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## **OJAI UNIFIED SCHOOL DISTRICT OPEN SESSION OF THE OJAI UNIFIED SCHOOL DISTRICT CITIZENS' OVERSIGHT COMMITTEE**

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*THE PUBLIC IS WELCOME TO COMMENT ON ANY AGENDA ITEM. TO ADDRESS THE COMMITTEE, PLEASE COMPLETE A "SPECIAL PRESENTATIONS REQUEST" FORM LOCATED AT THE BACK OF THE ROOM AND SUBMIT IT TO THE RECORDING SECRETARY BEFORE THE SESSION BEGINS. THE CHAIRPERSON USUALLY LIMITS INDIVIDUAL COMMENTS TO THREE MINUTES, BUT MAY MODIFY THE TIME LIMIT AT HIS/HER DISCRETION IN ORDER TO ASSURE THAT THE COMMITTEE TAKES CARE OF DISTRICT BUSINESS. THE CHAIRPERSON MAY ALSO CONSIDER REQUESTS SUBMITTED AFTER THE MEETING HAS BEGUN OR MAY CALL ON MEMBERS OF THE AUDIENCE FOR COMMENT.*

*ALL DOCUMENTS PROVIDED WITHIN 72 HOURS BEFORE THE MEETING TO MEMBERS OF THE COMMITTEE CONCERNING OPEN SESSION OF THIS MEETING MAY BE VIEWED BY THE PUBLIC AT THE SUPERINTENDENT'S OFFICE, OJAI UNIFIED SCHOOL DISTRICT, 414 EAST OJAI AVENUE, OJAI, CALIFORNIA.*

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Persons with disabilities requiring special accommodations to attend this meeting should contact the Superintendent's office, 640-4300, ext. 1011, at least 48 hours prior to the meeting.

**DATE:** Wednesday, March 27, 2024  
**TIME:** 4:30 p.m.  
**PLACE:** Ojai Unified School District  
414 E. Ojai Ave  
Board Room  
Ojai, California 93023  
Alternate Location: C/O Larry Steingold  
attendance via remote access:  
3240 Gulf of Mexico Drive, Long Boat  
Key, Florida (Unit 607)  
Remote Access:  
[https://ojaiusd.zoom.us/j/2355452798?  
omn=96957736949](https://ojaiusd.zoom.us/j/2355452798?omn=96957736949)

1. Call to Order, Pledge to the Flag

2. Attendance:

Citizens' Oversight Committee (COC): Donna Lloyd  
PJ Garahan  
William Weirick  
Stephen Quilici  
Robert Porter  
Larry Steingold  
David Hurwith

District Administrators: Sherrill Knox, Superintendent  
Alan White, Bond Manager

3. Approval of the Agenda - Action

*The Committee is asked to approve the agenda.*

Motion by: \_\_\_\_\_ Seconded by: \_\_\_\_\_ Y \_\_\_ N \_\_\_ A \_\_\_

4. Approval of minutes from February 22, 2024 meetings. (Attached) – Action

*The Committee is asked to approve the minutes.*

Motion by: \_\_\_\_\_ Seconded by: \_\_\_\_\_ Y \_\_\_ N \_\_\_ A \_\_\_

5. Comments from the Public - Information
6. Recognition of School Board Approval of Donna Lloyd to a 2<sup>nd</sup> term on the COC - Information
7. Review of Draft Annual report on Bond funds – Information / Action

*The committee took action to adopt the annual report as amended.*

Motion by: \_\_\_\_\_ Seconded by: \_\_\_\_\_ Y \_\_\_ N \_\_\_ A \_\_\_

8. Review of Draft letter to the school board trustees regarding operational concerns. - information / Action

*The committee took action to approve the letter to the school board as amended.*

Motion by: \_\_\_\_\_ Seconded by: \_\_\_\_\_ Y \_\_\_ N \_\_\_ A \_\_\_

9. New business / Next meeting date / Parking lot of new items - Discussion
10. Adjournment



# Ojai Unified School District

414 East Ojai Avenue, P.O. Box 878, Ojai, CA 93024  
 (805) 640-4300 • Fax (805) 640-4419 • www.ojaiusd.org

Citizens Oversight Committee

Meeting Minutes

February 22, 2024

4:30 p.m. – 5:50 p.m.

Place: Ojai Unified School District Offices

Board Room

401 E Ojai Ave, Ojai, CA 93023

1. Attendance & Call to Order:

a. Members in Attendance:

- i. Donna Lloyd
- ii. PJ Garahan
- iii. William Weirick
- iv. Robert Porter
- v. Lawrence Steingold
- vi. Stephen Quilici
- vii. David Hurwith

b. Members Absent: None

c. District Staff in Attendance:

- i. Sherrill Knox, Superintendent
- ii. Alan White, Bond Project Manager

d. Public in Attendance:

- i. Kathy Smith
- ii. Mr. Patel of Eide Bailly, the auditing firm (via Zoom)

e. The meeting was called to order at 4:30pm, flag salute occurred.

2. Approval of the agenda: Motion to approve agenda by WW, seconded by LS, passed 6-0 (DH was not eligible to vote as swearing in had not yet occurred)

3. Swearing in of David Hurwith as COC member representing OUSD Parents: Group noted that OUSD Board of Trustees has approved David as COC member, DH was sworn in by DL.

Administration		Board of Education	
Sherrill Knox, Ed.D	Superintendent	Atticus Reyes, President	
		Phil Moncharch, Vice President	
		Dr. James Halverson, Clerk	
		Kathy Smith, Trustee Area 4	
		Blair Braney, Trustee Area 2	

4. Approval of minutes from January 22, 2024 meeting:
  - a. PJG requested an amendment to minutes, Note 5.a adjusted to “DL” indicating Donna Lloyd in lieu of “DH” which was listed in error.
  - b. Motion to approve minutes with amendments by SQ, seconded by WW, approved 7-0.
  
5. Review of Draft Annual Report on Bond Funds:
  - a. Group reviewed draft of annual report created by AW. Mr. Patel of the auditing agency provided feedback regarding report creation and parameters.
  - b. Committee asked Mr. Patel to validate the % of costs which were subject to audit, Mr. Patel agreed to send explanation to AW.
  - c. Committee asked AW to update letter to show:
    - i. Total values of bond balances, expenses, and encumbrances, including total unsold bond bonds.
    - ii. Add language to indicate threshold of audited sample transactions
    - iii. Separate the sentences in Section 2.A to provide clear expenses for each bond J & K, not combined totals.
    - iv. Section C include exact values for interest associated with borrowing of bond funds.
    - v. Minor typographical corrections
  
6. Responses to committee questions for deferred maintenance plans:
  - a. SQ handed committee members and public printed email from General Manager of the Ojai Valley Athletic Club with rough numbers of pool operating expenses.
  - b. Committee asked AW to add statement to Annual report regarding ongoing maintenance of pool
  - c. AW stated that district staff are still working on ongoing maintenance cost projections in conjunction with the designing consultants.
  
7. Public Comments: Kathy Smith stated that a draft of the bond report to the community be included in future agenda distribution as it is an agenda item and is proper to be viewed by public as it’s finalized.
  
8. New Business:
  - a. DL will be up for reappointment as Chair of COC next meeting, OUSD Board of Trustees to review and approve reappointment in meeting prior to next COC meeting.
  - b. WW requested to tour either Mira Monte or Topa Topa for facilities improvements from bond funds prior to end of school year. Group generally concurred.
  - c. SQ asked AW for report regarding warrant for all high-value equipment and roofs, AW stated that a version of warranty tracking documents exists and he would verify status with staff.
  - d. SQ & LS asked about remote attendance for next meeting, group agreed that remote attendance could be acceptable pending compliance with meeting notifications and all state statutes regarding remote attendance of publicly attended committee meetings.

9. Next Meeting: Next meeting shall be Wednesday March 27<sup>th</sup> starting at 4:30pm in the District Office School Board Meeting Room.

10. Adjournment:

a. Meeting adjourned 5:51pm. Motion by DL, seconded by PJG, approved 7-0

**San Antonio Elementary School (DOES NOT FACTOR  
INTO SUMMARY)  
November 2023**

1	<b>Project #</b>	<b>Projects in Progress/Design</b>		
2	1314	Lunch Shelter		
3	1307	TK/Kindergarten Playground		
4		<b>Subtotal for Projects in Process:</b>		
5				
6		<b>Projects to be Assigned</b>		
7		Playground Restoration		
8	1310	I.T. Improvements / Intercom		
9		Window Upgrades		
10		HVAC Improvements		
11		Parking Lot Slurry (Future)		
12		Campus Painting (Future)		
13		<b>Subtotal for Projects to be Assigned:</b>		
14				
15	<b>Project #</b>	<b>Completed Projects</b>		
16	1300	SA Wood Repair		
17	1301	SA fire hydrant water line		
18	1302	SA campus grounds enhancement		
19	1304	SA Campus painting		
20	1306	SA Emergency Roof Repair		
21	1307	SA Playground Improvements		
22	1308	SA Roofing		
23	1309	SA Parking Lot		
24	1311	SA Lunch Shelter		
25	1312	SA Flooring- Flooring Enhancement		
26	1313	SA Siding Repair		
27	1314	San Antonio Bathroom and Fountain Accessibility Project		
28	1315	San Antonio HVAC Replacement		
29	1316	San Antonio Library/ Makers Space		
30		<b>Subtotal for Completed Projects:</b>		
31				
32		<b>Total</b>	<b>Actual</b>	<b>In Progress</b>
33		<b>\$ 2,824,459</b>	<b>\$ 1,664,459</b>	<b>\$ 450,000</b>



# *Ojai Unified School District*

414 East Ojai Avenue, Ojai, CA 93024 (805) 640-4300 • [www.ojaiusd.org](http://www.ojaiusd.org)

## **BOND REPORT TO THE COMMUNITY**

### **March 2024**

**OUSD Board of Education**

**Independent Citizens' Oversight Committee**

Dear Community Members:

We are pleased to report this year's progress on the implementation of Measure J and Measure K Bonds improvements to our schools. Measure J is the \$35 million bond measure approved in 2014 and Measure K is the \$45 million bond measure approved in 2020 by voters in the Ojai Unified School District. It authorizes funding for modernization and improvements at existing buildings and school sites, in addition to the design and construction of new buildings.

This report is presented in four Sections:

- Section 1 – Citizens' Oversight Committee (COC) Audit Findings
- Section 2 – Supplemental Information
- Section 3 – Citizens' Oversight Committee Role
- Section 4 – Background Information

Report prepared by: **Citizens' Oversight Committee Members:**

Donna Lloyd, Committee Chair  
PJ Garahan, Committee Secretary  
William Weirick  
Stephen Quilici  
Larry Steingold  
David Hurwith  
Robert Porter

Staff:

Alan White

**Administration**

Dr. Sherrill Knox, Superintendent

**Board of Education**

Blair Braney, Trustee Area 2



*The Heart and Future of the Community.*

**SECTION 1 – Citizens’ Oversight Committee Audit Findings**

The Ojai Unified School District’s Citizens’ Oversight Committee met on October 30, 2023, January 22, 2024, for a campus tour of the Nordhoff High School, February 22, 2024, and March 27, 2024. The Committee has reviewed the audits of Measure J & K bond expenditures for the Fiscal Year ended June 30, 2023.

Based on Fiscal Year 2022 – 2023

Measure J – Unsold Bonds = \$ 0

Expenditures \$ 1,127,250    Fund balance \$ 264,250    Encumbrances \$ 0

Measure K Unsold Bonds = \$ 33,000,000

Expenditures \$ 8,950,975    Fund Balance \$ 3,442,257.    Encumbrances \$ 3,657,638

The annual financial and performance audits of OUSD Measure J and K bond expenditures were conducted by Eide Bailly, LLP, a Professional Accountancy Corporation, an independent CPA firm. In the firm’s report of the audits, they note: “The results of our tests indicated that, in all significant respects, the Ojai Unified School District has properly accounted for the expenditures held in the Building Fund (Measure J) and that such expenditures were made for authorized Bond projects.”

***The Committee finds and notes the following:***

- 1. The audit firm sampled 68% of the total expenditures for Measure J and 87% of the total expenditures for Measure K. These percentages are determined using Generally Accepted Accounting Practices (GAAP) formulas and are based on the total amount of expenditures in consideration of the number of transactions which occurred.***
- 2. Based on the auditor’s findings, it appears the Bond expenditures were used for the purposes set forth in Measure J and K.***
- 3. A “Material Weakness” for Measure J related to year end closing processes were reported in the Financial Audit. This impacted year to year balances for Accounts receivable and payables.***
- 4. A “Material Weakness” was noted in Measure K related to accounting for the bond balance in the county treasury. The result was an understatement of bond funds available.***
- 5. A “Significant Deficiency” was noted related to the timeliness of providing documentation in order to perform the audit. The result was a delay in completing the audits. Recommendations for resolution on both items were provided and have been implemented by the Business Department.***
- 6. No exceptions were reported in the Performance Audit conducted.***

**Note:** The 2022-2023 Audit Reports can be viewed on the District’s website or the links directly below.

[2023 Measure J Audit Report](#)

[2023 Measure K Audit Report](#)

## **SECTION 2 – Supplemental Information**

### **A. Projects Completed or In-progress**

Expenses on OUSD site improvements From Measure J’s start in 2015 until June 30, 2023, expenses of \$ 36,684,411. Measure K expenses from 2021 to June 30, 2023, of \$ 8,888,450. Totaling \$45,573,891 combined.

In addition, Construction encumbrances of \$ 3,657,638 are open. A list of the projects completed during the 2022-2023 year can be viewed using the link directly below.

[22-23: Job Report](#)

### **B. Master Plan and Execution of Bond Funds**

The District has completed a Master Plan for the use of both Measure J and Measure K Bond Funds. The initial strategic plan was last revised in December 2023 to include both bonds. The plan will be revised as the District moves forward with various projects, site changes, adjusts for cost factors, and DSA approvals.

A list of the potential projects can be viewed at the District’s website or the link directly below.

[Master Plan](#)

### **C. Borrowing of Bond Funds**

The COC notes that, without authority, the financial office of the OUSD, in June 2022, transferred \$600,000 from the Measure K Bond fund to the General fund. These funds were repaid on August 8, 2022. Interest these bond funds would have accrued was calculated by OUSD, VCOE, and Ventura County Treasurer in the amount Totaling \$ 13,720,80. The interest was repaid on May 19, 2023.

### **D. Bond Program Manager and Construction Resources**

The District has a full-time Bond Manager to perform the management and oversight in the development, design, engineering and construction phases of bond projects. This follows a recommendation by the Citizens’ Oversight Committee. The District has also added a Bond Project Coordinator and a Bond Skilled Maintenance Worker that solely works on bond projects. This has allowed the District to reduce costs on smaller bond funded construction jobs. With the increase in construction costs and the quantity of projects being completed (over 180 projects completed to date), the Committee acknowledges the positive accomplishments of having an internal Bond team.

### **SECTION 3 – Citizens’ Oversight Committee Role Background**

In November, 2014 and November, 2020, the Ojai Unified School District (the “District”) was authorized to issue and sell bonds up to \$35,000,000 and \$45,000,000 in aggregate principal to provide financing for the following school facilities projects and equipment:

- Building upgrades and modernization
- Building replacement
- Nordhoff Pool Replacement
- School Campus Solar
- Infrastructure improvements
- Educational technology
- Classroom furniture and equipment
- Playground equipment
- Food preparation and kitchen equipment
- Equipment replacement

Measure J was approved by 68% and Measure K was approved 62% of the voters of the District pursuant to the provisions of the Strict Accountability in Local School Construction Bonds Act of 2000, codified under Sections 15264 et seq. of the Education Code (Proposition 39). The Act requires the Board of Trustees (the “Board”) to appoint a Citizens’ Oversight Committee (the “Committee”) after the successful bond election. Legal authority for formation and duties of the Committee is found in Sections 15264 and 15278 to 15282 of the Education Code.

#### **Committee Purpose**

The Committee is charged by statute with the following purposes:

1. To promptly alert the public to any waste or improper expenditure of school construction bond money. *Educ. Code §15264(c)*.
2. To inform the public concerning the expenditure of bond revenues. *Educ. Code §15278(b)*.
3. To ensure that bond revenues are expended only for the purposes described in the Constitution; that is, for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities. *Calif. Const. art. XIII A, §1(b)(3); Educ. Code §15278(b)(1)*.

4. To ensure that no funds are used for any teacher or administrative salaries or other school operating expenses. *Calif. Const. art. XIII A, §1(b)(3)(A); Educ. Code §15278(b)(2).*

### **Committee Jurisdiction and Authorized Activities**

In furtherance of its purposes, the Committee is authorized by statute to engage in the following activities:

1. Receive and review copies of the annual, independent performance audit required by the California Constitution. Receive and review copies of the annual, independent financial audit required by the California Constitution.
2. Inspect school facilities and grounds to ensure that bond revenues are expended in compliance with the requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.
3. Receive and review copies of any deferred maintenance proposals or plans developed by the District, including any reports required to be given to the Legislature by Section 17584.1 regarding a failure to set aside  $\frac{1}{2}$  of 1% of current year revenues for deferred maintenance expenditures.
4. Review efforts by the District to maximize bond revenues by implementing cost saving measures, including, but not limited to, all of the following:
  - a. Mechanisms designed to reduce the costs of professional fees.
  - b. Mechanisms designed to reduce the cost of site preparation.
  - c. Recommendations regarding the joint use of core facilities.
  - d. Mechanisms designed to reduce costs by incorporating efficiencies in school site design.
  - e. Recommendations regarding the use of cost-effective and efficient reusable facility plans.

It is also important to note that this Committee is specifically not responsible for, and has no jurisdiction over, the approval of contracts, the approval of change orders, the appropriation of funds, the handling of any legal matters, the approval of any plans or schedules, the approval of deferred maintenance plans, or the approval of the sale of bonds. The Committee is also not responsible for the creation or approval of technology plans or the recommendation or approval of any specific technologies.

### **Audits**

California State law requires that the sponsoring school district of an approved measure conduct an annual independent performance audit to ensure that bond funds have been expended only on the specific projects or areas of improvement as defined and included on the list of projects the district presented to voters prior to approval of Measure J and Measure K.

Proposition 39 requires that the school district conduct an annual independent financial audit of the proceeds from the sale of the bonds until all of the proceeds have been expended for approved projects.

It is within these parameters that the Committee performs its role and responsibilities during the expenditure of Measure J and K Bond Funds and reports out to the OUSD community an annual basis.

Additional information about the Citizens' Oversight Committee can be found at the District website or the link directly below.

<https://www.ojaiusd.org/page/citizen-oversight-committee-coc>

## SECTION 4 – Background Information

Several foundational documents and information lay the groundwork for the voter approval of Measure J, Measure K, and the subsequent expenditure of bond funds. They are:

1. The Balfour Beatty OUSD Needs Assessment dated May 30, 2014, outlined three scenarios including \$35M, \$58M and \$100M levels of effort.
2. The Dolinka Group Enrollment Project Study dated August 12, 2015 outlined the future of District enrollment, given certain input assumptions.
3. The District 7-11 Facility Planning effort looked at current enrollment patterns, demographic information of neighborhoods surrounding each school site, traffic mitigation if one school was closed causing increased traffic through the valley, and facility usage and planning for the future.
4. Past bond measures were used for a variety of improvements and because several projects were not closed out with the DSA they have required the use of Measure J funds so that new projects can be approved.

This information has provided a framework in the overall discussion, outreach, community communication and information for the voters and residents of the District about the current status of District facilities and future needs.

The Balfour Beatty (Needs Assessment) Survey dated May 30, 2014, included a “...general overview study of the conditions of each site which include the following elements:

- Fire, Life and Safety systems
- Building exterior systems including roofs and trim, exterior walls, windows, doors and door hardware
- Interior finishes and casework
- Building and site electrical
- Building HVAC
- Building and site plumbing systems
- Site hardscape, landscape, irrigation, fencing and railings
- American with Disabilities Act (ADA) features
- Deferred Maintenance history and priorities
- Administration and campus staff concerns and priorities”

It was a limited assessment and was completed using a field walk and verbal conversations with staff regarding observed conditions. It was not a detailed expert evaluation of buildings and systems.

Using the age of the buildings, the square footage of the buildings and their professional estimating experience, cost factors were generated for each school site, building and category. For instance, at Meiners Oaks School, “remove toilet facilities” using 41,439 total square footage at a unit cost of \$.06 per square foot yielded an estimate of \$10,774. Each and every site and line item were added up and the results were summarized in three estimates: Needs A - \$98,845,123, Needs B - \$57,349,384 and Needs C - \$34,839,571. These three estimates included factors for soft costs, including architects and engineers, project management, construction management and permits/fees. These soft cost factors and cost contingencies, included in the total needs assessment numbers, exceed 45%. Using these three “Needs” totals, the District proceeded with the Needs C value for the Bond vote. The Needs C value only provides funds for 1/3 of the actual needs and deficiencies.

In addition, the Needs Assessment was a field survey, not a detailed scope and cost evaluation. So each item may vary quite a bit in terms of actual costs. The removed toilet facilities item above may actually be quite a bit higher than the cursory development of costs shown above. In fact, specific field walks during calendar year 2016 reviewing roof and HVAC replacement yielded costs that greatly exceeded the Needs Assessment study numbers. At a minimum, 2/3 of the deficiencies will not be funded by this Bond Measure effort and continued funding efforts will be needed.

In 2020, the average age of schools in the District was nearly 70 years with several school sites first built in the 1920’s. Over the years, Ojai Unified School District has made major school improvements thanks to the previously voter-approved Measure J. With the help of Measure J, from 2014 to 2020, the District has replaced all failing roofs, remodeled old/dated spaces, converted to LED lighting, improved site security, replaced 50% of HVAC, and improved outdoor play spaces.

Measure K was necessary to bridge the gap between projects that were urgently to be completed, and projects that were important to the health of our students, staff and the district. With input from staff, teachers, parents, and community leaders, the District prepared a School Facilities Needs Analysis. The analysis identified the major repairs and upgrades that were needed, including:

- Upgrading inadequate electrical systems
- Repairing or replacing deteriorating plumbing, sewer, and irrigation systems
- Improving student access to computers and modern technology
- Making safety and security improvements
- Replacing the 60-year-old Nordhoff pool with an aquatics center
- District Solar

**Note:** Additional information about the studies and background information can be obtained at the District Administration Office.



March 27, 2024

Ojai Unified School District School Board  
414 E. Ojai Ave.  
Ojai, CA 93023

Dear School Board:

The Citizens Oversight Committee would like to raise a concern regarding the proposed Aquatic Center at Nordhoff High School. We understand the need to replace the existing pool built in 1962. Our concern relates to the ongoing costs of maintaining the pool operations once the bond funds are used to construct the center.

We have done some initial research on pool operational costs, including information provided by the Ojai Valley Athletic Club. They found the expenses for pool chemicals to be about \$ 62,000 / year. Their pool has 200,000 gallons. They use an ozone system in conjunction with their chemicals to reduce the need for chlorine and acid.

Our proposed 35 meter pool will contain some 425,000 Gallons. Currently OUSD spends about \$ 17,000 in pool chemicals. Our current pool is about 180,000 Gallons and we do not use an ozone system. Based simply on volume of water, the new cost for chemicals would extrapolate to around \$ 42,000 / year.

Of course, there are many other costs to be considered to properly staff and maintain the new Aquatic Center. We want to be certain the board has all the information they need related to the ongoing care of the facility so that in the future, it does not suffer a lack of support, thereby reducing the value of the bond funds used to create this new facility.

We ask the board to fully investigate the anticipated costs of operation for the future, and to include these costs in future budgets as a way of ensuring the endowment care going forward.

Respectfully,

Donna Lloyd, Chair

PJ Garahan, Secretary