

Minutes for the Bond Oversight Committee Meeting North

Special Meeting

January 23, 2006

Aptos High School Career Center
100 Mariner Street
Aptos, CA 95003

5:00 PM – 7:00 PM

Attending Members:

Michael Barsi – Nancy Bensen -Tere Carrubba - Fred Fischer - Marc Kirby - Doug Maher
Vic Marani - T. James Miller - Barbara Palmer - Christine Quinn - Mary Reed

Absentee Members:

Bruce Mathias - Michael Theriot

South/Central Bond Committee Liaison:

Non-committee members attending:

Terry McHenry - Dr. Gary Woods – Diane Burbank - Brian Rasmussen - Darlene Insley

Chair Member Barbara Palmer called the meeting to order at 5:10 pm noting there was a quorum and asked if everyone read the minutes and if there were any amendments to the minutes.

Michael Barsi stated he had a correction to the November 28, 2005 minutes. He stated he did not know anyone personally at Barry Swensen Builders, that he actually has a friend that knows someone there and was going to talk with him. So amended.

Chair Member Barbara asked if any one else had any corrections to these minutes; the members declined.

T. James Miller moved the November 28, 2005 minutes be approved, Michael Barsi seconded the motion. All agreed with no opposed.

Report on the bids

Terry McHenry reviewed the discussion from the last meeting, indicating that the swimming pool would be bid on December 8th with a budget of \$1.7 million and the Performing Arts Center and Gymnasium would be bid on December 15th with a budget of \$15 million.

Western Water Features was awarded the pool contract, with the lowest bid of \$1.727 million. Soltex Pacific was awarded the contract on the buildings, with a low bid of \$14.7 million. Both projects were bid excluding insurance. When the lowest cost insurance was added, the combined project was over budget of approximately \$500,000. The District reviewed various alternatives and determined that developer fees could be used to supplement this project, with legal counsel being comfortable with this decision. The District then took the proposal to the Board for approval. The Board agreed with a caveat stating; "If

any monies are saved out of the 5% contingency for construction change orders, the developer fees will be paid back with them.”

Report on legal action

Terry explained that the WRAP-UP program is the insurance we had while building Pajaro Valley High School and that due to the moisture problems that occurred at P.V.High, we were forced to take legal action against the builder, architect and the insurance company.

Explanation on WRAP-UP and JPA

The WRAP-UP program is put together by the JPA or Joint power Agency of school districts. This is a fully insured program and unfortunately, putting the school districts at the mercy of the insurance companies. In the last six years of the existence of WRAP-UP, the JPA has used their buying power to buy insurance for three billion dollars worth of construction. Unfortunately this has allowed the insurance companies to dictate what is covered.

Terry, on the executive committee of the JPA for the last two years, has been encouraging the committee to reevaluate their program to cover this problem. An Underwriting Committee was appointed which Terry was elected to Chair. They have now redefined the program by taking out exclusions, adding coverage's and reducing the cost of insurance. This better coverage will reduce the estimated cost for our combined project by \$150,000.00 as of February 1, 2006. This means better coverage for less money and cuts *our* encroachment down from \$500,000 to \$350,000. We are beginning construction between February 1st and April 1st.

Developer Fees and Bond money

The Board allotted Developer Fees on the stipulation, if we do not spend the whole 5% of the contingency money; they want it to replenish the Developer Fees. Portables are moved through Developer Fees, not Bond money.

Report on Aptos High Schools construction

Brian Rasmussen stated that the intent is to place a trailer on site the first of March and notice to proceed with construction on the Performing Arts Center to begin April first; with the pool construction beginning 45 days after, due to the fact demolition of the existing pool is done by the building contractor, not the pool contractor. Completion date on the pool is a 200-day “calendar days” and the building construction is scheduled for twenty months from the beginning of construction, being completed by approximately October 2007.

Committee discussion on a sign for the public

A brief discussion occurred regarding a sign with a drawing of the project on it. It was mentioned that the architects had promised one earlier in the project. It would be placed where the public will see what their bond money is doing.

Quick recount on a few contractors

Soltex Pacific is out of San Diego with a regional office based in Fresno, Preferred Plumbing and Airtec Service from Freedom and Giacalone Service Inc. is out of Gilroy. Brian said he would get the list to be mailed to the committee.

Report and discussion on Bond Fund 21 Summary Sheet and Bond Warrants

Terry began by going over the cover sheet showing the projects by year and the amount of dollars spent. Revenue includes the bond allocation, plus the interest, plus the refinance money.

He then went to the Warrants issued for the construction projects, explaining this was as of December 31, 2005 as to what has been spent on each project up to that point.

Line 213 regarding money used to move a modular classroom @ \$2,710. will be checked out for Developer Fees. It was noted that LPA is being finalized for payment.

Committee discussion on an all weather track, deferred maintenance

It was noted that Matt King is doing a great deal to help with the field.

Financial Audit and Performance Audit

Terry stated that as of today, we do not have a completed financial or performance audit to hand out to the committee. Tony Buettner from Scotts Valley is doing the Performance Audit and he did last year and Vavrinek, Trine, Day & Co., LLP from Pleasanton; the Districts Auditors are doing the financial Audit. Once the audits are finalized, they will be mailed to the committee.

The PG&E bills

Brian stated that the gas meter that use to be by the swimming pool was moved, along with removing the two high-pressure gas mains that crossed the property. Thus, allowing the grading work to be completed. To wait for PG&E to move all of this would have cost more than the \$15,831.82 to pay the contractor to do it. The \$9,412.30 was to move the power pole down at the intersection of Mariner and Freedom to widen the lane.

Discussion with the committee on PG&E, the main gas line and LPA

Update on the water tank, WHS, Mintie White and PVHS

The small water tank is being replaced by M&O through deferred maintenance. Construction has begun on Watsonville High School with a few delays due to weather. The roof is being put on the Multipurpose building at Mintie White with the completion in early April. PV High Schools' cafeteria is finished and the staff is being trained on the new equipment.

Note: The minutes from each sub-committee meeting will be sent to everyone in both sub-committees.

Chair Member Barbara asked the committee to please RSVP to Darlene whether or not you will be attending. This will cut down on the amount of paper being wasted on copies that are not needed at these meetings.

Short discussion on the Ground Breaking

Scheduled for April 5, 2006.

Next meeting will be April 5, 2006

After the Ground Breaking ☺

In the Aptos Career Center

The meeting was adjourned at 6:30 pm