

Citizens' Oversight Committee Annual Report on Measure "E" & Measure "T" General Obligation Bonds

To request additional information, e-mail HUSD at: MeasureE@hemetusd.k12.ca.us
Or visit the HUSD web site: www.hemetusd.k12.ca.us

Letter from the Chairperson

As Chairperson of the Citizens' Oversight Committee, I am pleased to take this opportunity to brief you on the progress and status of the District's General Obligation Bonds, Measure "E" approved by the voters in March 2002 and Measure "T" approved by the voters in November 2006.

I am happy to report the Measure "E" bond proceeds have been expended, completed and closed out. The final expenses were paid in the fall of 2007 and the final report was issued in the spring of 2008. The final building fund audit was completed as of June 20, 2008 and reviewed and approved by the Committee on September 18, 2008.

All \$60 million, plus accrued interest, was expended properly in accordance with bond resolutions and commitments made to the public and Education and Public Contracts Codes.

The District was successful in receiving \$101,294,786 in state matching funds to augment the Measure "E" bond proceeds.

This is the last Committee report referencing Measure "E" however all Measure "E" reports, agendas and minutes will remain on the District's website at www.hemetusd.k12.ca.us for public review. The debt service payments will continue and the district's audited financial reports will reflect the debt payments annually.

The Citizens' Oversight Committee is a requirement of Education Code Section 15278 et.seq. Under Proposition 39 (1998), school districts were allowed to pass a General Obligation Bond with a 55% approval subject to provisions of oversight and tax limitations.

The provisions of Education Code Section 15278 et. seq. includes additional specific duties, requirements and limitations for the District. Provisions include filing annual reports and building fund audits, limiting the tax rate to \$.06 per \$100 of assessed valuations and compliance with the "Brown Act" public records and notice act for all Oversight Committee meetings. The District was also required to establish and adopt a list of projects (Exhibit A of the bond issuance resolution) the bond proceeds could be expended on. The District cannot expend the proceeds on expenses such as teacher or administrator salaries or general operating expenses.

According to the annual audits of Measure "E" and Measure "T", all proceeds were expended legally on projects listed on the Exhibit A resolution list of eligible projects.

This report includes some noteworthy activities of Measure "T" since the last Citizens' Oversight Committee report published April 2008. A summary of those activities are as follows:

- ◆ The second and third phases of Tahquitz High School are complete and open.
- ◆ Rancho Viejo Middle School located on Cawston Avenue is complete and open.
- ◆ The Cottonwood School water well, storage tank and playfield renovations are complete.
- ◆ The Hemet High School addition and renovation projects are under construction.
- ◆ The architectural design of the Acacia Middle School renovation is in the final stages.
- ◆ The Cottonwood School classroom and library addition have been partially bid.
- ◆ Other improvements including West Valley High School are complete.
- ◆ Tours have been conducted for the Tahquitz High School, Cottonwood School and Rancho Viejo and Acacia Middle Schools projects.

The District has issued \$100 million of the \$149 million Measure "T" General Obligation Bond authorization. The second issuance was \$40 million in March 2008 with an effective interest rate of 5.00%. All bonds are competitively bid and the District has an "A" Standard & Poor's bond rating. continued on page 2...

Chairperson Letter (continued)

Due to slowing development and declining assessed valuations, no bond issuances are scheduled in the foreseeable future. The 1.5% decrease in District-wide assessed valuation has increased the tax rate for both Measure “E” and Measure “T”. In 2008-09, the tax rate for Measure “E” is \$49.82 per \$100,000 assessed valuation and for Measure “T” is \$59.80 per \$100,000 assessed valuation.

We encourage you to review all of the Citizens’ Oversight Committee meeting agendas, minutes and reports available on the District’s website at www.hemetusd.k12.ca.us. Pictures of updates and projects underway are featured on the website. The next Citizens’ Oversight Committee meeting will be held in December to review the 2007-08 Measure “T” audit. The meeting agenda and Measure “T” audit will be available online prior to the meeting.

We welcome comments, input and questions. You can contact the Committee through Richard Beck, Assistant Superintendent of Business Services at 951-765-5100 extension 5000 or via e-mail at rbeck@hemetusd.k12.ca.us.

Guy Excell

Guy Excell, Chairperson

Touring the Measure T Projects

Part of the role of the Citizens’ Oversight Committee is to tour projects funded by bond proceeds. Tours were held for the various projects. Tours of the Acacia Middle School plan, Tahquitz High School Phases II and III and Rancho Viejo Middle School were held on May 15, 2008. A tour of the Cottonwood water well and storage tank was held on August 28, 2008. A second tour of Tahquitz High School Phases II and III was held on October 17, 2008 and Rancho Viejo Middle School on November 4, 2008. □

Measure T Projects Status Summary

Measure T Status	Expenditures	Status
Tahquitz High School Phases II & III	\$29,148,385	Construction is completed. Working on punchlist and warranty items
Rancho Viejo Middle School	19,220,399	Construction is completed. Working on punchlist and warranty items
Hemet High School Expansion	4,984,705	Stadium retention basin and weightrooms are out to bid. Swimming pool is under construction. Administration remodel and addition is awaiting DSA approval and will be bid out in 2nd quarter 2009.
Cottonwood School (K-8) Library, Water & Site Improvements	3,784,804	Water tank is completed. Library building is at DSA awaiting approval. Project will bid out in 1st quarter 2009.
Page Ranch Elementary School	1,088,223	Redesign to include High Performance criteria underway.
Currie Ranch Elementary School	838,013	Site approval review in progress.
Acacia Middle School Expansion & Modernization	3,967,689	Design is at DSA awaiting comments.
West Valley High School Modernization	2,329,250	Girls softball batting cages and dugouts are complete. The pool scoreboard is installed. The track has been refurbished and new scoreboard has been installed.
Winchester Elementary School Modernization	184,732	Plans are approved, no action is currently being taken.

School Expansion Updates

Hemet High School

The Hemet HS Expansion and Modernization project is divided into three phases. Phase I, which began in June 2008, consists of the swimming pool remodel, weightroom addition and retention basin infill. The swimming pool is a 35x50 meter pool with a separate snack bar and office building. The weightroom is 5,700 sq. ft. with restrooms and office space. The retention basin will be filled to add a regulation soccer field. Phase IA is the remodel and addition to the Administration building as well as upgrades to the agriculture classrooms, with funding through the CTE State Technology grant. Phase II will be the addition of a two story classroom building and theater, similar in design to THS.

Acacia Middle School

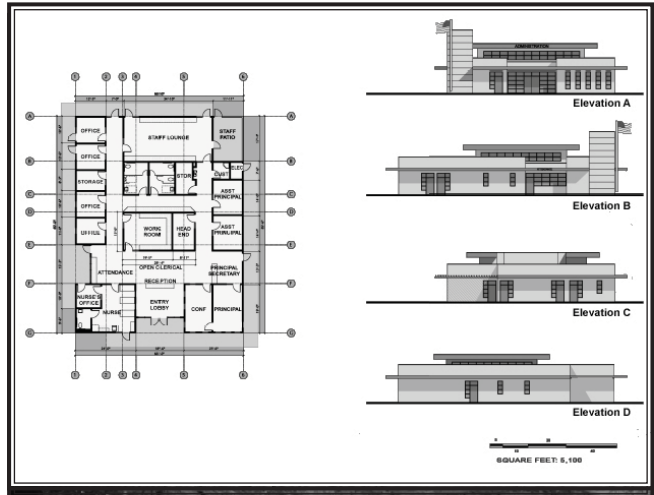
Acacia Middle School will undergo a major remodel including the modernization of all classrooms to include new finishes, floors, casework and technology. The site will receive a new Administration building and 8,700 sq ft gymnasium. The entire campus will have an upgraded storm drain system and a water loop line for fire protection. Lunch shelters will be added to the student quad and additional parking to the site.

Cottonwood School

The Cottonwood Tank was completed and dedicated in August. The 376,000 gallon tank supplies potable water, irrigation and fire protection to the campus. □



Cottonwood School Water Tank



Acacia Middle School Expansion Plan



Rancho Viejo Middle School Administration Building



Phase II Complete at Tahquitz High School

Measure T Budget Summary

School Site	Current Budget	Interest	Committed To Date	Balance
Acacia Middle	\$10,500,000		\$3,967,690	\$6,532,310
Bautista Creek Elementary	1,410		1,410	-
Cottonwood - Well/Tank/Relos	3,000,000	100,000	3,062,893	37,107
Cottonwood - Library	1,000,000		741,306	258,694
Hamilton	332,570		332,570	-
Hemet Elementary	200,000		26,084	173,916
Hemet High - Remodel	21,206,750	217,688	2,337,955	19,086,483
Hemet High - Stadium/Classrooms	1,393,250		1,393,250	0
Hemet High - Misc Projects	400,000		355,303	44,698
Idyllwild	500,000	69,750	508,348	61,402
Little Lake Elementary	90,056		90,056	-
Ramona Elementary	1,200		1,200	-
Santa Fe Middle	38,773		38,773	-
Valle Vista Elementary	6,741		6,741	-
West Valley High	2,329,250	100,000	2,419,461	9,789
Whittier Elementary	300,000		83,523	216,477
Winchester Elementary	2,500,000		184,731	2,315,269
Tahquitz High	30,000,000		29,148,386	851,614
Rancho Viejo Middle	22,200,000		21,312,164	887,836
Page Ranch Elementary	2,000,000		1,088,223	911,777
Currie Ranch Elementary	2,000,000		838,014	1,161,986
Issuance Costs	1,097,570		686,150	411,420
Interest (to be disbursed)		2,574,195		2,574,195
Total	\$101,097,570	\$3,061,633	\$68,624,229	\$35,534,974

The Citizens' Oversight Committee

Under the provision of Education Code 15278, the Governing Board is required to form a Citizens' Oversight Committee for monitoring and oversight for a Proposition 39 (1998) general obligation bond. The committee must have at least seven members which meet the following criteria:

- I. Active in a business organization representing the business community located within the District;
- II. Active in a senior citizen's organization;
- III. Active in a bona fide taxpayer association;
- IV. Parent or guardian of a child enrolled in the District;
- V. Both a parent or guardian of a child enrolled in the District and active in a parent-teacher organization, such as the Parent Teacher Association or School Site Council.

The Hemet Unified School District's Governing Board desires eleven (11) members but the actual membership may vary between seven and eleven. The committee's role includes monitoring compliance but does not include policy decisions which are the sole responsibility of the Governing Board. Committee meetings follow the "Brown Act" guidelines. All the meeting agendas and minutes taken are posted online, along with all related reports at the district website at www.hemetusd.k12.ca.us. □