



Cajon Valley Union School District
750 East Main Street
El Cajon, CA 92020
(619) 588-3000
Website: www.cajonvalley.net

**Citizens' Oversight Committee
of the Cajon Valley Union School District**

**Wednesday, July 23, 2008
4:00 p.m.**

**Cajon Valley Union School District
Governing Board Room
750 East Main Street
El Cajon, CA 92020**

MEETING AGENDA

1. Call to Order (*Wayne Oetken*)
2. Welcome and Roll Call (*Marsha Saben & Janice Cook*)
3. Public Comments (*Wayne*)
4. Roles & Responsibilities / Policies & Regulations (*Wayne*) INFORMATION
 - a. Governing Board
 - b. COC
 - c. Staff
5. The Brown Act (*Tim Garfield*) INFORMATION
6. G.O.B. – How bond funds are generated (*Dale Scott*) INFORMATION
7. Projects to be funded through Proposition D (*Sharon Dobbins*) INFORMATION
 - a. Proposition D Capital Improvement Program Project List
 - b. Estimated schedule & budgets

- | | |
|--|-----------------------|
| 8. Implementation of Phase I Projects (<i>Sharon</i>) | INFORMATION |
| a. Requests for Qualification for Professional Services | |
| b. Planning process for major projects | |
| c. Analysis & determination of optimal construction delivery method for each major project | |
| 9. Schedule of Meetings (<i>Sharon</i>) | DISCUSSION/
ACTION |
| 10. Election of Committee Chair (<i>Wayne</i>) | INFORMATION |
| 11. Questions/Answers (<i>Wayne</i>) | DISCUSSION |
| 12. Adjournment | |

Proposition 39 General Obligation Bond Program

Roles and Responsibilities

- I. Citizens' Oversight Committee
 - A. The purpose of the COC shall be to inform the public concerning the expenditure of bond revenues. (Ed. Code., s§ 15278(a).)
 - B. The COC shall actively review and report on the proper expenditure of taxpayers' money for school construction. (Ed. Code, § 15278(a).)
 - C. The COC shall advise the public as to whether the District is in compliance with the following accountability requirements:
 1. That the proceeds from the sale of bonds be used only for the purposes of 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, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.
 2. That the District has provided a list of the specific school facilities projects to be funded and certification that the Board has evaluated safety, class size reduction, and information technology needs in developing that list.
 3. That the Board has conducted an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed.
 4. That the Board has conducted an annual, independent financial audit of the proceeds from the sale of the bonds until all of those proceeds have been expended for the school facilities projects. (Cal. Const., Art. XIII A, § 1(b)(3).)
 - D. The COC shall provide oversight for, but not be limited to, both of the following:
 1. Ensuring that bond revenues are expended only for the purposes of 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. (Ed. Code, § 15278(b)(1).)
 2. Ensuring that no funds are used for any teacher or administrative salaries or other school operating expenses. (Ed. Code, § 15278(b)(2).)
 - E. In furtherance of its purpose, the COC may engage in any of the following activities:
 1. Receiving and reviewing copies of the annual, independent performance audit. (Ed. Code, § 15278(c)(1).)

2. Receiving and reviewing copies of the annual, independent financial audit. (Ed. Code, § 15278(c)(2).)
 3. Inspecting school facilities and grounds to ensure that bond revenues are expended only for the purposes of 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. (Ed. Code, § 15278(c)(3).)
 4. Receiving and reviewing copies of any deferred maintenance proposals or plans developed by the District, including any required reports. (Ed. Code, § 15278(c)(4).)
 5. Reviewing 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 costs 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. (Ed. Code, § 15278(c)(5).
 6. The COC shall issue regular reports on the results of its activities. (Ed. Code, § 15280(b).)
- F. The COC shall issue a report at least once a year. (Ed. Code, §15280(b).)
- G. The COC may receive documents which shall be placed, along with minutes of COC proceedings, on the District's website. (Ed. Code, § 15280(b).)
- H. The COC may want to adopt operational bylaws to assist it in carrying out its functions, however the bylaws should not contradict or provide more authority than the applicable state statutes or the District's policies and regulations.
- I. The COC shall not perform certain functions such as:
1. The COC has no authority to participate in the school district's actual bond sale and issuance process, or make decisions regarding the timing, terms, or structure of a bond issuance.
 2. The COC does not have the authority to select, or participate, in the negotiation or bid process for contractors or consultants for bond projects.
 3. The COC may not inspect job sites or construction projects without prior permission of the school district's superintendent, reserving the right to determine frequency and timing of visits to the superintendent.
 4. The COC may not contact school district contractors or consultants without prior permission of the superintendent.

II. Governing Board

A. General Powers

1. Under the “permissive code,” the Board may initiate and carry on any program, activity, or act in any manner which is not in conflict with, inconsistent with, or preempted by any law and which is not in conflict with the purposes for which school districts are established. (Ed. Code, § 35160.)
2. The Board may execute any powers delegated by law to it or to the District and shall discharge any duty imposed by law upon it or upon the District, and may delegate to an officer or employee of the District any of those powers or duties. The Board, however, retains ultimate responsibility over the performance of those powers or duties so delegated. (Ed. Code, § 35161.)

B. Provide Facilities for the Education of Children

1. Evaluate school facilities needs.
2. Approve additions or alterations to existing buildings.
3. Determine when new facilities are needed.
4. Select and acquire sites.

C. Determine the Method of Financing

1. If a bond measure, call election and sell bonds.
2. If a Proposition 39 Bond Measure, determine scope, locations and schedule of projects and that bond proceeds would only be spent on appropriate types of projects. (Ed. Code, § 15100.)
3. If a Proposition 39 Bond Measure, provide a list of the specific school facilities project to be funded with bond proceeds. (Cal. Const., Art XIII A, § 1(b)(3)(B).)
4. If a Proposition 39 Bond Measure, certify that the Board has evaluated safety, class size reduction, and information technology needs in developing the project list. (Cal. Const., Art. XIII A, § 1(b)(3)(B).)
5. If a bond measure, arrange for sale of bonds. (Ed. Code, § 15140 et seq.)

D. For a Proposition 39 Bond Measure, appoint a Citizens’ Oversight Committee (COC)

1. The Board shall establish and appoint members to an independent citizens’ oversight committee pursuant to Education Code section 15282 within 60 days of the date that the Board enters the election results on its minutes. (Ed. Code, § 15278(a).)
2. The Board must appoint COC members from statutorily-specified community groups. (Ed. Code, § 15282(a).)

- a. The Board may not appoint any employee or official of the District to the COC. (Ed. Code, § 15282(b).)
 - b. The Board may not appoint any vendor, contractor, or consultant of the District to the COC. (Ed. Code, § 15282(b).)
 - c. The Board may not appoint persons who have a conflict of interest pursuant to Government Code section 1090 et seq. (Ed. Code, § 15282(b).)
 - d. The Board may not appoint persons who hold an office incompatible with service on the COC pursuant to Government Code section 1125 et seq. (Ed. Code, § 15282(b).)
3. The Board may establish policies and regulations for the COC.
- a. A policy and regulations can address the COC's purpose, duties, the extent of its authority, member selection and composition, and vacancies.
 - b. The Board can specify that regular attendance at meetings is expected and can address removal and replacement of COC members who fail either to attend a specified number of meetings or to submit a written resignation.
 - c. The Board can require a minimum number of meetings per year.
 - d. The Board may specify that the superintendent or designee(s) may attend COC meetings, as well as provide that some Board members may attend COC meetings.
 - e. The Board should address the situation in which a member ceases to belong to the group he or she was appointed to represent.
 - f. The Board should address the time period and process for filling vacancies.

E. Implement the Bond Program

- 1. The Board shall authorize the bond program budget, scope, schedule and locations. (Ed. Code, § 15100.)
- 2. The Board shall approve the selection of architects, engineers and other consultants as needed to design and implement facilities improvement projects and to perform the financial and performance audits of the bond funds and program. (Ed. Code, § 17266; Gov. Code, § 4529.10 et seq.)
- 3. The Board shall obtain all requisite approvals of the design of facilities improvement projects. (Ed. Code, §§ 17267 and 17268.)
- 4. The Board shall determine the method of payment for construction contracts. (Ed. Code, § 17603.)

5. The Board shall let any contracts involving an expenditure of more than fifty thousand dollars for the purchase of equipment, materials, or supplies, non-construction services, repairs and maintenance and any contracts for public projects involving an expenditure of fifteen thousand dollars or more as required by law. (Pub. Contract Code, § 20111.)
6. The Board shall authorize all contracts and all changes to contracts. (Ed. Code, § 35200, Public Contract Code, § 20111, 20118.4.)
7. The Board shall accept all completed projects.
8. The Board shall ensure that bond funds have been expended only on projects included in a list of the specific school facilities projects to be funded. (Cal. Const., Art. XIII A, § 1(b)(3)(C).)
9. The Board shall ensure that the proceeds from the sale of bonds are used only for the purposes of 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, and not for any other purpose, including teacher and administrator salaries and other school operating expenses. (Cal. Const., Art. XIII A, § 1(b)(3)(A).)
10. The Board shall conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed. (Cal. Const., Art. XIII A, § 1(b)(3)(C).)
11. The Board shall conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of the proceeds have been expended for the school facilities projects. (Cal. Const., Art. XIII A, Sec 1(b)(3)(D).)
12. The Board shall, without expending bond funds, provide the COC any necessary technical assistance, administrative assistance in furtherance of its purpose, and sufficient resources to publicize the committee's conclusions. (Ed. Code, § 15280(a).)

III. Staff

A. General Powers

1. Wherever the power to contract is invested in the Board, the power may be delegated by a majority vote of the Board to the superintendent or the superintendent's designee. The delegation of power may be limited as to time, money or subject matter or may be a blanket authorization. However no contract made pursuant to a delegation shall be valid or constitute an enforceable obligation of the District unless and until the contract has been approved or ratified by the Board. (Ed. Code, § 17604.)
2. The Board may adopt a rule delegating to any officer or employee the authority to purchase supplies, materials, apparatus, equipment and

services as long as the expenditure is not in excess of the amount specified in Public Contract Code section 20111. The rule shall prescribe the limits of the delegation as to time, money, and subject matter. All transactions entered into under this authority shall be reviewed by the Board every 60 days. (Ed. Code, § 17605.)

B. Carry out Bond Program

1. Under Board direction, select consultants for recommendation to the Board. (Gov. Code, § 4529.10 et seq.)
2. Recommend to the Board the budget, scope, schedule and locations of Bond program work.
3. Oversee and assist in the design of bond program work to meet the District's needs.
4. Oversee and implement the bidding of construction projects. (Pub. Contract Code, §§ 100-9203; 20101-20118.4; 22030-22355.)
5. Recommend to the Board the award of contracts to the low responsive, responsible bidder for each contract. (Pub. Contract Code, § 20111.)
6. Oversee and implement the performance of bond-funded construction projects.
7. Under Board direction, implement selection of financial and performance auditors. (Cal. Const., Art. XIII A, § 1(b)(3)(C) and (D).)

C. Report to Board and Citizens' Bond Oversight Committee.

D. Pursuant to Board direction, provide administrative and technical assistance to the COC. (Ed. Code, § 15280(a).)

1. This includes administrative and technical assistance for compliance with the Brown Act. (Gov. Code, § 54950 et seq.; Ed. Code, § 15280(b).)
2. This includes assistance with the preparation of regular reports on committee activities, with at least one report issued each year. (Ed. Code, § 15280(b).)
3. This includes making all documents and minutes available on the District's Internet website. (Ed. Code, § 15280(b).)

Citation

Cleveland, M. (2005). CITIZENS' BOND OVERSIGHT COMMITTEE ROLES AND RESPONSIBILITIES. Retrieved July 23, 2008, from Web site: www.wccusd.k12.ca.us/bond/PDF/prop_39_roles_and_responsibilities_05.pdf -

EXHIBIT A
BALLOT PROPOSITION
FULL TEXT OF PROPOSITION

This proposition may be known and referred to as the Cajon Valley Union Elementary School District General Obligation Bond of 2008, or Proposition D.

FINDINGS

The Cajon Valley Union Elementary School District (the "District"), which serves the community of the city of El Cajon and portions of unincorporated San Diego County, is a recognized leader in providing top quality education to San Diego County students.

The achievements have been accrued by the District as a result of the long history of visionary leadership from the Board of Education of the District (the "Board"), as well as from staff members, parents, and members of the District communities. During its long history, the District has benefited from a community, which supports its educational institutions by establishing high standards for academic achievement while at the same time providing the means required to meet and even to surpass those expectations.

Bostonia Elementary, the oldest District school, has been serving students and the community for more than 65 years.

In order to provide our local students with the same classrooms and school facilities as other California school districts, major repairs, upgrades, and classroom construction are necessary to ensure these buildings will remain functional for future generations.

The Board has prepared a facilities plan and identified significant repairs, upgrades, and classroom construction needs that are more than the District is able to fund from currently available sources or annual revenues.

The District has sought, and continues to seek, all available outside sources of funding to improve our school buildings, including local, state, and federal grants and state bond funds. Historically, the state requires that local school districts provide local funds as a condition of receipt of state matching funds.

To maximize community benefit and efficiently apply taxpayer dollars, the District will demonstrate a good faith effort to pursue all practical opportunities to expand community joint-use facilities in every new or expanded school construction project. In pursuing joint-use, the District's goal will be to maximize the use of District facilities to the broader community, without adversely impacting school operations or finances. Examples of appropriate joint-use provisions for incorporation into construction plans include, but are not limited to, new and expanded library facilities, recreational/physical education facilities, computer labs, meeting rooms, and childcare and health care facilities.

It is necessary to seek voter approval of a bond proposition in order to provide the local funding for identified school facility repairs, modernization projects, and growth needs to address student enrollment.

BOND AUTHORIZATION

By approval of this proposition by at least 55 percent of the registered voters voting on the proposition, the District shall be authorized to issue and sell bonds of up to \$156,500,000 in aggregated principal at interest rates below the legal limit, to provide finance for the specific school facilities projects listed in the Bond Project List attached hereto as Exhibit A-1, subject to all the accountability requirements specified below.

EXHIBIT A (Continued)

BOND PROJECT LIST

The Bond Project List attached to this resolution as Exhibit A-1 shall be considered a part of the ballot proposition and shall be reproduced in any official document required to contain the full statement of the bond proposition.

Approval of this Bond Proposition (the "Proposition") does not guarantee that the proposed project or projects in the District that are the subject of bonds under the Proposition will be funded beyond the local revenues generated by the Proposition. If state matching funds become available, they will be used for and applied to the Bond Project List as per Exhibit A-1. The District's proposal for the project or projects does not assume the receipt of matching state funds.

ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this proposition in order that the voters and taxpayers in the District 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, after a year long process involving staff members, parents, and community members, has prepared an updated facilities plan in order to evaluate and address all of the facilities needs of the District and determine which projects to finance from a local bond at this time. The Board hereby certifies that it has evaluated safety, class size reduction enrollment growth, and information technology needs in developing the Bond Project List contained in Exhibit A-1.

Independent Citizens' Oversight Committee. The Board shall establish an Independent Citizens' Oversight Committee pursuant to Education Code Section 15278 and following to ensure bond proceeds are expended only on the school facilities projects listed in Exhibit A-1. The committee shall be established within 60 days of the date when the results of the election appear in the minutes of the Board.

Performance Audits. The Board shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed in Exhibit A-1.

Financial Audits. The Board shall conduct an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed in Exhibit A-1.

Special Bond Proceeds Account: Annual Report to Board. Upon approval of this proposition and the sale of any bonds approved, the Board shall take actions necessary 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 of the District shall cause a report to be filed with the Board annually 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 the Superintendent shall determine and may be incorporated in the annual budget, audit, or another appropriate routine report to the Board.

FURTHER SPECIFICATIONS

No Administrator Salaries. Proceeds from the sale of bonds authorized by this proposition shall be used only for the construction, reconstruction and/or rehabilitation of school facilities including the furnishing and equipping of school facilities or 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.

The proceeds of the bonds will be deposited into a Building Fund to be held by the San Diego County Treasurer, as required by the California Education Code.

EXHIBIT A-1

BOND PROJECT LIST

Bond proceeds will be expended to modernize, replace, renovate, construct, acquire, equip, furnish and otherwise improve the facilities of the District located at the following locations:

Anza Elementary - Built in 1960	Avocado Elementary - Built in 1970
Blossom Valley Elementary - Built in 1993	Bostonia Elementary - Built in 1995
Cajon Valley Home School	Cajon Valley Middle - Built in 1953
Chase Elementary - Built in 1979	Community Day - Built in 2007
Crest Elementary - Built in 1956	Cuyamaca Elementary - Built in 1948
Emerald Middle - Built in 1958	Flying Hills Elementary - Built in 1959
Fuerte Elementary - Built in 1959	Greenfield Middle - Built in 1959
Hillsdale Middle - Built in 1995	Jamacha Elementary - Built in 1991
Johnson Elementary - Built in 1954	Lexington Elementary - Built in 1956
Los Coches Creek Elementary - Built in 2006	Madison Avenue Elementary - Built in 1958
Magnolia Elementary - Built in 1952	Meridian Elementary - Built in 1949
Montgomery Middle - Built in 1974	Naranca Elementary - Built in 1957
Rancho San Diego Elementary - Built in 1986	Rios Elementary - Built in 1959
Sevick - Built in 1974	Vista Grande Elementary - Built in 1981
W.D. Hall Elementary - Built in 1960	

Such projects shall include, but shall not be limited to:

- Improve energy efficiency in the District including, but not limited to replacing and upgrading heating, ventilation, and air conditioning (HVAC) systems with energy efficient systems.
- Install cutting edge instructional technology infrastructure to improve student access to computers and modern technology.
- Maintenance improvements to classrooms and school facilities including, but not limited to, upgrades to electrical and storm drain systems, and master clocks.
- Classroom and school facilities upgrades including, but not limited to, improvements to playgrounds and equipment and expansion of counseling centers.
- Upgrade and modernize school libraries.
- Install security fencing, cameras, and lighting systems to ensure campuses are adequately secured.
- Upgrade and modernize Rancho San Diego and Vista Grande Elementary Schools.
- Conduct necessary site preparation/restoration in connection with new construction, renovation or remodeling, or installation or removal of portable classrooms
- Address unforeseen conditions revealed by construction/modernization (e.g., plumbing or gas line breaks, dry rot, seismic, structural, etc.).
- Furnish and equip schools as needed to the extent permitted by law.

EXHIBIT A-1 (Continued)

ACQUISITION AND CONSTRUCTION OF NEW SCHOOL FACILITIES

Bond proceeds will also be expended to construct new classrooms, restrooms, computer labs, and other educational and joint-use facilities, including site improvements, acquisition of furniture and equipment, and technology upgrades.

Facility replacement and new construction shall include, but not be limited to:

- Replace outdated and inadequate classrooms and school facilities at Cajon Valley Middle School.
- Construct new joint-use gymnasiums at Emerald, Greenfield, and Montgomery Middle Schools, which do not currently have gymnasium facilities.
- Build new elementary schools, including joint-use library and multipurpose buildings, on existing campus of schools that are 50 years or older.

GOVERNING BOARD AGENDA
April 22, 2008

PREPARED BY: **G. Wayne Oetken**
 Assistant Superintendent, Business Services

ITEM NUMBER: **IV. A. 3.**
 Information Report – Proposition D – Establishing the Capital
 Improvement Program

Following approval of Proposition "D" by the electorate, the District must take several steps before identified projects can be constructed. The following provides a comprehensive overview of the processes and steps necessary to establish the Proposition "D" Capital Facilities Improvement Program which include:

- Appointment and Function of an Independent Citizens Oversight Committee
- Pre-design phase – Refining and Finalizing the List of Facility Improvement Projects
- Bond Program Master Schedule and Funding Requirements
- Construction
- Design Phase
- Reorganization of the Long-Range Planning Department

Appointment and Function of an Independent Citizens Oversight Committee (ICOC)

On April 8, 2008, the Governing Board adopted a resolution certifying the election results of Proposition "D", the District's successful \$156.5 million Bond measure. After certification, the District is required to appoint an ICOC within sixty (60) days, which is June 6th, 2008. Although the District established an ICOC for the last General Obligation Bond, Proposition "X", in 2000 the appointment and functioning of the Proposition "D" ICOC will be subject to the more rigorous accountability requirements of Proposition 39. As a condition of the San Diego County Taxpayers Associations (SDCTA) endorsement of Proposition "D", the Board agreed to adopt the SDCTA's Oversight Committee Best Practices Guidelines which impose additional requirements (See attachment A).

Before implementing the Bond program, the roles and responsibilities of the Governing Board, District staff charged with carrying out the program, and the ICOC must be clarified as outlined in attachment B.

To ensure Proposition 39 compliance, a Board policy and accompanying regulation regarding creation of an ICOC is recommended. Also recognizing the ICOC must be appointed by June 6, 2008, it is necessary to approve an Application and Appointment Process.

Pre-Design Phase – Refining and Finalizing the List of Facility Improvement Projects

Prior to submitting Proposition "D" to voters of the community, a facilities needs assessment was completed and specific facility improvement projects identified. Those projects have now been incorporated into a District Facility Master Plan.

During the next few months, those projects must be revalidated, relative to need, and refined. Educational specifications must be developed to ensure they clearly support the instructional program. As projects are refined, the estimated cost of each must be accurately projected. After completing these tasks, a comprehensive list of projects including everything promised to the community will be submitted to the Governing Board for consideration.

The next steps will include determination of the most appropriate project delivery method (Design Bid Build; Construction Management; or Lease, Lease Back, etc.) and finally, selection of consultant teams which will involve conducting a Request for Qualifications Process for the various professional services required (Architecture, Engineering, Inspection, GO Technical, Materials Testing, etc.)

Bond Program Master Schedule and Funding Requirements

In developing the Project Master Schedule there are two primary variables; 1) the volume of work that can be undertaken at any one time, and 2) the amount of revenue which can be generated over the life of the Bond. These two factors must be carefully analysed to ensure all projects can be undertaken, completed, and funded over approximately an eight-year period. Upon completion of the analysis, all projects will be prioritized and assigned a start and finish date. The Project Master Schedule can then be finalized.

Design Phase

Consultant teams will be identified and employed sequentially according to the Bond Program Master Schedule. The design will begin with the development of conceptual drawings involving input from all stakeholders. The process will conclude with a package of final plans and specifications approved by the Office of State Architects, if required. It should be noted that some projects of a minor nature will not be subject to an extensive design and can be handled by the Facilities, Maintenance & Operations Department working together with the Purchasing department.

Construction

After completing the design phase and determining the appropriate delivery method, each project will enter the production phase as determined by the Program Master Schedule. Overall, project management will be the responsibility of the Director of Long-Range Planning; however, construction supervision will be the responsibility of the Director of Facilities, Maintenance & Operations.

Reorganization of the Long-Range Planning Department

Management of this large Bond Program and compliance with Proposition 39 will require some additional staffing and reorganization of the Long-Range Planning Department. An Accounting Technician is needed to fiscally administer the Bond Program and comply with additional reporting requirements. The current Coordinator of Long-Range Planning position must be upgraded to the level of Director to reflect the responsibility of overall Bond Program Management. This position was downgraded to Coordinator when Proposition "X" projects were completed.

This reorganization is reflected on the attached organizational charts. (See attachment C; Long-Range Planning Department Organizational Reorganization)

Staffing costs associated with carrying out the bond Program can be funded with Bond proceeds. This will involve funding some salaries now paid with developer fees through Bond funds. (See attachment D; General Obligation Bond Staff Funding Model.) Developer fees are no longer generating adequate revenue to support salaries so timing of this is fortunate. Approval of the reorganization of the Long Range Planning Department will be requested at a subsequent Board meeting in the Personnel section of the agenda.

Wayne Oetken, Assistant Superintendent of Business Services will provide an overview of the steps required to establish the capital improvement program funded through Proposition "D".

RESOLUTION 08-04-744 JC
(AMENDED 10/30/07)

AMENDED RESOLUTION OF THE BOARD OF EDUCATION OF THE CAJON
VALLEY UNION ELEMENTARY SCHOOL DISTRICT ORDERING AN
ELECTION TO AUTHORIZE THE ISSUANCE OF SCHOOL BONDS,
ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER, AND
REQUESTING CONSOLIDATION WITH OTHER ELECTIONS OCCURRING
ON FEBRUARY 5, 2008

WHEREAS, in the judgment of the Board of Education (the "Board") of the Cajon Valley Union Elementary School District (the "District"), it is advisable to call an election to submit to the electors of the District the question whether bonds of the District shall be issued and sold for the purpose of raising money for the acquisition and improvement of real property, and the furnishing and equipping of school facilities; and

WHEREAS, as a result of the approval of Proposition 39 on November 7, 2000, Article XIII A, Section 1, paragraph (b), of the California Constitution ("Article XIII A") provides an exception to the limit on *ad valorem* property taxes on real property for bonded indebtedness incurred by a school district approved by 55 percent of the voters of the district voting on the proposition; and

WHEREAS, the Board is specifically authorized, upon approval by a two-thirds vote of the Board, to pursue the authorization and issuance of bonds by a fifty-five percent (55%) vote of the electorate on the question whether bonds of the District shall be issued and sold for specified purposes, pursuant to Education Code Section 15264 *et seq.* (the "Act"); and

WHEREAS, pursuant to the California Elections Code, it is appropriate for the Board to request consolidation of the election with any and all other elections to be held on Tuesday, February 5, 2008, and to request the San Diego County Registrar of Voters to perform certain election services for the District; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Education of the Cajon Valley Union Elementary School District the following:

Section 1. Call for Election. The Board hereby orders an election and submits to the electors of the District the question of whether general obligation bonds of the District shall be issued and sold in the maximum principal amount of \$156,500,000 for the purpose of raising money to finance school facilities and property of the District, and paying costs incident thereto, as set forth more fully in the ballot proposition approved pursuant to Section 3. This Resolution constitutes the order of the District to call such election.

Section 2. Election Date. The date of the election shall be February 5, 2008, and the election shall be held solely within the boundaries of the District.

Section 3. Purpose of Election; Ballot Proposition. The purpose of the election shall be for the voters in the District to vote on a proposition, a full copy of which is attached hereto and marked Exhibit A, containing the question of whether the District shall issue the Bonds for the purpose stated therein, together with the accountability requirements of Article XIII A and Government Code Section 53410 and the requirements of Section 15272 of the Act. As required by Elections Code Section 13247, the abbreviated form of the proposition to appear on the ballot is attached hereto and marked as Exhibit B. The Superintendent or her designee is hereby authorized and directed to make any changes to the text of the proposition as required to conform to any requirements of Article XIII A, the Act, or the San Diego County Registrar of Voters.

Section 4. Authority for Election. The authority for ordering the election is contained in Section 15264 *et. seq.* of the Education Code and Section I, paragraph (b), subsection (3), of Article XIII A. The authority for the specification of this election order is contained in Section 5322 of the Education Code.

Section 5. School Facilities Projects. As required by Article XIII A, the Board hereby certifies that it has evaluated safety, class size reduction, enrollment growth, and information technology needs in developing the list of school facilities projects set forth on Exhibit A-1.

Section 6. Covenants of the Board upon Approval of the Bonds by the Electorate. As required by Article XIII, Section 15278 of the Act, and Government Code Section 53410, in the event 55 percent of the voters voting in the District approve of the Bonds, the Board shall:

1. conduct an annual, independent performance audit to ensure that the funds have been expended only on the projects listed in Exhibit A-1;
2. conduct an annual, independent financial audit of the proceeds from the sale of the Bonds until all of those proceeds have been expended for the school facilities projects listed in Exhibit A-1;
3. establish and appoint members to an independent citizens' oversight committee in accordance with Sections 15278, 15280, and 15282 of the Act;
4. apply the bond proceeds only to the specific purposes stated in the ballot proposition;
5. cause creation of accounts into which bond proceeds shall be deposited; and
6. cause the preparation of an annual report pursuant to Government Code Sections 53410 and 53411.

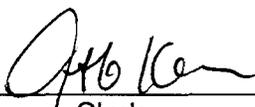
Section 7. Delivery of this Resolution. The Clerk of the Board is hereby directed to send a copy of this Resolution to the San Diego County Superintendent of Schools,

the San Diego County Registrar of Voters (the "County Registrar") and the San Diego County Clerk of the Board of Supervisors.

- Section 8. Consolidation of Election.** The County Registrar and the San Diego County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on February 5, 2008, within the District.
- Section 9. Ballot Arguments; Tax Rate Statement.** Any and all members of this Board are hereby authorized to act as an author of any ballot argument prepared in connection with the election, including a rebuttal argument. The Superintendent, President of the Board, or their designees, are hereby authorized to execute any Tax Rate Statement or other document and to perform all acts necessary to place the bond proposition on the ballot.
- Section 10. Elections Code.** Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors of San Diego County, is requested to permit the Registrar of Voters to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the District agrees to reimburse San Diego County in full upon presentation of a bill, such services to include the publication of a formal Notice of School Bond Election attached hereto as Exhibit C and the mailing of the sample ballot and tax rate statement (described in Section 9401 of the Elections Code).
- Section 11. Agreements.** The Superintendent is authorized and directed to execute the agreement on file with Jones Hall, A Professional Law Corporation, which firm is appointed hereby to perform bond counsel services in regard to the Bonds.
- Section 12. Effective Date.** This resolution shall take effect on and after its adoption.

PASSED AND ADOPTED by the Board of Education of the Cajon Valley Union Elementary School District the ~~44^{30th}~~ day of ~~September~~ **October, 2007**.

Signed:



Clerk

CLERK'S CERTIFICATE

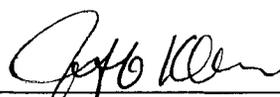
I, Jeff Kover, Clerk of the Board of Education of the CAJON VALLEY UNION ELEMENTARY SCHOOL DISTRICT, hereby certify that the foregoing is a full, true, and correct copy of Resolution 08-04-744-JC adopted at a regular meeting place thereof on the 11th day of September, 2007, of which meeting all the members of said Board of Education had due notice and at which a majority thereof were present, and that at said meeting said resolution was adopted by the following vote:

AYES:	<u>4</u>
NOES:	<u>0</u>
ABSENT:	<u>1</u>
ABSTENTIONS:	<u>0</u>

An agenda of said meeting was posted at least 72 hours before said meeting at 189 Roanoke Road, El Cajon, California, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; that the foregoing resolution is a full, true and correct copy of the original resolution adopted at said board meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: ~~September 11~~ **October 30**, 2007



Clerk of the Board of Education of the
CAJON VALLEY UNION ELEMENTARY
SCHOOL DISTRICT

EXHIBIT A

BALLOT PROPOSITION FULL TEXT OF PROPOSITION

This proposition may be known and referred to as the Cajon Valley Union Elementary School District General Obligation Bond of 2008, or Proposition _____

FINDINGS

The Cajon Valley Union Elementary School District (the "District"), which serves the community of the city of El Cajon and portions of unincorporated San Diego County, is a recognized leader in providing top quality education to San Diego County students.

The achievements have been accrued by the District as a result of the long history of visionary leadership from the Board of Education of the District (the "Board"), as well as from staff members, parents, and members of the District communities. During its long history, the District has benefited from a community, which supports its educational institutions by establishing high standards for academic achievement while at the same time providing the means required to meet and even to surpass those expectations.

Bostonia Elementary, the oldest District school, has been serving students and the community for more than 65 years.

In order to provide our local students with the same classrooms and school facilities as other California school districts, major repairs, upgrades, and classroom construction are necessary to ensure these buildings will remain functional for future generations.

The Board has prepared a facilities plan and identified significant repairs, upgrades, and classroom construction needs that are more than the District is able to fund from currently available sources or annual revenues.

The District has sought, and continues to seek, all available outside sources of funding to improve our school buildings, including local, state, and federal grants and state bond funds. Historically, the state requires that local school districts provide local funds as a condition of receipt of state matching funds.

To maximize community benefit and efficiently apply taxpayer dollars, the District will demonstrate a good faith effort to pursue all practical opportunities to expand community joint-use facilities in every new or expanded school construction project. In pursuing joint-use, the District's goal will be to maximize the use of District facilities to the broader community, without adversely impacting school operations or finances. Examples of appropriate joint-use provisions for incorporation into construction plans include, but are not limited to, new and expanded library facilities, recreational/physical education facilities, computer labs, meeting rooms, and childcare and health care facilities.

It is necessary to seek voter approval of a bond proposition in order to provide the local funding for identified school facility repairs, modernization projects, and growth needs to address student enrollment.

BOND AUTHORIZATION

By approval of this proposition by at least 55 percent of the registered voters voting on the proposition, the District shall be authorized to issue and sell bonds of up to \$156,500,000 in aggregated principal at interest rates below the legal limit, to provide finance for the specific school facilities projects listed in the Bond Project List attached hereto as Exhibit A-1, subject to all the accountability requirements specified below.

BOND PROJECT LIST

The Bond Project List attached to this resolution as Exhibit A-1 shall be considered a part of the ballot proposition and shall be reproduced in any official document required to contain the full statement of the bond proposition.

Approval of this Bond Proposition (the "Proposition") does not guarantee that the proposed project or projects in the District that are the subject of bonds under the Proposition will be funded beyond the local revenues generated by the Proposition. If state matching funds become available, they will be used for and applied to the Bond Project List as per Exhibit A-1. The District's proposal for the project or projects does not assume the receipt of matching state funds.

ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this proposition in order that the voters and taxpayers in the District 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, after a year long process involving staff members, parents, and community members, has prepared an updated facilities plan in order to evaluate and address all of the facilities needs of the District and determine which projects to finance from a local bond at this time. The Board hereby certifies that it has evaluated safety, class size reduction enrollment growth, and information technology needs in developing the Bond Project List contained in Exhibit A-1.

Independent Citizens' Oversight Committee. The Board shall establish an Independent Citizens' Oversight Committee pursuant to Education Code Section 15278 and following to ensure bond proceeds are expended only on the school facilities projects listed in Exhibit A-1. The committee shall be established within 60 days of the date when the results of the election appear in the minutes of the Board.

Performance Audits. The Board shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed in Exhibit A-1.

Financial Audits. The Board shall conduct an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed in Exhibit A-1.

Special Bond Proceeds Account: Annual Report to Board. Upon approval of this proposition and the sale of any bonds approved, the Board shall take actions necessary 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 of the District shall cause a report to be filed with the Board annually 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 the Superintendent shall determine and may be incorporated in the annual budget, audit, or another appropriate routine report to the Board.

FURTHER SPECIFICATIONS

No Administrator Salaries. Proceeds from the sale of bonds authorized by this proposition shall be used only for the construction, reconstruction and/or rehabilitation of school facilities including the furnishing and equipping of school facilities or 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.

The proceeds of the bonds will be deposited into a Building Fund to be held by the San Diego County Treasurer, as required by the California Education Code.

EXHIBIT A-1

BOND PROJECT LIST

Bond proceeds will be expended to modernize, replace, renovate, construct, acquire, equip, furnish and otherwise improve the facilities of the District located at the following locations:

Anza Elementary - Built in 1960	Avocado Elementary - Built in 1970
Blossom Valley Elementary - Built in 1993	Bostonia Elementary - Built in 1995
Cajon Valley Home School	Cajon Valley Middle - Built in 1953
Chase Elementary - Built in 1979	Community Day - Built in 2007
Crest Elementary - Built in 1956	Cuyamaca Elementary - Built in 1948
Emerald Middle - Built in 1958	Flying Hills Elementary - Built in 1959
Fuerte Elementary - Built in 1959	Greenfield Middle - Built in 1959
Hillsdale Middle - Built in 1995	Jamacha Elementary - Built in 1991
Johnson Elementary - Built in 1954	Lexington Elementary - Built in 1956
Los Coches Creek Elementary - Built in 2006	Madison Avenue Elementary - Built in 1958
Magnolia Elementary - Built in 1952	Meridian Elementary - Built in 1949
Montgomery Middle - Built in 1974	Naranca Elementary - Built in 1957
Rancho San Diego Elementary - Built in 1986	Rios Elementary - Built in 1959
Sevick - Built in 1974	Vista Grande Elementary - Built in 1981
W.D. Hall Elementary - Built in 1960	

Such projects shall include, but shall not be limited to:

- Improve energy efficiency in the District including, but not limited to replacing and upgrading heating, ventilation, and air conditioning (HVAC) systems with energy efficient systems.
- Install cutting edge instructional technology infrastructure to improve student access to computers and modern technology.
- Maintenance improvements to classrooms and school facilities including, but not limited to, upgrades to electrical and storm drain systems, and master clocks.
- Classroom and school facilities upgrades including, but not limited to, improvements to playgrounds and equipment and expansion of counseling centers.
- Upgrade and modernize school libraries.
- Install security fencing, cameras, and lighting systems to ensure campuses are adequately secured.
- Upgrade and modernize Rancho San Diego and Vista Grande Elementary Schools.
- Conduct necessary site preparation/restoration in connection with new construction, renovation or remodeling, or installation or removal of portable classrooms
- Address unforeseen conditions revealed by construction/modernization (e.g., plumbing or gas line breaks, dry rot, seismic, structural, etc.).
- Furnish and equip schools as needed to the extent permitted by law.

ACQUISITION AND CONSTRUCTION OF NEW SCHOOL FACILITIES

Bond proceeds will also be expended to construct new classrooms, restrooms, computer labs, and other educational **and joint-use** facilities, including site improvements, acquisition of furniture and equipment, and technology upgrades.

Facility replacement and new construction shall include, but not be limited to:

- Replace outdated and inadequate classrooms and school facilities at Cajon Valley Middle School.
- Construct new **joint-use** gymnasiums at ***Emerald, Greenfield, and Montgomery Middle Schools, which do not currently have gymnasium facilities.*** ~~the middle school sites that currently do not have one.~~
- Build new elementary schools, ***including joint-use library and multipurpose buildings,*** on existing campus of schools that are 50 years or older.

EXHIBIT B

BALLOT PROPOSITION (ABBREVIATED FORM)

"To improve the quality of education, upgrade and ~~renew~~ **construct** classrooms and **joint-use** gymnasiums, increase access to computers and technology, replace 50-year old schools with ~~new schools~~, make safety and security improvements, improve energy efficiency ~~District-wide~~, and make the District eligible for State-matching grants, shall the Cajon Valley Union School District issue \$156,500,000 of bonds at the lowest interest rates possible so long as no money is used for administrative salaries and spending is annually reviewed by ~~an~~ **citizens'** oversight committee?"

EXHIBIT C

SCHOOL BOND ELECTION NOTICE

NOTICE IS HEREBY GIVEN to the qualified electors of the Cajon Valley Union Elementary School District (the "District") located in the County of San Diego, State of California, that in accordance with applicable law, an election will be held on Tuesday, the 5th day of February, 2008, in the District, at which election there will be submitted to the voters the question of issuing and selling bonds of said District in the amount of not to exceed One Hundred and Fifty-Six Million Five Hundred Thousand Dollars (\$156,500,000) in accordance with the actions relating thereto taken by the Board of Education of the District.

All of the purposes enumerated herein are hereby united and shall be voted upon as one single proposition.

The bonds proposed to be issued and sold shall bear interest at a rate not exceeding twelve percent (12%) per annum.

The number of years the whole or any part of the bonds are to run shall not exceed the statutory maximum, which is forty (40) years from the date of the bonds or the date of any series thereof.

Each qualified elector of the District shall be entitled to vote only in the District election precinct of which he/she is a resident.

The electors in the District shall vote on the following Proposition on February 5, 2008:

"To improve the quality of education, upgrade and ~~renovate~~ **construct** classrooms and **joint-use** gymnasiums, increase access to computers and technology, replace 50-year old schools with ~~new schools~~, make safety and security improvements, improve energy efficiency ~~District-wide~~, and make the District eligible for State-matching grants, shall the Cajon Valley Union School District issue \$156,500,000 of bonds at the lowest interest rates possible so long as no money is used for administrative salaries and spending is annually reviewed by ~~an citizens'~~ oversight committee?"

Dated this ~~11-30th~~ day of ~~September~~ **October**, 2007.

SAN DIEGO COUNTY REGISTRAR OF
VOTERS:

By: _____

**Cajon Valley Union School District
Proposition D Project Schedule**



Interactive Report - Program Cashflow by Fund

A development tool for financial planning of capital programs.

21-39 - Bond Fund

	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	Totals
Beginning Balance	-	26,214,642	1,215,749	18,689,756	16,012,263	804,770	18,133,777	15,427,784	756,791	15,630,994	-
Funding											
Annual Funding	35,000,000		32,500,000			36,900,000			52,100,000		156,500,000
Interest											-
Loans											-
Other											-
Total Funding	35,000,000	35,000,000	67,500,000	67,500,000	67,500,000	104,400,000	104,400,000	104,400,000	156,500,000	156,500,000	156,500,000
Project Needs											
Clock Systems	275,000	-									275,000
Electrical Upgrades	705,000	-	-	-	-	-	-	-	1,144,000		1,849,000
Erosion Control									65,000	-	65,000
Fencing									1,610,000	-	1,610,000
HVAC	4,610,000	-	2,285,000								6,895,000
Library Improvents									900,000	-	900,000
Mechanical Screens									460,000	-	460,000
Minor Renovations									1,210,000	-	1,210,000
Modernization - RSD				666,500	666,500						1,333,000
Modernization - VG		490,000	490,000								980,000
New Gym - EMS							450,000	6,300,000	2,250,000		9,000,000
New Gym - GMS	450,000	6,300,000	2,250,000								9,000,000
New Gym - MMS							450,000	6,300,000	2,250,000		9,000,000
New MPR-Flying Hills	590,000	-									590,000
Parking Improvements									250,000	-	250,000
Phone Systems									73,800	-	73,800
Playground Upgrades	424,365	-									424,365
Rebuild CVMS	1,000,000	10,000,000	9,000,000								20,000,000
Rebuild Cuyamaca							500,000	1,500,000	18,000,000	15,000,000	35,000,000
Rebuild Lexington			500,000	1,500,000	14,000,000	19,000,000					35,000,000
Restrooms							750,000	-			750,000
Security Cameras	200,000	-	-	-	-	-	-	-	150,000		350,000
Security Lighting									400,400	-	400,400
Sidewalk Upgrades									500,000	-	500,000
Technology		7,727,900	-	-	-	-	-	-	7,136,604		14,864,504
Water Line	60,000	-									60,000
Window Replacement									200,000	-	200,000
Program Management	325,000	335,000	355,000	365,000	395,000	425,000	410,000	425,000	480,000	485,000	4,000,000
Contingency	145,993	145,993	145,993	145,993	145,993	145,993	145,993	145,993	145,993	145,994	1,459,931
Total Project Needs	8,785,358	24,998,893	15,025,993	2,677,493	15,207,493	19,570,993	2,705,993	14,670,993	37,225,797	15,630,994	156,500,000
Ending Balance	26,214,642	1,215,749	18,689,756	16,012,263	804,770	18,133,777	15,427,784	756,791	15,630,994	-	-

CITIZENS' OVERSIGHT COMMITTEE

MEMBER	CURRENT TERM EXPIRES
VICTOR GARCIA	5/31/2010
KIRK GENTRY	5/31/2010
JOHN MCTIGHE	5/31/2010
TAMARA OTERO	5/31/2010
TOM VARALLO	5/31/2010
LINDA VOIGHT	5/31/2010
CRAIG WOLLITZ	5/31/2010

CITIZENS' OVERSIGHT COMMITTEE SUPPORT STAFF

Wayne Oetken Assistant Superintendent, Business Services
Phone: 588-3060 E-mail: oetken@cajonvalley.net

Sharon Dobbins Director, Long-Range Planning
Phone: 588-3016 E-mail: dobbinss@cajonvalley.net

James Beard Director, Maintenance, Operations & Facilities
Phone: 588-3181 E-mail: beardj@cajonvalley.net

John Forrest Construction Projects Manager
Phone: 588-3651 E-mail: forrestj@cajonvalley.net

Susan Olinger Director, Purchasing
Phone: 588-3266 E-mail: olingers@cajonvalley.net

Sue Miller Planning Technician
Phone: 588-3676 E-mail: miller@cajonvalley.net

Suzy Gavillan Construction Accountant
Phone: 588-3041 E-mail: gavillans@cajonvalley.net

Beatriz Konzen Administrative Secretary
Phone: 588-3210 E-mail: konzenb@cajonvalley.net

Cajon Valley Union School District
750 East Main Street, El Cajon, CA 92020

June 12, 2008

Cajon Valley Union School District
General Obligation Bonds,
2008 Election, Series A
San Diego County, California

Abridged for Citizens' Oversight Committee 7/23/08

Prepared by:

S | **DALE SCOTT
& COMPANY**

400 Montgomery Street, Suite 805
San Francisco, California

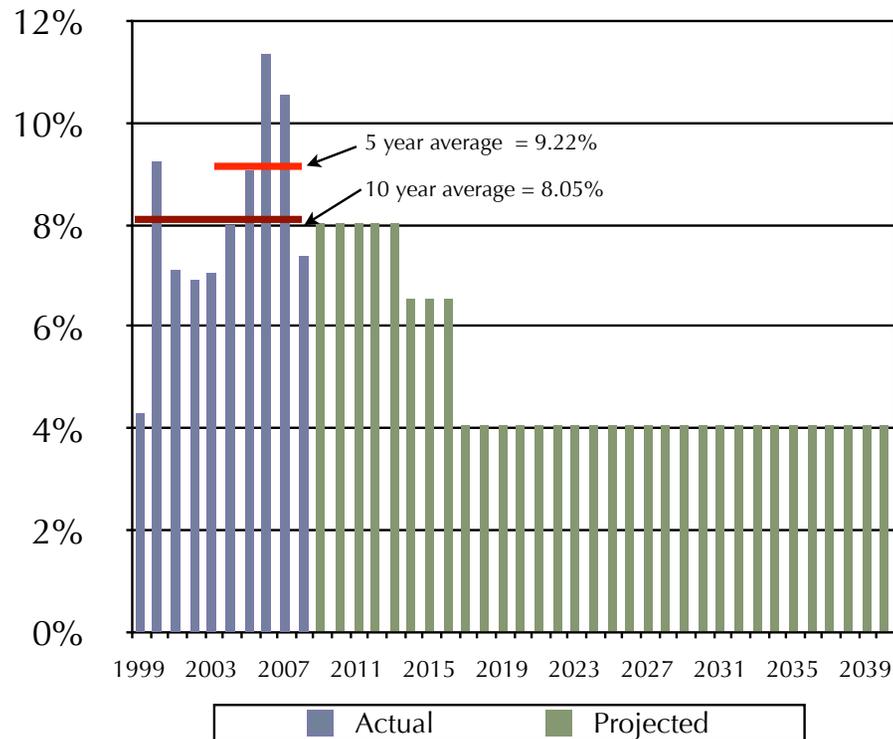
www.dalescott.com

District Information

Growth Projections are used to Calculate Future Tax Rates

Actual and Projected % Increase in AV

- ◆ Actual increases in assessed valuation have ranged from 4.26% to 11.31% over past ten years
- ◆ 10 Year Average increase = 8.05%;
5 Year Average = 9.22%
- ◆ Tax rate analysis based on projected increase of:
 - 8.00% through 2013
 - 6.50% through 2016
 - 4.00% thereafter



District Information

Cajon Valley Union School District

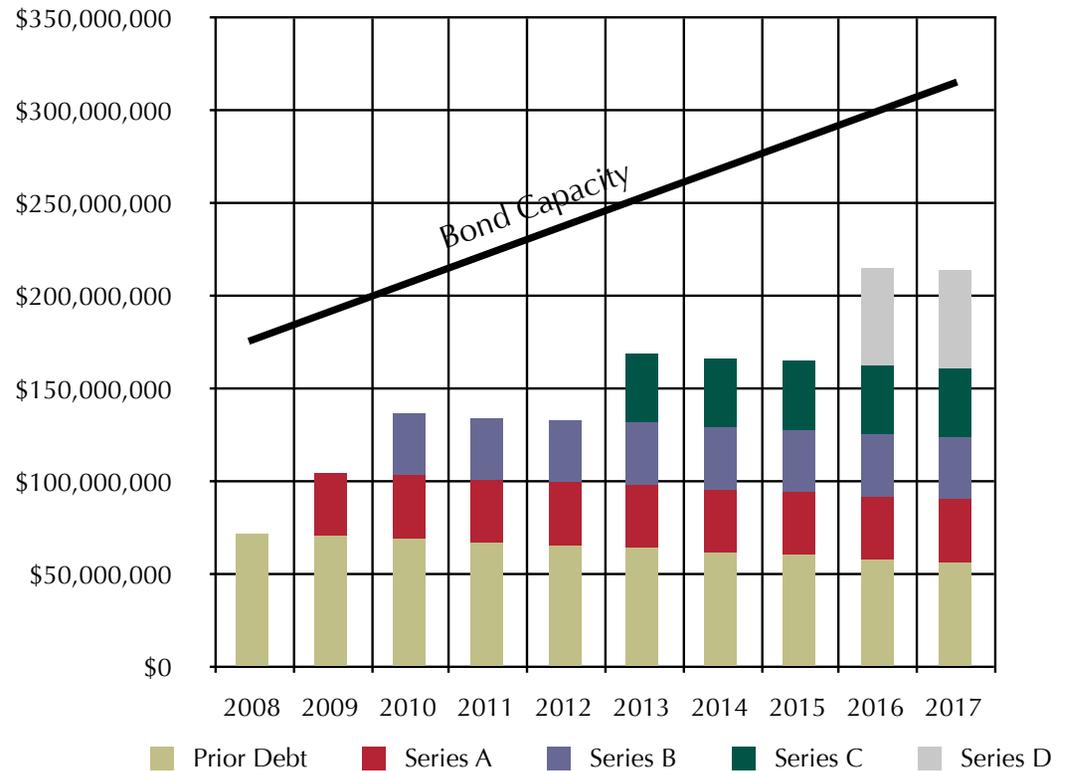
Bonding Capacity Limit is 1.25% of Assessed Valuation

Projected Bonding Capacity 2008-17

2008 Authorization

Projected Issuance:

Series A	\$35,000,000
Series B	\$32,700,000
Series C	\$36,700,000
Series D	<u>\$52,100,000</u>
Total	\$156,500,000

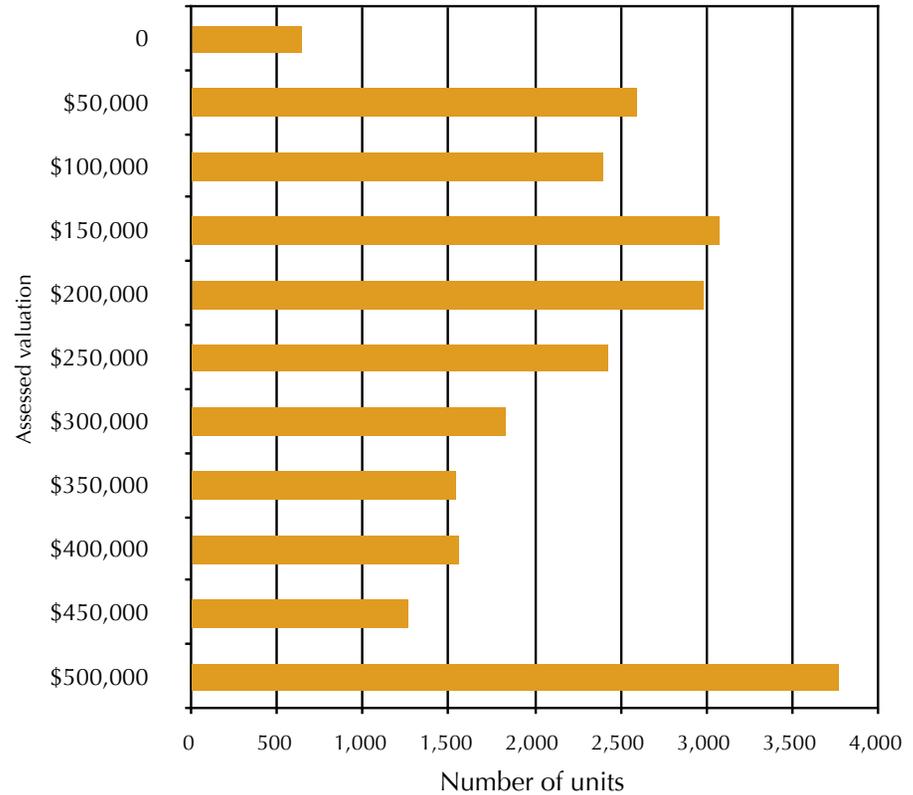


District Information

District Includes Many Pre-Prop 13 Single Family Homes

Assessed Value of Single Family Homes 2007-08

- ◆ Average single family home assessed valuation is approximately \$309,415 ⁽¹⁾
- ◆ 50% of single family home assessed valuation is less than \$256,293 ⁽¹⁾
- ◆ 30% of single family home assessed valuation is less than \$175,000 ⁽¹⁾ indicating many pre-prop 13 homes have yet to turnover
- ◆ Median sales price for Feb. - Apr. 2008 was \$371,711 ⁽²⁾



Source:

(1) California Municipal Statistics

(2) www.Trulia.com/real_estate/El_Cajon-California

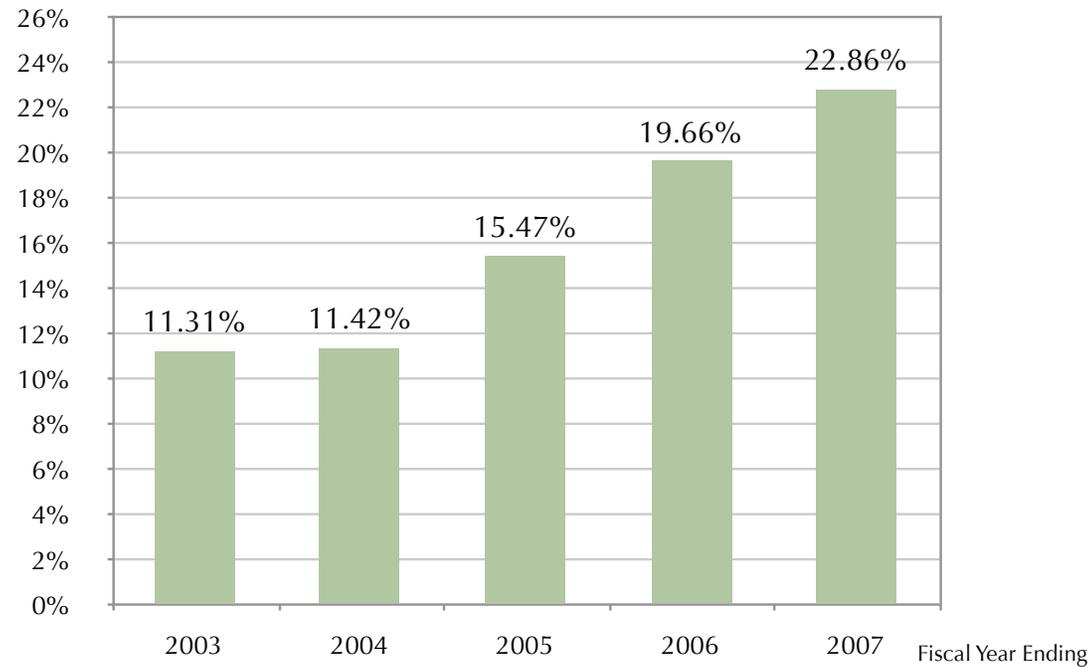
(1)

Financial Profile

Cajon Valley Union School District

General Fund Balance Last Five Fiscal Years

Ratio of Fund Balance to Expenditures



Source: Cajon Valley Union School District

Financing Structure

Cajon Valley Union School District

Financing Structure

- ◆ Total authorization of \$156.5 million with 64% approval rate in February 5, 2008 election
- ◆ First series of bond authorization
- ◆ Principal amount: \$35,000,000
- ◆ Current Interest Bonds only
- ◆ Competitive sale
- ◆ Maturities from 2009 through 2032 - level debt service
- ◆ Bonds to be insured at bidder's option
- ◆ Maturities at 2017 and later are callable as follows:
 - August 1, 2016 through July 31, 2017 at 102%
 - August 1, 2017 through July 31, 2018 at 101%
 - August 1, 2018 and thereafter at 100%

Financing Timetable

Cajon Valley Union School District

Timetable

June 12, 2008	Rating Presentation
June 24, 2008	District Board Approval of Resolution
June 30, 2008	POS Mailed
July 2, 2008	Receive Rating
July 9, 2008	Sale of Bonds
July 17, 2008	Mail OS
July 23, 2008	Close

07/09/2008 10:00:23 AM PDST

Bids Report (Bonds)

Page 1 of 1

1 of 1

\$35,000,000.00

Cajon Vly Union ESD
General Obligation Bonds, 2008 Election,
Series A

Jul 9 2008 10:00AM PDST

Bidder	TIC	Submit Date Time	Wnr
Wells Fargo Brokerage Services, LLC	4.707608	7/9/2008 09:54:37 AM	<input type="checkbox"/>
Citigroup Global Markets Inc.	4.697529	7/9/2008 09:58:20 AM	<input type="checkbox"/>
UBS Securities, LLC	4.634307	7/9/2008 09:59:04 AM	<input type="checkbox"/>
Piper Jaffray	4.632398	7/9/2008 09:59:51 AM	<input type="checkbox"/>
Hutchinson, Shockey, Erley & Co.	4.770807	7/9/2008 09:59:54 AM	<input type="checkbox"/>

CITIZENS' OVERSIGHTS COMMITTEE

Proposition 39 provides the governing board of a school district to pursue the authorization and issuance of general obligation bonds by 55 percent approval of the electorate during a general election. Following passage of a Proposition 39 bond by the electorate, the school district is required to establish a Citizens' Oversight Committee to monitor and audit the use of bond proceeds to ensure funds are spent only on school and classroom improvements and not for any other purpose.

The Citizens' Oversight Committee shall be established within sixty (60) days of the date the Board enters the election results into its minutes.

The procedures for selection and appointment of Citizens' Oversight Committee members, conduct of meetings, outline of duties and scope of the Committee's responsibilities shall be established in the administrative regulations of the Board.

Legal reference:

EDUCATION CODE

15278-15288 *Strict Accountability in Local School Construction Bonds Act of 2000*

GOVERNMENT CODE

1090-1098 *Prohibitions applicable to specified officers*

1125-1129 *Incompatible activities*

54950 *et.seq*

CITIZENS OVERSIGHT COMMITTEES

As a result of the passage of Proposition 39, the Board shall establish Citizens' Oversight Committee ("Committee") to monitor and audit bond proceeds to ensure funds are spent only on school and classroom improvements and not for any other purpose. The Committee shall be established within sixty (60) days of the date that the Board enters the election results in its minutes.

Committee's Purpose

The purpose of the Committee shall be to inform the public concerning the expenditure and uses of bond revenues. The Committee's legal charge shall be to actively review and report on the expenditure of taxpayer's money for the school construction. The Committee shall convene to provide oversight of the following:

1. Ensuring bond revenues are expended only for the purpose described in Article 13A, section 1, subdivision (b)(3) of the California Constitution including 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; and
2. Ensuring as prohibited by Article 13A, section 1, subdivisions (b)(3)(A) of the California Constitution, no funds are used for any teacher and administrative salaries or other school operating expenses.

Committee's Duties

The Committee may engage in the following activities in furtherance of its purpose:

1. Receiving and reviewing copies of the annual performance audits required by Article 13A, section 1, subdivisions (b)(3)(C) of the California Constitution.
2. Receiving and reviewing the annual financial audits required by Article 13A, section 1, subdivisions (b)(3)(D) of the California Constitution.
3. Inspecting school facilities and grounds to ensure Bond revenues are expended in compliance with the requirements of Article 13A, section 1, subdivisions (b)(3) of the California Constitution.
4. Receiving and reviewing copies of any deferred maintenance proposal or plans developed by the District, including any reports required by Education Code Section 17584.1.
5. Reviewing efforts by the District to maximize Bond revenues by implementing cost-saving measures including, but not limited, to the following:
 - a. mechanisms designed to reduce the cost of professional fees;
 - b. mechanisms designed to reduce the cost of site preparation;

CITIZENS OVERSIGHT COMMITTEES

- 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.

Committee Operations

The Committee's legal charge shall be to monitor bond expenditures and inform the public about the uses of Bond proceeds. The committee shall not have the authority to:

1. Participate in the bond sale and issuance process or make decisions concerning the timing, terms or structure of a bond issuance, except that the Committee may review the District's plans for any bond sale and may review bond issuance documents upon the conclusion of a bond sale if desired;
2. Determine how bond funds shall be spent;
3. Select contractors or consultants for bond projects or participate in the negotiation or bid process for such contractors and consultants, except that the Committee may review the selection process and documents related thereto upon completion of any such selection;
4. Enter or inspect a job site or construction project without prior permission of the Superintendent or designee. Frequency and timing of all such visits shall be within the sole discretion of the Superintendent or designee. Visits to job sites require the Committee member(s) be accompanied by a representative of the District and require all safety measures in effect at the job site be followed;
5. Contact District contractors or consultants, including without limitations, accountants, auditors, architects, financial advisors and legal counsel, without the prior written permission of the Superintendent or designee.
6. Require the District to prepare reports or conduct audits more frequently than those required by the law.

The Committee shall not be entitled to legal representation by District legal counsel or at District expense, unless permitted by the Board.

The Committee shall meet at least quarterly, and Committee members shall be available to attend Board meetings when performance and financial audits are presented. The Superintendent or designee shall attend Committee meetings. Members of the Board shall attend as necessary or desirable.

CITIZENS OVERSIGHT COMMITTEES

The Committee's meetings are subject to the Ralph M. Brown Act, Government Code, section 54950 et. seq. Meetings shall be open to the public and noticed in the same manner as proceedings of the Board.

The Committee shall annually select a chairperson and secretary, and Committee decisions will be made by majority vote. Minutes of Committee proceedings and all documents received and reports issued shall be a matter of public record and the District shall make all documents and minutes available on the District's Internet website.

The Committee shall prepare regular reports on Committee activities. A report shall be issued at least once each year. Upon completion of all bond projects, the Committee shall prepare a final written report summarizing its activities and conclusions.

The Board shall, without expending Bond funds:

1. Provide the Committee with any necessary technical assistance;
2. Provide administrative assistance in furtherance of the Committee's purpose; and
3. Provide the Committee with sufficient resources to publicize the Committee's conclusions.

Committee Selection and Composition

The Committee shall be comprised of individuals who either live or work within the boundaries of the District. The Superintendent or designee shall solicit applications for membership on the Committee, and in the event the number of applications exceeds the number of spaces available, shall conduct interviews of interested citizens and make recommendation for appointment to the Board. The Board shall have the authority at its sole discretion to select and appoint the Committee. The Committee shall consist of at least seven members, but the Board shall determine the final size of the Committee.

Committee membership shall include the following community residents:

1. One member shall, at the time of appointment, be active in a business organization representing the business community of the District;
2. One member shall, at the time, of appointment, be active in a senior citizens' organization, which may be a local, regional, statewide or national organization;
3. One member shall, at the time of appointment, be active in a bona fide taxpayers' organization, which may be a local, regional, statewide or national organization;
4. One member shall, at the time of appointment, be the parent or guardian of at least one child currently enrolled in a school of the District;

CITIZENS OVERSIGHT COMMITTEES

5. One member shall, at the time of appointment, be both a parent or guardian of at least one child currently enrolled in a school of the District and be an active member in a District parent-teacher organization, such as the PTA or schoolsite council.

A single individual may be appointed as a representative of more than one of the above categories, if applicable.

No employees or official of the District shall be appointed to the Committee. Additionally, no vendor, contractor, or consultant of the District shall be appointed to the Committee.

After appointment to a two-year term, Committee members who wish to be appointed for a second two-year term shall reapply to the Board for consideration.

Replacing a Committee Member

A new Committee member will be named by the Board if one or more of the following events occurs:

1. The Committee member submits a written resignation;
2. The Committee member misses three (3) Committee meetings, and a vote is taken by the rest of the committee to request that the Board replace the member.

An individual who replaces such a member shall begin a new two-year term. Thereafter, the member must apply for an additional term if she/he wishes to remain on the Committee.

A Committee member who no longer serves as a representative of the designated group she/he was appointed to represent (e.g., ceases to be active within a taxpayer's organization, or ceases to have a child enrolled in the District) shall be allowed to complete his/her term. However, that Committee member shall not be entitled to serve a subsequent term as a representative of the designated group.

Within ninety (90) days of being notified of a Committee vacancy, the Board will appoint a new member to complete the term of the vacancy following the process used to select the original Committee members.

Committee members shall be subject to prohibitions regarding incompatibility of office pursuant to Government Code sections 1125-1129 and financial interest in contracts pursuant to Government Code sections 1090-1098.

Government Code Procurement Procedures for Certain Professional Services

Selection Criteria

The procedure for procuring architecture, landscape architecture, engineering, environmental services, land surveying, or construction project management is distinct from traditional bidding where contracts are awarded to the lowest responsive and responsible bidder. Instead, selection is on "the basis of demonstrated competence and professional qualifications necessary to satisfactorily perform the required services and at fair and reasonable prices to the public agencies" (Ref: Government Code Sec. 4526.)

Selection Process

Districts may maintain and encourage annual submission of statements of qualifications from firms engaged in lawful practice of architecture, landscape architecture, engineering, environmental services, land surveying, and construction project management which statements can then be consulted for particular procurements. (Ref: Government Code Sec. 4527.)

District announces project through publications of respective professional societies. (Ref: Government Code Sec. 4527(a).) Note: no advertising period is specified, nor is the content of the Requests for Qualifications (RFQ) or the Requests for Proposals (RFP).

Shortlisting

Conduct discussions with no less than three firms from annual submission file and/or from responses to RFQ/RFP concerning "anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services, then identify in order of preference, based upon criteria established and published by district no less than three of the firms deemed to be the most highly qualified to provide the services required. (Ref: Government Code Sec. 4527(a).)

Special Requirement for RFQ/RFP

Statute requires local agencies to expressly prohibit unlawful activity including rebates, kickbacks or unlawful consideration, and to also prohibit agency employees from participating in selection process when they have a relationship with any bidder. Note: the term "relationship" is not defined. (Ref: Government Code Sec. 4527(b).)

Negotiations

Agency negotiates contract with best-qualified firm "at compensation that agency head determines to be fair and reasonable". If no agreement is reached, negotiations are terminated and negotiations commenced with second highest-ranked firm, etc. (Ref: Government Code Sec. 4528.)

Note: The Government Code procurement procedures do not specify the contents or nature of the agreement ultimately to be entered into between the local agency and architect.

Citation: California's Coalition for Adequate School Housing
Summary Outline of Rules Governing Procurement of Architectural Services by
School Districts, 2005

Summary:

Cajon Valley Union Elementary School District, California; Appropriations; General Obligation

Credit Profile

US\$35. mil GO bnds ser 2008A due 08/01/2032

<i>Long Term Rating</i>	AA-/Stable	New
Cajon Vy Un Elem Sch Dist GO		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Upgraded
Cajon Vy Un Elem Sch Dist certs of part		
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Upgraded
Cajon Vy Un Elem Sch Dist GO		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Upgraded

Rationale

Standard & Poor's Ratings Services raised its rating and underlying rating (SPUR) to 'AA-' from 'A+' on Cajon Valley Union Elementary School District, Calif.'s outstanding general obligation (GO) debt. In addition, Standard & Poor's raised its rating and SPUR to 'A+' from 'A' on the district's outstanding appropriation debt. The upward rating action reflects the district's good financial management as evidenced by its maintenance of a very strong financial position in the face of a gradual student population decline that puts pressure on state aid revenues. Finally, Standard & Poor's assigned its 'AA-' rating to the district's series 2008A GO bonds.

A full faith and credit pledge, including the obligation to levy property taxes without limitation as to rate or amount, secures the district's GO bonds. The district's appropriation debt is secured by its covenant to budget and appropriate lease payments for the use of the Emerald Middle School.

Additional credit factors include the district's:

- Supplemental revenue streams that are restricted to capital projects but indirectly ease pressure on the general fund; and
- Low debt burden that may rise in the coming years as the district exercises a new GO authorization.

The series 2008 bond proceeds will fund a mix of renovations, repairs, modernizations, and new classrooms.

The district encompasses an established 156,048-resident suburban area located 17 miles northeast of downtown San Diego that includes a sizeable \$13.5 billion in assessed value (AV). A primary destination for young families a generation ago, a demographic transition has eroded the district's average daily attendance (ADA), the primary driver of per-pupil state aid, by a rapid 3.4% average annual rate during the past five years to 15,906 in fiscal 2007. Management believes that this pace will slow in the medium term, due in part to the addition of an all-day kindergarten program.

Summary: Cajon Valley Union Elementary School District, California; Appropriations; General Obligation

Economic conditions are sound. A strong housing market (that has since faltered) and limited redevelopment have contributed to moderate 1.7% average annual employment growth in the City of El Cajon, with which the district substantially overlaps, and strong 9.2% average annual AV growth in the district itself, both during the past five years. Income and wealth indicators are favorable, including a good median household effective buying income of 103% of the U.S. level and a very strong per capital market value of \$86,794.

Continuing adjustments to expenditures in response to ADA declines have translated into good financial performance. During the past five fiscal years, the district's unreserved general fund balance has grown steadily to 22.6% of expenditures, or \$29.3 million, from 10.7% of expenditures in fiscal 2002. Inclusive of an unrestricted special reserve held outside the general fund and created in fiscal 2007 for equipment replacement, the district's total reserves rise to 24.8% of expenditures. During the previous period of fiscal stress at the state level in fiscals 2003 and 2004, the district made \$5.3 million and \$4.6 million, respectively, in cuts to expenditure growth, and the district's budget committee has proposed \$3.1 million in reductions for fiscal 2009 to address what is likely to be a difficult budget year for school districts statewide. Management expects conservative assumptions to translate into further growth in available reserves by the end of fiscal 2008, and has identified a likely need for \$1.5 million in incremental ongoing cuts to both fiscal 2010 and 2011 to maintain its current financial position.

A continuing credit strength for the district is the presence of about \$2.5 million (2% of expenditures) in ongoing revenues from surplus property leases and pass-through revenues from the El Cajon Redevelopment Agency. Although generally restricted to capital projects, these revenues can substitute for capital spending that would otherwise come from general operating revenues.

This series represents the first issuance under a \$156.5 million authorization passed in February 2008. The district plans to exercise another \$32.7 million in fiscal 2009 and complete the authorization by fiscal 2015. Even if the authorization were to be fully issued this year, based on current conditions, the district's debt burden inclusive of overlapping debt would rise modestly from its current low 2.4% of market value and moderate \$2,052 per capita.

District management practices are considered 'standard' under Standard & Poor's Financial Management Assessment (FMA). An FMA of 'standard' indicates that the finance department maintains adequate policies in some, but not all, key areas.

Outlook

The stable outlook reflects the district's demonstrated ability to manage its expenditure growth in line with a decline in its student population and identified cuts for fiscal 2009. Its preliminary scoping of potential further cuts in fiscals 2010 and 2011 suggest that its pattern of strong available reserves will continue. We expect the declining ADA trend to represent a continuing credit constraint in that continued good financial performance will depend upon consistent cuts to expenditure growth.

Ratings Detail (As Of June 25, 2008)

Cajon Vy Un Elem Sch Dist GO

Unenhanced Rating

Many issues are enhanced by bond insurance.

AA-(SPUR)/Stable

Upgraded

Complete ratings information is available to subscribers of RatingsDirect, the real-time Web-based source for

Summary: Cajon Valley Union Elementary School District, California; Appropriations; General Obligation

Standard & Poor's credit ratings, research, and risk analysis, at www.ratingsdirect.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com; under Credit Ratings in the left navigation bar, select Find a Rating, then Credit Ratings Search.

Copyright © 2008 Standard & Poor's, a division of The McGraw-Hill Companies, Inc. (S&P). S&P and/or its third party licensors have exclusive proprietary rights in the data or information provided herein. This data/information may only be used internally for business purposes and shall not be used for any unlawful or unauthorized purposes. Dissemination, distribution or reproduction of this data/information in any form is strictly prohibited except with the prior written permission of S&P. Because of the possibility of human or mechanical error by S&P, its affiliates or its third party licensors, S&P, its affiliates and its third party licensors do not guarantee the accuracy, adequacy, completeness or availability of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. S&P GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall S&P, its affiliates and its third party licensors be liable for any direct, indirect, special or consequential damages in connection with subscriber's or others use of the data/information contained herein. Access to the data or information contained herein is subject to termination in the event any agreement with a third-party of information or software is terminated.

Analytic services provided by Standard & Poor's Ratings Services (Ratings Services) are the result of separate activities designed to preserve the independence and objectivity of ratings opinions. The credit ratings and observations contained herein are solely statements of opinion and not statements of fact or recommendations to purchase, hold, or sell any securities or make any other investment decisions. Accordingly, any user of the information contained herein should not rely on any credit rating or other opinion contained herein in making any investment decision. Ratings are based on information received by Ratings Services. Other divisions of Standard & Poor's may have information that is not available to Ratings Services. Standard & Poor's has established policies and procedures to maintain the confidentiality of non-public information received during the ratings process.

Ratings Services receives compensation for its ratings. Such compensation is normally paid either by the issuers of such securities or third parties participating in marketing the securities. While Standard & Poor's reserves the right to disseminate the rating, it receives no payment for doing so, except for subscriptions to its publications. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

Any Passwords/user IDs issued by S&P to users are single user-dedicated and may ONLY be used by the individual to whom they have been assigned. No sharing of passwords/user IDs and no simultaneous access via the same password/user ID is permitted. To reprint, translate, or use the data or information other than as provided herein, contact Client Services, 55 Water Street, New York, NY 10041; (1)212.438.9823 or by e-mail to: research_request@standardandpoors.com.