



May 2020

Citizens' Bond Oversight Committee Third Annual Report to the Community



The Citizens' Bond Oversight Committee (CBOC) for the Measure H1 Facilities Bond Program is pleased to present its third Annual Report to the Piedmont community. Thanks to voter approval of Measure H1 on November 8, 2016, the District is modernizing and improving school facilities to better support its educational programs. The CBOC is responsible for reviewing bond program projects during construction, reviewing the expenditure of bond funds, and ensuring that expenditures were made for purposes authorized by voters. This third annual report covers the period from July 1, 2018 through June 30, 2019, with some historical information and current information included for completeness.

The CBOC consists of community members from local businesses and organizations, legal, technical, and financial advisors, and parents of students enrolled in the Piedmont Unified School District. The CBOC members are: Grier Graff, Chair; Julie Caskey, Vice Chair; Adam Christensen; Kim Dao; Andrew Hempeck; Kyung-Hee Howard; Jonathan Levine; and Melissa Wilk. CBOC meetings are open to the public and all are welcome and encouraged to attend and participate.

The Citizens Bond Oversight Committee

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History of the Measure H1 Bond Program

During 2015-16, the Piedmont Unified School District assessed its facilities to determine whether they support changing educational programs and goals, and developed a plan to ensure that facilities enhance educational programs now and in the future. This “Facilities Master Plan” is intended to address current and future educational needs of students and ensure that facilities provide both the functionality and capacity to support educational excellence. (For more information about the development and content of the Facilities Master Plan, see <http://measureh1.org>.)

Among other findings, the Facilities Master Plan states that many of the middle and high school building systems have reached the end of their useful life and should be replaced. Also, educational needs have changed since the middle and high schools were constructed, and both additional and different kinds of facilities are needed. Since these school buildings were constructed, course offerings have become more varied and some courses require specialized classrooms and labs – particularly in the fields of science, technology and engineering. Course work now incorporates collaboration in small groups and presentations, but undersized classrooms and heavy, inflexible furnishings make it difficult to reconfigure classrooms to support these activities. Lab work requires safe and suitable space for group projects and project storage, and inadequate labs, in fact, constrain teaching and learning opportunities. Additional specialized facilities are needed to offer or expand courses in film, web design, theater arts (including set and lighting design), graphic arts, culinary arts, and sports medicine, among others. At the time, completing the work identified in the Plan was estimated to cost roughly \$137 million.

To address the most pressing needs identified in the Facilities Master Plan, the District proposed Measure H1 to the Piedmont voters. On November 8, 2016, 74% of the voters approved the measure, authorizing \$66.1 million in school construction bonds. The complete text of the measure is set forth in Appendix A.

Financial Summary of the Measure H1 Bond Program

The District issues the H1 bonds as needed. Although high school construction did not start until 2019, bond funds were needed during 2016-17 and 2017-18 to pay for “soft costs” such as design, engineering, surveys, program/construction management, and improvements to the middle school. In addition to this cash demand, other factors that were considered in planning the initial bond sale included current interest rates, the potential for interest rates to rise in the near future, and capacity (which depends on the assessed value of real property in Piedmont).

The first sale of Measure H1 bonds was in April 2017 for \$26 million.

During 2016-17, the District expended \$685,285 (including \$143,896 in "reimbursement" to the General Fund for pre-bond expenditures during the 2015-16 fiscal year), leaving a balance of \$25,314,855 (including interest earnings) on June 30, 2017.

During 2017-18, the District expended \$3,683,170, leaving a balance of \$21,941,002 (including interest earnings) on June 30, 2018.

During 2018-19, the District expended \$5,564,663, leaving a balance of \$16,776,788 (including interest earnings) on June 30, 2019. A financial summary is attached as Appendix B.

The second sale of Measure H1 bonds was in September 2019 for \$30 million.

The bond funds are invested with the Alameda County Treasury, as required by the California Education Code. Bond proceeds must be expended within three years of the date of sale.

The District expects to sell the remaining \$10 million in bonds in 2021, depending on cash demand. Based in part on the projected growth in assessed real property values in Piedmont, the District expects the H1 bonds to be fully repaid around the year 2045.

Measure H1 Program Timeline and Milestones

2015-16	Development of PUSD Master Plan
2016	
November	Voter approval of Measure H1
2017	
February	Selection of HKIT Architects
April	Town Hall Meetings, Community Input on Concept Designs for STEAM, new Alan Harvey Theater
May-September	Schematic Design Development, Input from Educators, Staff, Students
September-October	Presentation of Schematic Designs to the Community
October-December	Design Development
December	Selection of General Contractor, Begin Pre-construction Services
2018	

January-July	Development of Construction Documents, Conduct Constructability Analysis and Value Engineering
July	Submittal of STEAM Construction Documents to DSA
September	Submittal of Theater Construction Documents to DSA
2019	
February-March	DSA Approval, Negotiation of Guaranteed Maximum Price
March	Closure of Alan Harvey Theater, Salvage and Abatement
April	Demolition of Alan Harvey Theater
June	Construction of STEAM building begins
2020	
June	Demolition of the 10s Building, Construction of new Performing Arts Building begins
July	Completion of STEAM building
August	Opening of the STEAM Building, Relocation of Classrooms
2021	
Fall	Opening of the new Performing Arts Building housing the new Alan Harvey Theater

Measure H1 Program Overview: Accomplishing Key Objectives

Since the passage of Measure H1, the District has completed the following:

- Installation of highly-efficient ventilation and climate control equipment in 17 elementary classrooms, to prevent classroom overheating and improve the learning environment. This includes infrastructure that will make it cost-efficient to install these systems in additional classrooms in the future.
- Installation of the same highly-efficient ventilation and climate control systems in eight classrooms in the PHS 30s building, making it possible to retire steam radiators and a failing, highly inefficient boiler.
- Conversion of two offices in the PHS 30s building into one computer classroom with 34 workstations, to help meet rising demand for computer classes before the STEAM building is completed.

- Improvements to the learning environment at the middle school, including the reduction of sound transfer in classrooms and improved climate control, and renovation of special education facilities and restrooms.
- Installation of new safety and security features at the middle and high schools consistent with the District's *Safe Schools Plan*.

Over the next two years, the District is on track to complete several more projects, including:

- Construction of a new high school STEAM building for the study of Science, Technology, Engineering, Art, and Mathematics (completion expected August 2020), including:
 - 6 science labs
 - 4 computer science labs
 - 1 engineering lab with patio
 - 7 general classrooms
 - 2 art rooms with patios
 - New PHS main office
- Construction of a Performing Arts Center with a new Alan Harvey Theater (completion expected Fall 2021), including:
 - 487-seat auditorium (459 fixed, 28 movable seats; the original AHT had 442 seats)
 - Green room with dressing rooms
 - drama classroom
 - drama department office
 - conference room
- Reconfiguration of old science labs and other spaces in the PHS 20s and 30s buildings for use as general classrooms and offices.

The District expects to complete the work listed above with the \$66 million in Measure H1 bond funds and bond interest earnings.

Subject to the receipt of an estimated \$4 to \$6 million in State modernization funding, the District would:

- Replace antiquated building systems in and modernize the PHS 20s and 30s buildings.
- Replace underground drainage, synthetic turf, and track and make accessibility improvements to Witter Field.
- Improve kindergarten classrooms to support extended-day kindergarten.

Progress Toward Energy Efficiency and Sustainability Goals

The District is dedicated to reducing energy consumption and promoting sustainability across all school sites. This requires the assessment of energy use, investigation of and investment in new technologies, and re-engineering existing infrastructure. Measure H1 has made it possible to significantly advance these initiatives.

Both the STEAM and Performing Arts Center are designed to be “zero-net-energy” (ZNE) facilities, meaning that they are designed to generate enough clean, renewable, solar energy to offset their energy consumption.

Reducing consumption and promoting efficiency also means maximizing the lifecycle and durability of facilities, and minimizing maintenance costs. Both the STEAM and Performing Arts Center buildings are designed to have a useful lifespan of 75 years or more. For this reason, the means and methods of construction are continually under review to ensure they are consistent with these lifecycle and durability objectives.

As noted above, Measure H1 has made it possible for the District to install state-of-the-art climate control and ventilation systems in a total of 25 elementary, middle and high school classrooms to improve heating and cooling, reduce energy consumption and operating costs, and eliminate the use of hazardous refrigerant chemicals. Although air conditioning has not been a standard feature in schools in this region, the warming climate now makes it a necessity. In warm weather, it is not unusual for classrooms with western exposure to reach temperatures of 80 degrees or more, and this interferes with teaching and learning. To mitigate this, the District installed solar shades and fans and planted shade trees, but this has not been sufficient to help keep classrooms cool on hot days. Timers and sensors ensure that heating and cooling are activated only when these rooms are in use. By the Fall of 2022, the District will upgrade all elementary school classrooms to these state-of-the-art climate control and ventilation systems.

To promote sustainability of water resources and protect the natural environment, site work around the STEAM and Performing Arts Center buildings will channel and filter rainwater on the high school campus. Specifically, “bioretention” basins will direct the flow of rainwater away from impervious

areas around buildings and walkways, and use soil, plants, and underground layers of gravel to drain and filter this water. Bioretention helps prevent rainwater from overloading the City's storm sewer system, contributing to flooding, or damaging local streams. Bioretention naturally filters bacteria, sediments, and pollutants from rainwater, improving water quality as it flows underground and ultimately to the San Francisco Bay.

The District's commitment to sustainability is not limited to new construction or Measure H1-funded projects. For example, over the last several years, the District replaced more than 1,000 light fixtures with highly efficient LED fixtures with daylight and occupancy sensors. These lights automatically dim when natural light is available and automatically turn off when not in use.

2018-19 Progress Report

- **Summer 2018 Projects**

- Conversion of two small offices near the PHS Library into one computer classroom, to meet rising demand for computer classes without waiting until the STEAM building is completed.
- Installation of climate control equipment at the three elementary schools and in the PHS Library building (discussed above).
- Replacement of doors and hardware and installation of electronic locks at PMS.

The Citizens' Bond Oversight Committee toured the new computer classroom and viewed the new climate control system in the PHS Library building.

- **Developing and Reducing Project Costs**

During 2018-19, the District worked with its general contractor, Overaa Construction, and the District's Facilities Steering Committee¹, to determine and reduce project costs for the STEAM and Performing Arts Center buildings.

¹ The Facilities Steering Committee was created more than ten years ago and played an important role in guiding the District's Seismic Safety Bond Program and Facilities Modernization Program. The Committee meets regularly to discuss the District's capital projects and bring diverse community viewpoints and professional expertise to the oversight of these projects. The Committee and its Value Engineering Subcommittee oversaw the District's review of the project bids for the STEAM building and performing arts building, as well as the budget development and cost reduction process. The Committee has changed in composition over time and now consists of: Angel Fierro; John Gibbs; Grier Graff; Brad Hebert; Robert Hendrickson; Doug Ireland; John Lambert; Jonathan Levine; Jane Lin; Stacey Merickel; Jason Meil; Bernard Pech; Rebecca Posamentier; Rick Raushenbush; Clark Thiel; and John Welch. Board of Education members Andrea Swenson and Cory Smegal serve as liaisons to this Committee.

Overaa was able to attract multiple, competitive bids for each category of work (such as mechanical, electrical, plumbing and roofing), including work that Overaa intends to self-perform. This competitive pricing is worth noting because of the difficulty that many public school construction programs were and are having attracting *any* bids.

Following a thorough review of the bids, District staff and the Facilities Steering Committee considered alternative “means and methods” of construction to reduce costs. This process also revealed instances where subcontractors inadvertently omitted scope or deviated from the project plans and specifications.

In consultation with the Committee, the District decided to defer certain work (such as the purchase of solar panels and equipping the drama classroom) and self-perform other work (such as site utilities work and landscaping) to reduce costs. The guiding consideration throughout this cost-reduction process was to save money without compromising educational programs or the student experience.

According to its [report and recommendations](#) to the Board of Education, the Facilities Steering Committee noted that this was a rigorous and transparent process that resulted in significant cost savings. The Committee unanimously recommended, and the Board approved, an agreement with Overaa to build the STEAM building and Performing Arts Center building for a “Guaranteed Maximum Price” (GMP) of \$50 million. The rationale is discussed [here](#). Although higher than originally estimated, the Committee determined that the STEAM and Performing Arts Center budgets represent “best value” in the contemporary construction market.

- **Factors Contributing to Increased Costs**

The budgets for the STEAM and Performing Arts Center buildings are significantly higher than originally estimated by the District and its independent cost estimators. This is due to several factors: extraordinary inflation and market conditions; changes in project scope mandated by the State; and changes in project scope elected by the District.

The preliminary Performing Arts Center/New Alan Harvey Theater budget was developed in early 2016, based on “comparable” theater projects in the area that were underway or completed in 2014 and 2015. Those “comps” do not reflect the recent surge in costs of construction materials and labor, or the additional structural steel and concrete elements required by the State for an open-interior structure in close proximity to the Hayward Fault.

To a lesser extent, the increased costs relate to increases in project scope, including complex systems to achieve “zero-net-energy” buildings, and a drama classroom and meeting room in the Performing Arts

Center building. The Facilities Steering Committee discussed these scope increases and determined that they are necessary to: meet community goals concerning sustainability and conservation; support the performing arts programs; and protect the theater from the undue wear and tear of daily use as a classroom. Specifically, the Committee concluded that failing to incorporate state-of-the-art energy efficient systems and the additional theater space would be short-sighted, because it would fail to meet current and future program needs, and because it would result in higher operating, maintenance, and replacement costs over time.

- **Deferral of Other Projects**

After establishing the GMP for the STEAM and Performing Arts Center projects, and in consultation with the Facilities Steering Committee, the District decided to defer other major projects at least until State matching funds become available.

- **Witter Field**

The turf and track at Witter Field were last replaced in 2007 and are at the end of their useful life. A more fundamental problem, and more time-consuming and expensive to fix, is the field's underground drainage system. The system has failed and, as a result, rain water typically pools both above and below the synthetic turf. As a result, even moderate rain can lead to field closure. The cost of replacing the drainage system, installing new turf and track, and making accessibility improvements is roughly \$3.4 million, and this cost will be covered primarily by State modernization funds.

The District took all steps necessary to prepare for the Witter Field project, including: site surveys and analysis; engineering and plan development; application for a permit; and issuance of a Request for Qualifications/Proposals for field contractors. Also, the District did relocation planning for athletics and graduations so it would have the option to proceed with the project this Spring. Nonetheless, because completion of the STEAM and Performing Arts Center buildings and modernization of the 20s and 30s buildings will likely consume the remaining bond funds, the District will use State modernization and other funds to complete the Witter renovation. For this reason, the Board decided to defer the Witter project for at least one year and until there is a more clear timeframe for disbursement of State funds.

- **Extended-Day Kindergarten**

Two years ago, the District started offering extended-day kindergarten at each elementary school. The District is considering the feasibility of expanding the kindergarten facilities. Nonetheless, there are numerous challenges to expanding the footprint of classrooms and adding restrooms within existing buildings, so these types of improvements will take time to plan and implement. Given that the

extended-day kindergarten programs are already in place and that school enrollment is below capacity, the District will defer kindergarten expansion at least until the STEAM and Performing Arts Center building projects and improvements to the 20s and 30s buildings have been completed.

- **Closure of the Original Alan Harvey Theater**

The District closed Alan Harvey Theater in March 2019, rather than waiting until the end of the school year, to help keep the STEAM project on schedule for completion before the 2020-21 school year. Starting immediately after closure, the District “salvaged” and removed fixtures, lighting systems, and other features that will be reused in the new theater. After salvage, a specialized contractor abated and removed hazardous materials and readied the building for demolition. (For the plans to abate and remove hazardous materials from the theater, see the [H1 update dated March 27, 2019](#), the presentation by environmental hygienist Mark Milani at the [Board of Education meeting on March 27, 2019](#) [starting at 52 minutes], and the related [FAQ](#) dated October 2018). All abatement and removal was completed, and inspected by the Bay Area Air Quality Management District (both during and after the work) and Cal/OSHA, and both oversight agencies noted compliance with applicable laws and regulations.

During the time the theater is closed, from March 2019 through the Fall of 2021, the District is relocating acting classes and performances to Haven’s Ellen Driscoll Theater, available space at PHS, and other nearby venues. The Piedmont Adult School, formerly located in the basement of Alan Harvey Theater, relocated to the 20s building. The District’s Shipping & Receiving Department, too, was formerly in the basement of Alan Harvey Theater, and will be in temporary locations until it eventually moves into the 40s building after the STEAM building is completed. The College & Career Center, formerly in the 20s building, temporarily relocated into the PHS Counseling Office.

- **Changes to Parking and Traffic Along Magnolia Avenue**

The District worked with the City of Piedmont to plan for and mitigate the demolition- and construction-related impacts on parking and traffic along Magnolia Avenue. The District is urging families to avoid Magnolia Avenue between Hillside Avenue and Highland Avenue if possible. For those who need to drop off or pick up students on Magnolia, all drop-off and pick-up — for PHS, MHS, and PMS — is in the designated loading/unloading area in front of PMS and the 40s building, which is now a large “white zone.”

- **Demolition and Start of Construction**

Demolition of Alan Harvey Theater started over Spring Break 2019, when students and staff were off campus, and was completed soon after (see progress photos in Appendix D below). To mitigate the impact on students, staff, and campus flow, the theater site has been cordoned off from the rest of the campus. There is a fence enclosing the work areas with gates that remain locked during non-working hours. Access to the site is limited to authorized construction personnel only, and security cameras monitor the site 24 hours per day.

Throughout demolition and construction, the District will follow industry and legal standards to mitigate noise and dust and screen the staging and work areas. Also, the team has implemented a Pollution Prevention Program to filter dirt and debris from water that flows from the site into the storm drain.

Demolition of the original Alan Harvey Theater and the first phase of grading (including ensuring that the basement pad is properly compacted and at precisely the correct elevation) were completed on schedule with no surprises, setting the stage for underground utilities and foundation work planned for the summer of 2019.

Summer 2019

The main Measure H1-funded work completed in the summer of 2019 included:

- Construction of the highly-reinforced STEAM building foundation. The State required extensive, additional steel and concrete strengthening due to (1) proximity to the Hayward Fault, and (2) specific geologic conditions of the site. The foundation is anchored to the bedrock below with rock anchors, bolts, and rods that extend 30-40 feet into the ground.
- Underground utilities for both STEAM and Performing Arts Center buildings, including rerouting or installation of sewer, storm, fire sprinkler, power, water, gas and data/fiber/fire alarm lines.
- Relocation of the central Fire Alarm Control Panel for the Magnolia Campus.
- Installation of climate control systems in the PHS Library building.

A range of unexpected conditions created opportunities to improve campus infrastructure beyond what was originally planned:

- Deteriorating underground pipes and valves could not be connected to new utilities, so the District replaced nearly all underground pipes and valves, extending the useful life of this infrastructure by roughly 70 years.
- A previously undetected void under the PHS breezeway raised safety concerns, so the District demolished, regraded, and repaved the entire breezeway, with temporary paving that will be replaced when the new Performing Arts Center is completed.
- Working with EBMUD, the Piedmont Fire Department, and a civil engineer, the District upgraded its connections to the City's water supply lines in order to improve the PHS fire safety system.

The cost to address these unexpected conditions -- and to make these campus improvements while remaining on schedule -- was covered by contingency funds set aside for this purpose.

A presentation on these summer projects can be seen [here](#).

The Citizens' Bond Oversight Committee received quarterly progress reports and toured the STEAM building during construction.

Third Annual Audit

Article XIII of the California Constitution requires the District to conduct an annual Performance Audit and an annual Financial Audit of the Measure H1 Bond Program. The District's independent auditor, Eide Bailly, LLP, completed audits covering the fiscal year ending June 30, 2019 in March 2020. Eide Bailly determined: "The results of our tests indicated that, in all significant respects, the Piedmont Unified School District has properly accounted for the expenditures held in the Building Fund (Measure H1) and that such expenditures were made for authorized Bond projects."

(Performance Audit, page 4.)

The CBOC utilized Eide Bailly's audit reports to conduct its review, to confirm that the bond funds were used only as authorized by the voters. The CBOC reviewed summaries and reports of expenditures made between July 1, 2018 and June 30, 2019 and, based on these summaries, concluded that: the use of bond funds was appropriate; funds were expended only for the purposes of construction, reconstruction, rehabilitation or replacement of school facilities, program management and construction management, as limited by the text of Measure H1; and no bond funds were used for teacher or site administrator salaries or other school operating expenses.

Committee members Andrew Hempeck and Melissa Wilk reviewed the accounts payable process and a sample of 2018-19 purchase orders, following each invoice through to check distribution. They determined that “All information verified and accurate through the Accounts Payable process.” Their summary is attached as Appendix C.

Ongoing Review

The CBOC generally meets quarterly and all members of the community are encouraged to attend and participate. Information about meetings dates, times, and locations can be found at measureh1.org. The CBOC’s next annual report will be issued in March 2021, covering the period from July 1, 2019 through June 30, 2020.

Questions about the Measure H1 Bond Program can be addressed at any time to the District’s Director of Facilities and Construction Manager, Pete Palmer, at ppalmer@piedmont.k12.ca.us.

Appendix A: Text of Measure H1

The complete text of the Measure H1 ballot measure follows:

This proposition may be known and referred to as the Piedmont School Improvement and Modernization Bond Measure, or Measure H1.

BOND AUTHORIZATION

By approval of this proposition by at least 55% of the registered voters voting on the proposition, the Piedmont Unified School District (the “District”) shall be authorized to issue and sell bonds of up to \$66 million in aggregate principal amount to provide financing for the specific school facilities projects listed in the Bond Project List below, and in order to qualify to receive State matching grant funds, subject to all of the accountability safeguards specified below.

ACCOUNTABILITY SAFEGUARDS

The provisions in this section are specifically included in this proposition in order that the District’s voters and taxpayers may be assured that their money will be spent wisely to address specific facilities needs of the District, all in compliance with the requirements of Article XIII A, Section 1(b)(3) of the State Constitution, and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at Education Code Sections 15264 and following).

Evaluation of Needs. *The Board of Education hereby certifies that it has evaluated safety, class size reduction and information technology needs in developing the Bond Project List.*

Limitation on Use of Bond Proceeds. *The State of California does not have the power to take locally approved school district bond funds for any State purposes. The Constitution allows proceeds from the sale of bonds authorized by this proposition to be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities listed in this proposition, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff only when performing work on or necessary and incidental to the bond projects.*

Independent Citizens’ Oversight Committee. *The Board of Education shall establish an independent Citizens’ Oversight Committee (pursuant to Education Code Section 15278 and following), to ensure bond proceeds are spent only for the school facilities projects listed in the Bond Project List. The committee shall be established within 60 days of the date on which the Board of Education enters the election results on its minutes.*

Annual Performance Audits. *The Board of Education shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed in the Bond Project List.*

Annual Financial Audits. *The Board of Education shall conduct an annual, independent financial audit of the bond proceeds (which shall be separate from the District’s regular annual financial audit) until all of those proceeds have been spent for the school facilities projects listed in the Bond Project List.*

Special Bond Proceeds Account; Annual Report to Board. *Upon approval of this proposition and the sale of any bonds approved, the Board of Education shall take actions necessary pursuant to*

Government Code Section 53410 and following to establish an account in which proceeds of the sale of bonds will be deposited. As long as any proceeds of the bonds remain unexpended, the Superintendent or the Chief Business Official of the District (or such other employee as may perform substantially similar duties) shall cause a report to be filed with the Board no later than December 31 of each year, commencing December 31 of the year in which bonds are first issued, stating (1) the amount of bond proceeds received and expended in that year, and (2) the status of any project funded or to be funded from bond proceeds. The report may relate to the calendar year, fiscal year, or other appropriate annual period as such officer shall determine, and may be incorporated into the annual budget, audit, or other appropriate routine report to the Board.

FURTHER SPECIFICATIONS

Specific Purposes. *All of the purposes enumerated in this proposition shall be united and voted upon as one single proposition, pursuant to Education Code Section 15100, and shall constitute the specific purposes of the bonds, and proceeds of the bonds shall be spent only for such purposes, pursuant to Government Code Section 53410.*

Joint Use. *The District may enter into agreements with the City of Piedmont, or other public agencies or nonprofit organizations for joint use of school facilities financed with the proceeds of the bonds in accordance with Education Code Section 17077.42 (or any successor provision). The District may seek State grant funds for eligible joint-use projects as permitted by law, and this proposition hereby specifies and acknowledges that bond funds will or may be used to fund all or a portion of the local share for any eligible joint-use projects identified in the Bond Project List or as otherwise permitted by California State regulations, as the Board of Education shall determine.*

Rate of Interest. *The bonds shall bear interest at a rate per annum not exceeding the statutory maximum, payable at the time or times permitted by law.*

Term of Bonds. *The number of years the whole or any part of the bonds are to run shall not exceed the legal limit, though this shall not preclude bonds from being sold which mature prior to the legal limit.*

BOND PROJECT LIST

The Bond Project List below describes the specific projects the Piedmont Unified School District proposes to finance with proceeds of the bonds. Listed projects will be completed as needed at a particular school site according to Board-established priorities, and the order in which such projects appear on the Bond Project List is not an indication of priority for funding or completion. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. Certain construction funds expected from non-bond sources, including State grant funds for eligible projects, have not yet been secured. Until all project costs and funding sources are known, the Board of Education cannot determine the amount of bond proceeds available to be spent on each project, nor guarantee that the bonds will provide sufficient funds to allow completion of all listed projects. Completion of some projects may be subject to further government approvals or appropriation by State officials and boards, to local environmental review, and to input from the public. For these reasons, inclusion of a project on the Bond Project List is not a guarantee that the project will be funded or completed.

The Bond Project List contains more projects than the District currently estimates the Bonds can fund to provide flexibility should additional efficiencies be realized or should Board priorities change.

Unless otherwise noted, the projects in the Bond Project List are authorized to be completed at each or any of the District's sites, as shall be approved by the Board of Education:

- *Construction of a new Piedmont High School building, focused on Science, Technology, Engineering, Arts and Mathematics ("STEAM"), with size, scope and location to be determined following additional public input;*
- *Renovation, refurbishment, or replacement of existing Piedmont High School, Piedmont Middle School, and Millennium High School buildings, including classrooms, infrastructure and landscaping;*
- *Addition of classrooms to elementary schools sufficient to meet higher educational standards for kindergarten;*
- *Energy efficiency measures to reduce long term operational expense and environmental impact;*
- *Addition or expansion of security measures, safe playground and outdoor structures, and "green" areas at existing schools;*
- *Furnish and equip new, renovated and existing buildings, including modern technology and infrastructure;*

The listed projects will be completed as needed. Each project is assumed to include its share of furniture, equipment, architectural, engineering, and similar planning costs, program/project management, and a customary contingency for unforeseen design and construction costs. In addition to the listed projects stated above, the list also includes the acquisition of a variety of instructional, maintenance and operational equipment, and interim funding incurred to advance fund projects from the list; installation of signage and fencing; payment of the costs of preparation of all facility planning, facility studies, assessment reviews, facility master plan preparation and updates, environmental studies (including environmental investigation, remediation and monitoring), design and construction documentation, and temporary housing of dislocated District activities caused by construction projects.

In addition to the projects listed above, the repair and renovation of each of the existing school facilities may include, but not be limited to, some or all of the following: renovation of restrooms; repair and replacement of heating and ventilation systems; upgrade of facilities for energy efficiencies; repair and replacement of roofs, windows, walls, doors and drinking fountains; improvements to comply with access requirements of the Americans with Disabilities Act; installation wiring and electrical systems to accommodate computers, technology and other electrical devices and needs; upgrades or construction of support facilities; acquisition of property; repair and replacement of fire alarms, emergency communications and security systems; resurfacing or replacing of hard courts, and campus landscaping; parking; install interior and exterior painting and floor covering; demolition; repair, upgrade and install interior and exterior lighting systems; replace outdated security systems; and upgrade technology infrastructure.

The allocation of bond proceeds will be affected by the District's receipt of State matching funds and the final costs of each project. The budget for each project is an estimate and may be affected by factors beyond

the District's control. Some projects throughout the District may be undertaken as joint use projects in cooperation with other local public or non-profit agencies. The final cost of each project will be determined as plans and construction documents are finalized, construction bids are received, construction contracts are awarded and projects are completed. Based on the final costs of each project, certain of the projects described above may be delayed or may not be completed. Demolition of existing facilities and reconstruction of facilities scheduled for repair and upgrade may occur, if the Board determines that such an approach would be more cost-effective in creating more enhanced and operationally efficient campuses. Necessary site preparation/restoration may occur in connection with new construction, renovation or remodeling, or installation or removal of relocatables, including ingress and egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, relocating fire access, and acquiring any necessary easements, licenses, or rights of way to the property.

Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff when performing work on or necessary and incidental to bond projects and the costs of issuing the bonds. Bond proceeds shall only be expended for the specific purposes identified herein. The District shall create an account into which proceeds of the bonds shall be deposited and comply with the reporting requirements of Government Code § 53410.

The Bond Project List shall be considered a part of this ballot proposition, and shall be reproduced in any official document required to contain the full statement of the bond proposition.

Appendix B: Financial Summary Through June 30, 2019

Prepared by Chief Financial Officer Ruth Alahydoian

		Amount
H1 Bond Authorization	11/8/2016	\$ 66,000,000
Issued to Date: Series 2017	4/12/2017	\$ 26,000,000
Still to be Issued: Series 2019	9/19/2019	\$ 30,000,000
Series 2021	Jan-21	\$ 10,000,000
		40,000,000
Expenditures to Date:		
<u>FY 2016-17</u>		
Bond Program - General		\$ 685,285
<u>FY 2017-18*</u>		
Bond Program - Management	\$ 503,275	
Bond Program - General	\$ 324,848	
Safe Schools	\$ 218,723	
Computer Lab	\$ 16,625	
VRF Systems / Energy Efficiency	\$ 587,602	
Misc Smaller Projects	\$ 52,384	
STEAM & Theater Buildings	\$ 55,028	
STEAM Building	\$ 1,311,424	
Theater Building	\$ 613,261	
Total for 2017-18		\$ 3,683,170
<u>FY 2018-19</u>		
Bond Program - Management	\$ 544,988	
Bond Program - General	\$ 146,105	
Safe Schools	\$ 5,764	
Computer Lab	\$ 105,761	
VRF Systems / Energy Efficiency	\$ 268,708	
Misc Smaller Projects	\$ 95,319	
STEAM & Theater Buildings	\$ 549,415	
STEAM Building	\$ 3,046,143	
Theater Building	\$ 802,459	
Total for 2018-19		\$ 5,564,663
Total Expended from Series 2017A to 6/30/19:		\$ 9,933,118
Funds Remaining from Series 2017A to 6/30/19:		\$ 16,066,882
STRS/PERS On-Behalf to 6/30/19		\$ 17,831
Interest received to 6/30/19:		\$ 662,335
Audit Adjustment from Prior Bond Measure (canceled AP):		\$ 29,739
Funds Available from Series 2017A for 2019-20:		\$ 16,776,788

Appendix C: Review of Measure H1 Accounts Payable Process

Prepared by Committee Members Andrew Hempeck and Melissa Wilk

On March 6, 2020 Andy Hempeck and Melissa Wilk requested and reviewed random purchase orders (POs), invoices and checks from June 2018 to June 2019 FY 2018-19 for each of the projects (STEAM/Theater) including the following vendors:

- HKIT – Architect
- Colbi Technologies – Contractor review software
- Krueger Intl – Furniture
- Peralta Community College – Track Use

Current Accounts Payable Process – Key Staff

Pete Palmer, PUSD/H1 Project Manager

Trish Culbert, PUSD/H1 Construction Manager Consultant

Phillip Chang, PUSD Bond Accountant

Ruth Alahydoian, PUSD Chief Financial Officer

Cheryl Kaiser, PUSD Fiscal Services Manager

Accounts Payable Workflow

PO requested by Trish or Pete

Requisition entered into system by Trish and then approved by Pete, Cheryl and Ruth (on paper through FY 18, and online within new system for FY 19 going forward)

Invoice received – Pete approves on paper, sends to Trish or Phillip for entering/approval for payment in the system (no other approvers)

Check is issued by the Alameda County Office of Education, sent back to PUSD for matching and then mailed by PUSD staff to vendor

Reconciliation of checks is completed by Phillip

Results

All information verified and accurate through the Accounts Payable process.

Appendix D: Images

The following photographs show the old Alan Harvey Theater, stages of demolition, the theater site following demolition, and start of construction of the new STEAM building foundation:











The following photographs show construction after June 30, 2019, and these images are included for completeness.







