. Olin said he was co-mingling the fees and general conditions. Dr. Andersen agreed the CM fees had two factors, the 3.75% profit and the general conditions, personnel costs, insurance, staff housing, secretarial staff, fencing, truck expenses.

Mr. Ayala commented that the committee could listen to explanations for overruns, look the other way on 6.9 because it averages because of the .94, assume nobody's perfect and accept what looks like poor planning. But he thought that the job of the oversight committee seeing that the money is spent properly is to make the public feel comfortable. Because we're going to need money for education in the future and if the public is not comfortable with the way the money is being handled, that money will not be approved through bond measure. He thought that by accepting those things they were not serving the public or laying the groundwork for passage of future bond measures.

Dr. Andersen said that one of the things the district is challenged with is when we bid projects we have a budget in mind as far as that project is concerned. Sometimes we get good bid climates and the bids come in considerably less. The costs stated are the construction costs but it's not the total budget. When the bid climate is good, there are opportunities to enhance the project if several hundred thousand dollars are saved on a bid. The district received good bids on Wickman and Rhodes and probably won't see those types of bids for Bird Farm. He said when comparing Wickman and Rhodes with the other schools in the district, there are a few shortfalls and that's why the district is doing the extra work. The district wants to keep a standard within the district so that no student has an inferior environment.

Mr. Holland said that Wickman and Rhodes were designed as hardship schools, hoping the State would provide the money. There was no Measure M money available during the planning stage. He said upgrading the schools to the point where they should be would require change orders. He said that as time goes on, situations change and you have to be willing to deal with it as long as they're spending the money properly. If someone made a poor design and now we have to go in a fix it, that's a poor use of money, but deciding to house 50% more students and spending less than a million to do that. Just looking at it as 10% is

not right because the district spent that money well. He thought, however, that the district stadium was too high at 6%.

Mr. Ayala said this was true looking at it as a snapshot, but he thought well-intentioned, good people voted for this bond to burden themselves with property taxes but their projects are downstream. He was concerned that the money being spent for upgrades and extras now will impact those projects later.

Mr. Bruce said the State authorizes a certain amount for a project and asked if the change orders exceed that amount, does the State give 50% of that additional amount. Dr. Andersen said once the State releases their share, that's it. Mr. Bruce pointed out that there are no matching funds on these overages. Dr. Andersen and Mr. Olin said that the district went back and received additional funding on "Super" Wickman. Dr. Andersen said that Wickman and Rhodes are within their budgets at this time.

4. Discussion regarding financial audit

Dr. Andersen said that Mr. Calta had a question at the last meeting regarding the financial audit. He asked if the financial audit prepared by the district suffices as an independent financial audit. Dr. Andersen called Lisalee Wells from Fulbright & Jaworski, and she concurred that that audit performed by the district is considered to be an independent financial audit.

5. Review oversight contract

Dr. Andersen said that contract would not go forward to the board so he didn't see a need to review it.

6. Update most current approved change orders

Copies of the most recent change orders were distributed to the committee. Mr. Larkin suggested they review them and discuss any questions at the next meeting. Mr. Bruce had asked a question about a statement in one of the change orders that "expenses exceeds allowances," that was going to be researched. Dr. Andersen hadn't had a chance to find out, and he said he would research it for the next meeting and would email the response to Mr. Bruce.

7. Discuss change to bylaws for one-year term for chairman

Mr. Calta suggested a change to the bylaws for a one-year term for chairman. The current term is for two years. Some of the members have two-year terms and they wouldn't be able to be chairman if they were interested in it. Mr. Valdez supported the idea. Dr. Andersen suggested bringing this item along with the other requested change regarding the city council representative to the board at the same time. Mr. Calta volunteered to compose a change to the bylaws.

#### 8. Other topics/public comment

Mr. Ayala said one of the articles of the bylaws says that the committee should make money-saving suggestions. Regarding Don Lugo, he thought that when the school is closed down for the summer to do the trenching for the electrical installation, that instead of stubbing for the stadium lights it would be cheaper to run electric out to the base of each light location. Mr. Larson said they didn't know where the lights are going to be located because it hasn't been designed. Mr. Bruce asked if that would be fair to the schools downstream. Mr. Ayala thought that it was a money-saving idea. Mr. Larson said that was done at Ayala and they wasted \$1 million.

Mr. Holland said that at the last meeting the committee voted to create an annual report. He has prepared a draft and distributed it to a few people. He talked about a recent letter in the Champion regarding the Don Lugo stadium and said he'd like to write a letter in response that there is work going on and the committee thinks they're doing a good job with it and directing people to the COC website so people know it's there. Mr. Ayala thought that Lonnie Truett complained during the last board meeting that Don Lugo was behind schedule. He asked if that was correct and thought someone should review the board meeting and check it if that was true. He suggested that Mr. DiCamillo come to the next meeting to give another update. Dr. Andersen said that there was an inquiry from the community during the 12.18.03 board meeting from someone from Don Lugo. He said staff met with representatives from the parents' organization and the booster club for Don Lugo to bring them up to speed about where we were with the Don Lugo plans and timelines and scope of work. He explained that one of the things that is taking extra time is the pre-qualification of bidders. There is a board policy whereby if a bidder has more than \$250,000 worth of work he has to pre-qualify. That process should be completed the middle of January. Once that's completed it needs to be approved by the board. Mr. Ayala said the parents are concerned about the expense to DAL to travel to the Chino stadium to practice because there are no lights at DAL. The students are not allowed to drive there because of State law.

Mr. Holland asked about the projected enrollment at Wickman was 1050 - 1100 students, and asked if more portables will have to be put in. Dr. Andersen said there is room for three more portables at Wickman on the pad encircled by

temporary fencing. He said the need for those three classrooms is going to depend on the actions the board takes regarding the budget situation. If the district increases class size or change the class size reduction program, it will change facility needs. Mr. Holland asked what the chances of moving the Fairfield Ranch children to Butterfield Ranch because that school has a much lower attendance. He asked why the district was jamming all of the kids into the one school. Mr. Larson said it was a political issue and that he didn't know who had the answer. Dr. Andersen said we are moving forward on Bird Farm to be bid this winter and the thought is that Bird Farm will provide some relief for the over-crowding at Wickman.

Mr. Valdez asked for a date for the next meeting. Mr. Valdez thanked everyone for their input and thanked Mr. Olin for verifying and clarifying his findings at Wickman. He wanted to publicly acknowledge Dr. Andersen for the work he did on the charts and the cost. He thanked Dr. Andersen and Laurie for the work they do for the committee. The next meeting is scheduled for Monday, March 15, 2004, at 5:00 p.m.