



**AMENDED APPROVED MINUTES**  
**ORANGE UNIFIED SCHOOL DISTRICT**

**Measure S**  
**Citizen's Oversight Committee**

District Office – 6:00 p.m.  
CONFERENCE ROOM B  
July 25, 2018  
Meeting No. 6

MINUTES PREVIOUSLY  
APPROVED 10/17/18 AND  
APPROVAL OF AMENDED  
MINUTES 2/20/19.

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**I. CALL TO ORDER**

Chair Fascenelli called the meeting to order at 6:03 p.m.

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**II. PLEDGE OF ALLIGIANCE**

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**III. ESTABLISH QUORUM**

Committee members present: Carolyn Cavecche, Diana Fascenelli, Trevor O'Neil, Jennifer Schuerger, Mrunal Shah, Bill Utter. Bill Campbell (arrived at 6:06 P.M.)

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**IV. PUBLIC COMMENTS**

There were no comments from the floor.

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**V. APPROVAL OF AGENDA**

Ms. Shah moved to approve the minutes; Second by Mr. Utter.

**Action**

**Motion: Passed 7-0**

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**VI. APPROVAL OF THE MINUTES**

Ms. Carolyn Cavecche moved to approve the ~~July~~ **April** 25, 2018 Minutes; Second by Mr. Bill Campbell.

**Action**

**Motion: Passed 7-0 Minutes**

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**VII. INTRODUCTION OF ORANGE UNIFIED SCHOOL DISTRICT STAFF**

Chair Fascenelli introduced Mr. David Rivera, Assistant Superintendent/CBO, Business Services; Ms. Jenny Delgado, Administrative Director, Business Services; Mr. Scott Harvey, Director of Maintenance & Operations; and Mr. Rory Lorenzo, Program Manager, Cumming.

**VIII. FACILITY UPDATES**

**Information**

Mr. Rivera and Mr. Harvey reviewed with the Committee the PowerPoint presentation provided to the Board of Education at the June 8<sup>th</sup> and July 25<sup>th</sup> meetings (Handout: Measure S Bond Program Citizen's Oversight Committee Meeting Update) regarding the current state of the Bond projects at the four high schools.

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**IX. FINANCIAL UPDATE**

**Information**

Mr. Rivera reviewed the Measure S Bond Program Financial Report with the Committee members.

The report format now includes quarterly expenditure amounts. As the District is completing the project planning phase and gathering DSA project approvals the Committee may expect to see increases in expenditures as it moves into its construction phase. Expenditure expectations of approximately \$ 5.1 million per month for the next 3 years are projected, a \$3 million dollar increase from current expenditures.

Mr. Harvey reviewed the process of the Program, Design, DSA Review and Approval phases and through the anticipated bidding/award and construction project phases. The program is moving into Phase II and expenditures of the remaining bond money

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**X. MEASURE S BOND SALE UPDATE**

**Discussion**

Mr. Rivera stated after the first bond issuance of \$188M (authorization of \$288M issuance) in June, the District has approximately \$100M left for its second issuance, as it moves into Phase II, which encompasses all work after the building of the science buildings. Staff will review the Master Plan along with the Bond Measure language to optimize its spending of remaining site bond funds.

Mr. Rivera commented, as required by law, after the sale of bonds a resolution must be placed on the agenda at the next available meeting (July 26, 2018 Board Meeting) publishing the cost of issuance.

The District funded some of the operational costs of projects transferring approximately \$12M from its Capital Outlay Reserve Fund or Fund 40.

A Committee member asked what the District's credit rating was.

Ms. Delgado responded, the District received a Fitch Rating of AAA, while Standard & Poor's gave its rating of the District as AA.

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**XI. COC BYLAWS REVIEW AND DISCUSSION**

**Discussion**

Chair Fascenelli specified the District would like the committee to operate under formalized bylaws. Therefore, Chair Fascenelli and Committee Member Cavecche met with staff to ~~revise~~ **discuss** the Conflict of Interest and Secretary requirements of the bylaws. ~~The revisions dropped the requirement~~ Chair Fascenelli and Member Cavecche **requested clarification of the need** for the members to complete a Form 700 and for District staff to continue to act as a secretary for the committee. After adopting the bylaws by the committee, the bylaws will be presented to the Board of Education for its approval.

The revised draft of bylaws will be presented to the committee at the next meeting.

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**XII. COMMENTS FROM COMMITTEE MEMBERS**

**Discussion**

Chair Fascenelli invited Superintendent Dr. Hansen to address the topic of soft costs for the Measure S program and effects on staffing.

Committee members requested the return of the Budget vs Actuals Program Detail report.

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**XII. ADJOURNMENT**

Chair Fascenelli adjourned the meeting at 7:17 P.M.

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**NEXT COC MEETING DATE FOR 2018**

**Wednesday, October 17**

Governing Board Members  
Orange Unified School District  
Orange, California

Christy White, CPA

Michael D. Ash, CPA

John Whitehouse, CPA

Heather Daud Rubio

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State Board of Accountancy

While conducting our audits of the financial statements of the Orange Unified School District (the "District") and the Orange Unified School District Measure S Bond Building Fund ("Measure S") as of and for the year ended June 30, 2018, we performed internal control procedures over three projects subject to Public Contract Code bidding procedures.

Our testing procedures for the District and Measure S were performed simultaneously, as a result, two of the three projects selected for testing were mistakenly identified as Measure S projects in our testing working papers. While all projects selected were tested without exception, two of the three projects identified in the June 30, 2018 Measure S Audit Report were not related to Measure S and should not have been included as Measure S projects. These projects were identified in error and were never identified as Measure S by District personnel.

We have subsequently selected an additional Measure S project to perform internal control testing procedures, as a result, we have selected 100% of Measure S projects that were subject to appropriate bidding procedures per applicable Public Contract Code. Additionally, we have revised the June 30, 2018 Measure S Audit Report.

The audit report revision occurred to page 19, Section II – Performance Audit Procedures and Results, Contract and Bid Procedures. The revision will now read as follows:

We reviewed a listing of contracts awarded during the fiscal year ended June 30, 2018 and selected a sample to ensure that contracts for public projects followed appropriate bidding procedures per applicable Public Contract Code. Additionally, we reviewed overall expenditures by vendor in order to determine if multiple projects under the applicable bidding threshold were identified to suggest any possible bid-splitting.

From a sample of two (2) contracts awarded during the year, we noted that applicable bidding procedures were followed and that contracts were appropriately awarded to the lowest responsible bidder for Portable Building Demo at Orange High School and Increment #1 (utility upgrades/infrastructure) for the Science Center. Based on our review of overall expenditures and projects by vendor, no instances or possible indications of bid-splitting were identified. The District appears to be properly reviewing projects and applying appropriate procedures over contract and bidding procedures.

We apologize for our error and any confusion this has created.



San Diego, California  
February 7, 2019