

**El Paso Independent School District
Citizens' Bond Advisory Committee
Virtual Zoom Meeting Minutes
June 25, 2020**

Present:

Ana Elena Allen
Alexsandra R Anello
Michael Apodaca
Angelica Bharat
Roger Scott Brown
Bob Burns
Norma Chavez

Yolanda Clay
Kelvin Joel Kroeker, P.E.
Dan Longoria
Toni Lunsford
Debbie Trexler
Miguel S. Venegas
Russell Wiggs

Not in Attendance:

Ross Moore

Special Guest:

Juan Cabrera, EPISD Superintendent

Presenters:

Alan Wiernicki, EPISD Chief Quality Officer
Carmen Arrieta-Candelaria, EPISD Deputy Superintendent Finance and Operations
Mayra Martinez, EPISD Chief Internal Audit
Irene Ramirez, EPISD Executive Director Facilities & Construction
Rose Lucero, EPISD Bond Outreach Coordinator
Jacobs Program Management Team

1. Call to Order

The meeting was called to order at 5:08 p.m. by Mr. Paul Masters, Chair. Mr. Masters noted that a quorum was present for the meeting through videoconference.

Mr. Alan Wiernicki, Chief Quality Officer, opened the meeting with the introduction of the Executive Director of Facilities & Construction Irene Ramirez, Program Manager Jason Colley and Deputy Program Manager Madeleine Sara whom are responsible for managing the 2016 Bond.

Mr. Wiernicki referred to the Charter stating that the CBAC is responsible for creating a transparent relationship with the public and that all bond decisions meet standards which comply with what the voters/taxpayers come to expect. In addition, he stated that management's goal is to ensure that the committee is aware of the positive movement and he asked that the committee help with communicating it to the public.

Mr. Wiernicki welcomed Mr. Juan Cabrera, Superintendent.

2. Review of Meeting Minutes

Meeting minutes for December 11, 2019 and February 19, 2020, were approved. Ms. Norma Chavez made the motion to approve, Mr. Russell Wiggs second, all in favor.

3. Committee Attendance Update

Mr. Alan Wiernicki, Chief Quality Officer, presented an update to which no members have missed more than three consecutive meetings and added that the major focus would be on working with Mr. Masters on filling those vacancies that remain to be filled.

4. Projects Managed by Jacobs Update

Ms. Madeleine Sara, Deputy Program Director for Jacobs, reported on the 2016 Bond Program Major Milestones to date which included all 2016 bond projects under construction. Ms. Sara added that many areas and buildings will be completed by the end of Summer 2020 and ready for the next school year. A list will be provided of all completed areas at the next CBAC meeting.

Mr. Alonzo Parra, Project Controls Specialist for Jacobs, presented the Program Budget through June 25, 2020 to include the Program Contingency and Owner Contingency.

Mr. Masters asked if Address is 67% completed and we have used 40% of the contingency available does it include the CCP plus 40% of the contingency. Mr. Jason Colley responded, Yes.

Mr. Masters requested clarification to Jefferson/Silva which is at 18% completion and asked how is 4% of the contingency already used. Mr. Colley responded that 96% is available in the contingency for any unforeseen items and added that this project is in excellent shape. Mr. Colley referred to the Owner Contingency (page 7) and explained that the construction value column is the construction budget for the project, the project completion indicates how the job has progressed to date and the last column reflects the remaining contingency available which includes the 3% contingency and reflected as part of the contract value column.

Mr. Russell Wiggs questioned why contingency would be need so early in the project. Mr. Colley responded that 4% of the contingency has been used and there are times at the beginning of a project during demolition unforeseen items are discovered, and it is not uncommon to use contingency immediately at the start of a project.

Mr. Wiernicki highlighted to Mr. Parra's presentation of the program contingency which was \$7 million in the red a year ago and now in the black, noted that this is a huge accomplishment and a lot of work was put into this achievement.

Ms. Yolanda Clay asked if the Burges project would be in budget since it is 68% complete and 94% of contingency has been used. Mr. Colley, responded that it would be in budget and three months ahead of schedule. Mr. Bob Burns clarified that the 94% is the available contingency; not the percentage used.

Mr. Wiggs asked several questions. He asked what would happen to the remaining project contingency funds once the projects are completed, will the funds remain at the schools, and lastly who would decide the use of those funds. Mr. Wiernicki responded that once the project is complete the remaining funds would be returned to the program contingency and EPISD administration would seek Board approval to expend those funds, which would not stay with the school.

Ms. Sara, presented on the Program Schedule, there were no major changes from last month. She did indicate that the substantial completion date for the Dr. Joseph E. Torres school was extended to July 10th. Ms. Sara also mentioned that Jacobs is monitoring delay claims from contractors related to Covid-19 matters and notifying the District of potential impact due to material delivery and manpower issues, Jacobs will continue to monitor the situation closely and will provide analysis and recommendations as required when an official claim is submitted to EPISD.

Jacobs Project Managers presented updates on their assigned projects:

The following projects are assigned to and presented by:

Mr. Jose Carrera (Jacobs Project Manager)

Bobby Joe Hill School– (no question/concerns)

Captain L. Navarrete –.(no question/concerns)

Irvin High School –.(no question/concerns)

The following projects are assigned to and presented by:

Ms. Luz Favela (Jacobs Project Manager)

Dr. Josefina Villamil Tinajero PK-8 – (no question/concerns)

General Douglas MacArthur PK-8 – (no question/concerns)

Charles Q. Murphree PK-8– Ms. Clay asked if the concrete panels were made locally. Ms. Favela responded that they are created on site; the panels are formed on the ground with reinforcement and poured concrete and then erected.

The following projects are assigned to and presented by:

Mr. Kyle Csorba (Jacobs Project Manager)

Don Haskins PK-8 – (no questions/concerns)

Burges HS– (no questions/concerns)

El Paso High School – (no questions/concerns)

The following projects are assigned to and were presented by:

Mr. Mauricio Chavez (Jacobs Project Manager)

Dr. Joseph E. Torres ES–(no questions/concerns)

Coach Archie Duran ES– (no questions/concerns)

Andress High School —(no questions/concerns)

Coronado – (no questions/concerns)

The following projects are assigned to and presented by:

Mr. Rogelio Gonzalez (Jacobs Assistant Project Manager)

Coach Wally Hartley PK-8 (P1) – (no questions/concerns)

Coach Wally Hartley PK-8 (P2) Softball Field at Memorial Park – (no questions/concerns)

Austin HS- (no questions/concerns)

Jefferson/Silva (P1) – (no questions/concerns)

Jefferson/Silva (P2) Baseball Field at Washington Park– Mr. Miguel Venegas asked for the total cost of the project, in addition he asked if contingency funds approved by the Board were used. Mr. Gonzalez responded that the project cost is \$2,703,750 and contingency funds were used.

Mr. Wiernicki added that the baseball/softball fields at Washington Park and Memorial Park were a strategic partnership with other governmental organizations and are an asset to EPISD and those surrounding communities. These partnerships saved the District in costs related to procuring land and paying for real-estate that is probably not existing in the area near the schools. For example, the partnership with Ft. Bliss property lease for the Captain Gabriel Navarette Middle School which will provide a beautiful middle school to the Beaumont area.

5. Projects Managed by EPISD Update

Ms. Irene Ramirez, Executive Director Facilities and Construction, presented an update on the District managed projects. This presentation included a recap of the following projects:

Projects Completed:

- Crockett Renovations
- Replacement of 81 buses
- Replacement of football turfs at 10 high schools
- Replacement/resurfacing of running tracks at 9 high schools
- Baseball field lighting/fencing upgrades at 7 high schools
- Replacement of tennis courts with lighting at 2 high schools
- Installation of 32 playgrounds at 27 schools

Projects under design:

- Tennis court replacements with lighting at Andress, Austin, Bowie, Burges, Coronado and Jefferson. Ms. Ramirez added that a proposal will be submitted to the Board in August, and anticipates that construction will begin early Fall 2020.
- Irvin tennis court resurfacing and lighting.
- Chapin running track replacement.

Mr. Scott Brown asked if the new buses contained the state mandated harness. Mr. Wiernicki responded that the buses are clean fuel with three-point harnesses.

6. Community Engagement Update

Ms. Rose Lucero, Bond Outreach Coordinator, presented an update on the following:

- Andress Fieldhouse JV Locker Room Facility – Due to the covid-19 a ribbon cutting was not feasible. Therefore, a video was created to showcase the facility, which was played for the committee. Ms. Lucero noted that the video had been posted on the web for six weeks and has had almost 7,000 views.
- Ms. Lucero shared information on how to follow the District's various social media links.
- She briefed that a 2016 Bond Construction thirty second video was aired before each of the graduation ceremonies. This video was played for the committee.
- The Burges High School Construction Tour was scheduled for June 26th at 11am. Ms. Lucero informed the committee that the assembly location would be at the student parking lot located on Edgemere. Mr. Cabrera commented that masks would need to be worn. Ms. Lucero added that they will have masks for those that do not have one.

7. Periodic Financial Reports

Ms. Carmen Arrieta-Candelaria, Deputy Superintendent Finance and Operations, introduced Mr. David Martinez, Compliance and Job Cost Accounting Manager, whom will begin presenting the periodic reports at future meetings.

- Fund Status Report as of March 31, 2020- Reports a detailed snap shot off all major projects which correlates with Jacobs reporting.
- Fund Balance Report - The report reflects the sale of bonds done in Jan/Feb 2020, in the amount of \$220 million.
- Fund Report Managed by the District- Report includes the balances any funds remaining will be moved into the program contingency as Mr. Wiernicki indicated earlier.
- Interest Revenue/Admin Expense as of 3/31/2020- Report reflected an interest earned of \$14,614,862. Ms. Arrieta-Candelaria stressed that due to the market earnings interest has slowed down. The total of \$2,817,194 of expenses is primarily comprised of salaries (\$1.1 million), legal services, and community engagement expenses. Ms. Arrieta-Candelaria reminded committee that the net revenue available of \$11,797,668 has been approved by the Board to reallocate to projects which includes \$2 million to Coach Wally Hartley, \$400k to Morehead, \$4 million to Captain Navarrete. In addition, approximately \$2 to \$4 million will be allocated to the Athletic projects and some funding for Energy Management Controls (EMC).

8. Internal Audit Update

Ms. Mayra Martinez, Chief Internal Auditor, presented on the Fiscal Year 2020 audits (5 projects). Links to the audit reports were provided on page 38 of the packet, by clicking on the project name.

- Bond Construction Costs Audit: Change Orders (20-01.02) audit focused on projects that are more than 40% complete and managed by Jacobs to determine whether changes to work were accurate, allowable and approved as required by Board policy. The final draft report will be shared with administration on 6/25/2020. Ms. Martinez shared that overall the change orders of the 2016 Bond construction projects managed by Jacobs were accurate, cost allowable and approved by board policy district procedures and general construction agreements. The audit did not find any systematic issues in the change order process but did find isolated issues that related to two findings and two recommendations. After the draft report is issued, administration will provide a Correction Action Plan (CAP) with the finalized audit report in early July.

Mr. Masters asked what would be audited next. Ms. Martinez responded that it would include payroll expenditures to comply with the voters' compact, non-construction projects and will move on to projects not tested.

- Bond Program Management Audit CAP Follow-up (20-13) – The objective was to insure that management had implemented the correction action plan. Ms. Martinez reported that all activities were implemented to address the original findings and recommendation issued in the May report which is posted on the website.

Ms. Ramirez introduced a new member, Mr. Roger Scott Brown (Mr. Brown had left the meeting).

Mr. Wiernicki indicated that one of the essential activities during the pandemic was to accelerate and move forward with construction projects and added that ten out of the sixteen construction projects were accelerated with buildings turned over to contractors early.

Mr. Cabrera stated he was glad to see that the committee was pleased to see the complete turnaround of the contingency forecast. He recognized the work the leadership has done since April on accelerating construction projects.

Mr. Cabrera asked if any of the committee members had any questions. None were noted.

Mr. Masters requested a follow-up to:

- Mr. Wiernicki confirming the seat belts on the busses.
- Ms. Arrieta-Candelaria providing a detail report to the interest money allocations.
- A plan on how the remaining funds will be disbursed and identify the individuals that would be involved in the decision process.

Ms. Lunsford added that Irvin has a list of items including an area of floor tile that is old and dilapidated and the concession stand is falling apart, the school would like to have an input on the use of any remaining funds at their school. Mr. Wiernicki responded that there is a limit to the bond and not all areas were part of the project scope, but did add that there is funding next year under Facilities and Maintenance that is planned for the replacement of the floor under discussion.

Mr. Burns asked what process would be used for unused funding. Ms. Ramirez responded that a presentation will be provided at the next meeting on the process. Mr. Burns stated that when he served on the two previous committees there were projects that did not make the bond list that should be considered with the remaining funds.

Mr. Masters moved to adjourn meeting, Mr. Kelvin Kroeker second, all in favor

Adjournment

The meeting adjourned at 6:34 p.m.

Date Approved by CBAC Secretary: July 9, 2020

Date Approved by Chair: July 20, 2020

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June 25, 2020



Attendance Register

| Name | Title |
|---------------------------|---|
| Ana Elena Allen | CBAC Member |
| Alexsandra Rose Annello | CBAC Member |
| Keny Michael Apodaca | CBAC Member |
| Angelica Bharat | CBAC Member |
| Roger Scott Brown | CBAC Member |
| Bob Burns | CBAC Member |
| Norma Chavez | CBAC Member |
| Yolanda Clay | CBAC Member |
| Kelvin Joel Kroeker, P.E. | CBAC Member |
| Dan Longoria | CBAC Member |
| Toni Lunsford | CBAC Member |
| Paul Masters | CBAC Member |
| Debbie Trexler | CBAC Member |
| Miguel S. Venegas | CBAC Member |
| Russell Wiggs | CBAC Member |
| | |
| Juan Cabrera | Superintendent |
| Carmen Arrieta-Candelaria | Deputy Superintendent Finance and Operations |
| David Martinez | Compliance and Job Cost Accounting Manager |
| Walt Byers | Treasurer |
| Veronica Campbell | Coordinator Office of the Deputy Supt. Finance & Operations |
| Areli Carrillo | Audit Manager |
| Irene Ramirez | Executive Director Facilities & Construction |
| Rose Lucero | Coordinator Bond Outreach |
| Jose Lopez | Chief of Staff |
| Mayra Martinez | Chief Internal Auditor |
| Alice Ramos | Chief Information Officer |
| Erika Siciliano | Coordinator Facilities & Construction |
| Alan Wiernicki | Chief Quality Officer |