

# San Dieguito

**Union High School District**

**Proposition AA Independent Citizens Oversight Committee  
2017 Annual Report**

**March 13, 2018**

**San Dieguito Union High School District**

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

**(760) 753-6491**

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



**San Dieguito HS Academy Culinary Arts**



**Torrey Pines HS Student Center**

Dear Community Members,

The Independent Citizens Oversight Committee (ICOC) of the San Dieguito Union High School District (District) is pleased to present our fourth annual report. The 2017 Annual report covers activity for the period ending December 31, 2017.

Building on the commitment from the voters in 2012, the District has issued \$339 million in general obligation bonds and has expended \$257,559,649 on projects through December 31, 2017.

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

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

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

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

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

Sincerely,

*Rhea A. Stewart*

President,

San Dieguito Union High School District Independent Citizens Oversight Committee



**Canyon Crest Academy B Bldg. Science Classroom**

## **INTRODUCTION**

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is to "provide safe, modern schools and prepare students for success in college and careers by repairing and upgrading outdated classrooms and schools, construction and upgrading school facilities, including classrooms, science labs, and libraries, improving safety and security, and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

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

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

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



**Pacific Trails MS Second Classroom Bldg.**



**Carmel Valley MS Music Bldg.**

## **INDEPENDENT CITIZENS OVERSIGHT COMMITTEE (ICOC)**

Members of the ICOC listed below were appointed by the District's Board of Trustees on March 21, 2017 for terms that end in April 2019. ICOC officers were elected at the April 18, 2017 meeting.

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

To fulfill its duty the ICOC will:

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

## **ROLE OF THE ICOC**

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

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

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



**Earl Warren MS Campus Reconstruction**



**San Dieguito HS Academy Math & Science Bldg.**



## **ICOC 2017 REPORT**

Based on the limitations imposed by Proposition AA along with the associated District commitment to the voters, the impacts of subsequent State legislative constraints, and the economics of implementing multi-year construction bonds when the State and Federal economies are creating demands not contemplated when the Proposition was planned, the District may not be able to accomplish all of the projects originally identified when Proposition AA was voted on.

The District has been able to complete on time and within budget some 41 projects over the course of Prop AA. However, due to subsequent changes since November, 2012 in building codes, economic policies, and other factors beyond the control of the District, the remaining projects originally identified at the time of passage may not occur as originally timed or conceived under Prop AA.

### **INDEPENDENT PERFORMANCE AND FINANCIAL AUDIT**

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

The required independent performance audit and independent financial audit for Proposition AA was conducted by WILKINSON HADLEY KING & CO. LLP (Independent Auditor) for the year ending June 30, 2017. The complete report is included as **EXHIBIT B**. The report included no findings of noncompliance by the Independent Auditor for the use of Proposition AA bond funds during the review period. This report and all prior audit reports are available on the District's Proposition AA page at [www.sduhsd.net/PropAA](http://www.sduhsd.net/PropAA).

### **ICOC AUDIT REVIEW**

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

The ICOC held a special meeting on March 13, 2018, to receive and review the 2016-17 Proposition AA Annual Audit report and ask questions of the Independent Auditor's representative. On the basis of this review the ICOC concurred with the Independent Auditor's conclusion of no findings of noncompliance and that the District complied with the requirements of Article 13A, Section 1(b)(3) of the California Constitution as it pertains to Proposition AA.

## **PROPOSITION AA DELIVERY METHODS**

In the construction industry, delivery methods are used as the means of organizing and financing the design, construction, operations and maintenance of construction projects.

Construction projects funded by Proposition AA are accomplished using one of the following delivery methods:

- Construction Manager-Multiple Prime (CM-MP): The District acts as the general contractor and competitively bids out and manages each trade contract.
- District Forces: Smaller projects which can be accomplished using district staff or through contracting under existing competitive bids.
- Design-Bid-Build (DBB): The District engages an architect to develop plans and specifications that are then the basis of a competitive bid process conducted by the District to hire either a general contractor and sub-contractors or a series of trade contractors who are assigned to a construction manager.
- General Contractor (GC): Traditional method of a general contractor competitively bidding out and managing trade contracts.
- Lease-Leaseback (LLB): The District engages an architect and a construction manager through a competitive proposal process. The architect drafts plans and specifications in cooperation with the District and the construction manager. The District then leases the construction site to the construction manager who then leases the site back to the district for a guaranteed maximum price that represents the cost of construction.

Use of the LLB method under the authorization granted by the California Education Code Section 17406(a) is an often-litigated issue. The concerns surrounding this authority relates to the possibility that school districts will not receive the lowest price, and that the process lends itself to accusations of favoritism or improprieties. In 2015, the ICOC examined the District's LLB implementation and determined that the District's LLB partners being selected on a best value basis, and not necessarily based on the lowest bid basis, was consistent with the methodology traditionally employed with the design-build delivery method and was an acknowledged best practice at the time.

On September 23, 2016<sup>1</sup>, Assembly Bill 2316 (AB2316) imposed changes to the LLB method, effective January 1, 2017, because of litigation in Fresno. AB2316 added a competitive bidding process to the LLB method and included a provision authorizing contractors used in pre-construction consulting to remain eligible for the award of the project.

AB2316 mandated that the District adopt and make public new policies detailing the processes for bid solicitations that might utilize the LLB method. Additionally, the District must adopt criteria that will be used to determine what gives the District the "best value,"

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<sup>1</sup> Cota Cole & Huber LLP article entitled "Governor Signs New Law Affecting School District "Lease-Leaseback" Programs", dated October 20, 2016.

which allows the District to select a contractor other than the lowest bidder for the project by incorporating experience and other intangibles into their evaluation process.

AB2316 also dealt with a call for the forfeiture of fees deemed excessive to be recovered from developers and contractors earned on contracts utilizing the LLB method back to the school districts. To eliminate the need to review prior LLB projects, for contracts awarded prior to July 1, 2015, AB2316 allowed entities that acted in good faith to retain payments for services rendered, excluding profits, under the LLB provisions in place prior to December 31, 2016.

After the passage of AB2316, the District modified its policies and procedures on June 22, 2017, to comply with the new requirements.



## **PROPOSITION AA FINANCING**

Proposition AA included the District's commitment to:

- Sell the bonds in 4 series over a period of approximately 6 years;
- Pay the principal and interest on the bonds from the proceeds of tax levies made upon the taxable property in the District; and
- The maximum tax rate levied to fund Proposition AA from the first fiscal year after the sale of the first series of bonds, based on estimated assessed valuations available at the time of filing of this statement, through 2019-20 is no more than two and one-half cents per \$100 (\$25.00 per \$100,000) of assessed valuation.

When Proposition AA was approved by the voters, California school districts were able to finance school facility projects through the issuance of capital appreciation bonds (CABs) with a maturity of up to 40 years and with an interest rate of up to 12%. Additionally, CABs were not required to have a mandatory call or tender feature.

At the District's March 13, 2013 Board Workshop (Update on Financing Options for Series A General Obligation Bonds), the District's originally proposed structure was summarized to include:

- 32-year bond maturity structure;
- \$149.2M Tax Exempt Bonds; and
- \$10.8M of Taxable Bonds to pay off Qualified School Construction Bonds (QSCBs) issued in 2010 for LCC and CCA solar projects.

In October 2013, after Proposition AA's approval, California's legislature approved Assembly Bill 182 (AB 182) that:

- Reduced the maximum maturity of CABs from 40 to 25 years; and
- Limited school districts' repayment ratio to no more than \$4 for every \$1 borrowed;
- Include call features for all term structures greater than 1 year; and
- Restricted yields on capital appreciation bonds no greater than 8%.

As a result, the District modified its bonding strategy to comply with the requirements of California AB 182. The net effect of these changes has been the lengthening of the timeline for bond issuance and construction. It should also be noted that a critical criterion when assessing the timing and amount of financing is dictated by the assessed property values in the district to maintain the \$25.00 per \$100,000 of assessed valuation.

\$339,040,000 of financing has been secured by the District for Proposition AA.

- Series A (2013) \$160,000,000
- Series B (2015) \$117,040,000
- Series C (2016) \$ 62,000,000

## **PROPOSITION AA BASELINE BUDGETS**

Since its inception, the ICOC has been working with the District to adjust project status reports to reflect the budget baselines for each project based on the estimates that existed when the voters passed Proposition AA. In 2015, the District published revised status reports that now included the budgets on which the Proposition AA vote was based.

The baseline budgets established for authorized Proposition AA, summarized by Project Sites, are summarized later in this report.

At the September 14, 2017 District Board Workshop, it was discussed that due to the lengthening of the timeline for bond issuance and construction, many projects will be postponed to a future date. The following chart was presented at the Workshop.

	Initial Year	Est. Cost	Est. Escalation	Projected Yr.	Added Escalation	Revised Est. Cost
<b>La Costa Canyon High School</b>						
Renovate 200's & 900's 2-Story Classroom Bldg., Science Classroom Bldg., Admin. Remodel	2015	\$ 6,125,009	\$ 291,667	2019	\$ 965,455	\$ 7,090,464
Field House	2013	\$ 13,954,713	\$ 536,720	2021	\$ 5,869,774	\$ 19,824,487
	2015	\$ 7,111,295	\$ 402,526	2025	\$ 3,816,583	\$ 10,927,878
<b>San Dieguito High School Academy</b>						
Modernize Industrial Arts & Modernize A&B Bldgs.	2016	\$ 3,324,647	\$ 217,500	2019	\$ 272,264	\$ 3,596,911
Reconstruct Gym and Remodel Mustang Center	2016	\$ 20,796,047	\$ 799,848	2035	\$ 29,733,352	\$ 50,529,399
<b>Torrey Pines High School</b>						
New Arts & Industrial Arts, Technology Bldg., and Field House	2015/2016	\$ 18,343,366	\$ 1,135,706	2021	\$ 4,160,803	\$ 22,504,169
Remodel Gym and Admin	2015	\$ 11,501,443	\$ 651,025	2035	\$ 17,287,946	\$ 28,789,389
<b>Canyon Crest Academy</b>						
New Black Box Theater, Dance Room & Media Center Renovations	2014	\$ 3,784,899	\$ 180,233	2025	\$ 2,380,303	\$ 6,165,202
<b>Sunset High School</b>						
Campus Reconstruction	2014	\$ 10,739,437	\$ 511,402	2025	\$ 6,753,974	\$ 17,493,411
<b>Oak Crest Middle School</b>						
Classroom Modernization	2014	\$ 3,816,750	\$ 181,750	2021	\$ 1,298,060	\$ 5,114,810
Multi-Purpose Room	2015	\$ 2,290,202	\$ 129,634	2025	\$ 1,229,135	\$ 3,519,337
<b>Diegueno Middle School</b>						
Parking Lot, Traffic Circ., Admin, and Multi-Purpose Room	2014	\$ 13,261,567	\$ 631,503	2035	\$ 21,925,318	\$ 35,186,885
<b>La Costa Valley</b>						
Admin/Multipurpose Room	2014	\$ 6,835,296	\$ 325,490	2035	\$ 11,300,779	\$ 18,136,075
<b>TOTALS</b>		<b>\$ 121,884,671</b>	<b>\$ 5,995,004</b>		<b>\$ 106,993,745</b>	<b>\$ 228,878,416</b>

The chart also shows that cost escalation associated with the delays will be significant.

Previously, the ICOC was briefed that budgets established for the Proposition AA projects included normal construction contingencies and some allowance for escalation. However, in 2015, the ICOC also learned that the project budgets did not include allowances to deal with costs that result from subsequent legislatively mandated requirements (for example, storm water mitigation, green initiatives, and new building code requirements). These unanticipated challenges, and future mandates, must be dealt with by the District through utilization of savings from other Proposition AA projects or, as a last resort, scaling back future Proposition AA projects.

Based on the limitations imposed by AB 182 on Proposition AA, along with the associated District commitment to the voters, the impacts of subsequent State legislative constraints, and the related economic effects of inflation due to the lengthening of the bond program beyond the originally contemplated six years, the remaining projects as originally identified at the time of passage may not occur as originally timed or conceived under Prop AA.

## **ICOC ACTIVITIES IN 2017**

The ICOC reviews plans, timelines, budgets, change orders, and management processes as a standing practice at each meeting.

The first meeting of the year was held on **January 10, 2017**, at the District Office. The ICOC received information about reconstruction from the Oak Crest fires from Superintendent Eric Dill, who also led a discussion about Proposition 51/Public School Facility Bonds. Director of Planning, Dan Young, reviewed upcoming 2017 and 2018 projects. Executive Director of Planning Services, John Addleman reviewed change orders, project costs, budget, funding sources, and effects of future construction cost escalations. Eric Dill discussed new legislation regarding lease/leaseback and its effect on future Proposition AA projects. The ICOC established a process, a timeline, and meeting dates for completing the 2016 Annual Report.

At the special meeting on **March 14, 2017**, the ICOC met at the District Office to review the 2015-16 Proposition AA Annual Audit report. No deficiencies or material weaknesses were found for the Proposition AA financial and performance audits. The ICOC approved the 2016 Annual Report, presented by the ad hoc committee, in substantially the form presented, subject to any needed corrections. Eric Dill updated the ICOC on the upcoming special Board meeting, where 22 applicants would be interviewed to fill ICOC vacancies.

The ICOC met on **April 18, 2017** at San Dieguito High School Academy. The ICOC welcomed new members Robin Duveen, Amy Flicker, Jerilyn Larson, and Kristina Leyva. A visit to the under-construction SDA Math and Science visit was held to start the meeting. Project and Budget reports from John Addleman, Mike Coy, and Dan Young included reviews of current and upcoming projects. The ICOC elected Rhea Stewart to serve as President, Clarke Caines to serve as Representative, and Kim Bybee to serve as Secretary. Regular meetings for the 2017-2018 term were set for July 11, 2017, October 10, 2017, January 16, 2018, and April 17, 2018. A special meeting for the audit review and 2017 annual report was scheduled for March 13, 2018.

At the **July 11, 2017** meeting, held at Earl Warren Middle School, Eric Dill introduced Tina Douglas, new Associate Superintendent of Business Services. Mike Coy updated the ICOC on current projects. John Addleman reviewed change orders and budget/project updates for Series A and B budget and commitments. A facilities workshop was announced for September 14, 2017, where future Proposition AA project, funding options, and timelines for the issuance of Series D bonds will be discussed.

ICOC members were invited to attend the Earl Warren Middle School grand opening and ribbon cutting ceremony on **August 25, 2017**.

Several of the ICOC members attended the San Dieguito High School Academy ribbon cutting ceremony on **September 29, 2017**.

On **October 4, 2017**, the ICOC joined the Board and District staff for a tour of Proposition AA projects. The tour included Canyon Crest Academy, Carmel Valley Middle School, Earl Warren Middle School, and San Dieguito High School Academy. Mike Coy updated the ICOC on current projects. John Addleman reviewed change orders and budget/project updates. Dan Young provided a review of upcoming 2017 and 2018 projects. Jeffery Thomas and Rhea Stewart provided an update on the Solana Beach School District's initial ICOC meeting.

At the **October 10, 2017** meeting, Tina Douglas updated the ICOC on the September 14, 2017 Board facilities workshop, updated information about the La Costa Valley site and possible collaboration on oversight and maintenance with the City of Carlsbad.

Several of the ICOC members attended the Torrey Pines High School Performing Arts groundbreaking ceremony on **November 3, 2017**.

## **BOND DRAW BUDGET AND COMMITMENTS SUMMARY**

This is the overall Proposition AA bond program budget for 2017.

Project Sites	Budget 12/16/16	Budget 12/28/17	Commitments 12/28/17	Delta 12/28/17
Pacific Trails MS	66,955,788.55	66,209,795.95	63,981,108.23	2,228,687.72
Carmel Valley MS	6,478,686.51	7,419,974.39	7,074,534.92	345,439.47
Earl Warren MS	52,985,900.15	54,992,759.22	55,189,466.28	(196,707.06)
La Costa Valley Site	10,848,000.00	10,679,955.04	10,679,955.04	0.00
Diegueno MS	13,973,192.75	13,973,192.75	5,184,868.98	8,788,323.77
Oak Crest MS	24,649,690.23	21,389,942.22	20,845,491.27	544,450.95
Canyon Crest Academy	33,166,227.34	31,750,637.34	31,327,656.55	422,980.79
Torrey Pines HS	57,631,631.36	59,011,019.59	56,602,580.04	2,408,439.55
San Dieguito High School Academy	58,588,512.83	58,588,512.83	56,347,730.55	2,240,782.28
La Costa Canyon HS	9,370,144.78	9,282,324.96	9,235,693.24	46,631.72
Sunset HS	0.00	1,182,930.00	1,019,400.00	163,530.00
District-wide Tech Infrastructure	11,511,231.88	11,511,231.88	9,647,066.12	1,864,165.76
Solar Bonds - 3 yr. option	5,426,434.00	6,262,122.64	3,827,941.20	2,434,181.44
Administration	7,509,271.11	7,360,014.75	5,610,193.51	1,749,821.24
<b>Subtotal Expense Budget</b>	<b>359,094,711.49</b>	<b>359,614,413.56</b>	<b>336,573,685.93</b>	<b>23,040,727.63</b>
<b>Project Funding</b>				
Prop AA Project Fund	336,471,277.78	336,471,227.78		
North City West Funding	5,586,098.00	5,586,098.00		
2016 CFD Bond Funding	9,434,548.67	9,434,548.67		
State School Building Fund	5,268,508.00	0.00		
County of San Diego/FOTL	0.00	427,738.41		
CVMS PTSA	0.00	20,722.00		
Building Fund 21-09	0.00	3,499,155.76		
Solana Beach School District	0.00	461,718.43		
Estimated Interest Earnings	2,484,808.85	3,844,176.23		
<b>Subtotal Funding Budget</b>	<b>359,245,191.30</b>	<b>359,745,385.28</b>		
<b>Excess / (Shortage of) Funding</b>	<b>150,479.81</b>	<b>130,971.72</b>		



## **COMPLETED PROJECTS 2017**

Project	Delivery Method	Budget	Actual Expenses	Estimated Savings*
Torrey Pines HS – Building B	LLB	23,176,973.00	19,485,717.25	(3,691,255.75)
Canyon Crest Academy – Building B	LLB	14,223,640.16	11,655,006.89	(2,578,633.27)
San Dieguito HS Academy – Stadium Phase 1b, and Math & Science Bldg	CM-MP	25,318,529.52	24,192,233.04	(1,126,296.48)
LCC Media Center Landscaping	DBB	275,000.00	109,423.18	(165,576.82)
Oak Crest MS – Media Center, Drainage and Frontage Improvements	LLB	4,831,722.00	3,999,929.99	(831,792.01)
<b>Subtotal</b>		<b>66,461,015.00</b>	<b>60,387,686.68</b>	<b>(6,073,328.32)</b>

\*Estimated Savings are projected savings due to finalizing contracts, i.e. construction retention releases, construction document closeout, and so on.

## **2017 AMENDMENTS AND CHANGE ORDERS TO CONSTRUCTION CONTRACTS**

These are the 2017 amendments and change orders to construction contracts approved by the Board and included in the Board minutes.

Board Date	Project	Contractor	Original	Amendments (Unforeseen Condition)	Change Order (Owner Directed)	Revised
2/2/2017	Oak Crest MS – Drain and Frontage Improvements	Erickson-Hall Construction Co.	3,616,581.82	-	(671,341.00)	2,945,240.82
3/9/2017	Earl Warren MS – Campus Re-Construction	McCarthy Building Companies, Inc.	37,307,655.00	-	762,309.10	40,397,224.74
4/6/2017	San Dieguito HAS – Math & Science Bldg.	Precision Concrete Construction, Inc.	1,729,360.00	-	17,593.00	1,746,953.00
4/6/2017	Torrey Pines HS – Phase 1 – Weight Rm, Stadium Lights, Chemistry Bldg.	Erickson-Hall Construction Co.	7,983,867.00	-	(17,355.00)	7,966,512.00
4/6/2017	Torrey Pines HS – Phase 2B, 2C – Bldg B (North & Center)	Erickson-Hall Construction Co.	15,905,121.00	-	(647,003.00)	15,256,023.00
8/17/2017	Earl Warren MS – Campus Re-Construction	McCarthy Building Companies, Inc.	37,307,665.00	-	8,767.00	40,405,991.74
8/17/2017	Carmel Valley MS – Drama Clsrm and PAC Mod., New Music Bldg.	Chapman Air Systems, Inc.	273,000.00	4,744.00	-	277,744.00
9/14/2017	Torrey Pines HS – Culinary Arts Classroom	AO Reed	25,830.00	-	1,659.00	27,489.00
9/14/2017	Carmel Valley MS – Drama Clsrm and PAC Mod., New Music Bldg.	Fredricks Electric, Inc.	574,000.00	35,305.82	-	609,305.82
9/14/2017	Torrey Pines HS – Culinary Arts Classroom	Peltzer Plumbing, Inc.	81,478.00	7,382.79	-	88,860.79
10/12/17	Carmel Valley MS – Drama Clsrm and PAC Mod., New Music Bldg.	Brady SoCal, Inc.	1,057,330.00	12,734.00	-	1,070,064.00
10/12/17	Carmel Valley MS – Drama Clsrm and PAC Mod., New Music Bldg.	Sylvester Roofing Co., Inc.	75,000.00	11,652.00	-	86,652.00

11/2/2017	Earl Warren MS – Campus Re-Construction – Add Solar/Deduct Storm Water	McCarthy Building Companies, Inc.	37,307,665.00	-	461,718.43	40,867,710.00
12/14/17	Carmel Valley MS – Drama Clrm and PAC Mod., New Music Bldg.	Brady SoCal, Inc.	1,070,064.00	-	20,722.00	1,090,786.00
12/14/17	Canyon Crest Academy – Building B	Balfour Beatty Construction, LLC	11,334,454.00	-	(954,648.00)	10,379,806.00
12/14/17	La Costa Canyon HS – Media Center Landscaping	Blue Pacific Engineering & Construction	118,000.00	-	(6,330.00)	111,670.00
<b>Subtotal</b>				<b>71,818.61</b>	<b>(1,023,908.47)</b>	
			Net (Deduct)/Add		<b>(952,089.86)</b>	

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

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

**ONGOING PROJECTS AS OF DECEMBER 31, 2017**

Project	Delivery Method	Bond Series	Est. Start Date	Estimated Budget
CVMS Music & Performing Arts Renovations, New Music Bldg	CM-MP	B/North City West/Building Fund 21-09	6/17	7,239,037.88
Diegueno MS New Classroom Building	LLB	C	6/18	8,913,873.77
Earl Warren MS Campus Reconstruction	LLB	B/County of San Diego/FOTL/CFD/SBSD	7/15	46,279,571.18
Earl Warren MS Interim Housing	LLB	A	4/15	4,732,785.00
La Costa Canyon HS - 200 Courtyard Renovation and 200 Classroom AV	District Forces/DBB	C	8/17	62,000.00
Oak Crest MS - Science Classrooms	CM-MP	C/CFD	6/17	13,001,223.25
Pacific Trails Middle School - Second Classroom Building	CM-MP	C/CFD	8/17	19,403,133.55
SDHSA English, Arts, and Social Science Building/Culinary Arts	CM-MP	C	1/18	29,217,814.00
Torrey Pines HS - Phase 3 - Performing Arts Center/Culinary Arts	CM-MP	A/C/CFD/Building Fund 21-09	6/17	27,893,869.58

**LEGEND:**

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

## **OVERVIEW OF 2017 PROJECTS, BY SCHOOL**

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

For more information about each site's projects, and to view photos from 2017 work, visit [insert link].

### **CANYON CREST ACADEMY**

- Science classroom/B building – **complete**
- Black Box theater & dance room, planning & design – **in progress**

### **CARMEL VALLEY MIDDLE SCHOOL**

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

### **DIEGUENO MIDDLE SCHOOL**

- New P Building, planning & design – **in progress**
- Renovation of A and G classrooms, planning & design – **in progress**

### **EARL WARREN MIDDLE SCHOOL**

- Campus reconstruction – **in progress**
- Redesign of Warren Hall with shared-use spaces for the County Library – **complete**

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

- Building 200 classroom audio/visual improvements - **complete**
- Building courtyard improvements, planning and design – **in progress**
- Media Center landscaping, planning & design – **complete**

### **PACIFIC TRAILS MIDDLE SCHOOL**

- Construction of second classroom building – **in progress**

### **OAK CREST MIDDLE SCHOOL**

- Balour Street and landscape – **complete**
- Science classroom building – **in progress**

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

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

### **SUNSET HIGH SCHOOL**

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

### **TORREY PINES HIGH SCHOOL**

- Learning Commons and front entry renovations – **complete**
- Culinary Arts - **complete**
- Performing Arts Complex – **in progress**

## **EXHIBIT A**

### **PROPOSITION AA BALLOT MEASURE**

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



## **EXHIBIT B**

### **2016-17 AUDIT REPORT**

The San Dieguito Union High School District Proposition AA Building Fund General Obligation Bonds Audit Report, dated June 30, 2017, follows. The report can also be found at [www.sdhusd.net/PropAA](http://www.sdhusd.net/PropAA).