

SCHOOL FACILITIES BOARD
October 8, 2009
Phoenix, Arizona

The School Facilities Board held a Board Meeting at the Arizona State Capitol Building in Phoenix, Arizona. The meeting began at approximately 10:15 A.M.

<u>Members Present</u>	<u>Guests Present</u>
Chair, Dr. Frank Davidson	Ed Schaffer, Technology Coordinators, LLC
Penny Allee Taylor	Ben Montclair, CarbonFree Technology
Tom Rushin	Cathy Rex, Southern AZ School Facilities Grp
	Jim Westberg, AZ Dept. of Commerce
<u>Members Present via Telephone</u>	Blaine Miller, AZ Dept. of Commerce
David Ortega	Grady Bailey, AZ Dept. of Commerce
Gary Marks	
<u>Members Absent</u>	<u>Staff Present</u>
Dr. Patricia Gober	John Arnold, Executive Director
Vicki Salazar (non-voting member)	Dean Gray, Deputy Director
	Kerry Campbell, Public Information Officer
<u>Vacant Board Positions</u>	Debra Sterling, Attorney General's Office
Private Business Owner Representative	Gerry Breuer, School Facilities Liaison
Engineer Representative	
Teacher Representative	

- I. Call to Order
Dr. Frank Davidson called the meeting to order at approximately 10:15 A.M.

- II. Roll Call
There were a total of five voting Board Members present at this meeting. Two of the five members (David Ortega and Gary Marks) were present via telephone.

- III. Consideration and possible vote to accept, reject or modify the Minutes of August 21, 2009 and September 2, 2009
Tom Rushin moved for approval of the Minutes. Penny Allee Taylor seconded. The motion passed with a 5-0 voice vote.

- IV. Director's Report
Due to a request from a Board Member, in case he may become unavailable during the meeting, the Board first addressed those items on the agenda that required action, then addressed the balance of the agenda.
 - c. Preventative Maintenance Inspections
Consideration and possible vote to accept, reject or modify the Preventative Maintenance Inspection Reports
John Arnold explained that statute requires the SFB to perform a preventative maintenance inspection on twenty randomly selected school districts every thirty months. One year ago, the Board selected twenty districts and asked staff to develop an inspection process. Staff developed the inspection and reporting platforms, hired an inspector, and have been actively inspecting districts for preventative maintenance. Provided in the Board packet is a

status report (Table 1) on the preventative maintenance inspections. To date, SFB staff have inspected about half of the selected districts and completed the report for one district, San Simon Unified. That report is included in the packet, and is considered to be final, unless there are changes that the Board would like to see. A draft of this report was sent to the district about five weeks ago requesting their comments. The district did not comment within 30 days. Staff requests that the Board approve this report for publication.

Dr. Frank Davidson commented that he appreciated the format of the report and how helpful and easy it was to understand.

Mr. Arnold added that staff found San Simon Unified did not have a preventative maintenance program. However, the inspection is not a "gotcha" inspection. The inspector spends a couple of days with the district providing training and discussion and the district completes a self-evaluation and sets goals and objectives to complete the inspection process. There has been only positive feedback on the inspections. The San Simon Unified report may seem negative or critical because the school facilities are in dire need of preventative maintenance, but the inspection process was a positive experience.

Penny Allee Taylor asked what percentage of districts inspected are found to be compliant with preventative maintenance.

Mr. Arnold responded that compliance varies from a fully-developed program in which all required PM tasks are completed to districts like San Simon Unified, which did not perform any preventative maintenance. Most districts fall somewhere in this range. This is one thing staff is struggling with in the report writing. We don't want to classify every district as non-compliant if they don't have a perfect program. Every district can improve.

Dr. Davidson pointed out that there are two actions required by the Board on this agenda item. The first is the approval of the San Simon Unified Preventative Maintenance Inspection Report and the second is the random selection of Red Mesa Unified for a preventative maintenance inspection.

Gary Marks moved for Board approval of staff recommendations as mentioned above. David Ortega seconded. The motion passed with a 5-0 voice vote.

V. Consideration and possible vote to accept, reject or modify Requests for Reduction of Square Footage

Dr. Frank Davidson explained that staff projections for reduction of square footage at Chandler Unified and Deer Valley Unified indicate that they will not fall below the minimum square footage guidelines within three years.

John Arnold added that these requests were received last month and have been grandfathered in under the old rules. Any new requests will be evaluated under the new legislation that became effective last week. The new rules do not have the three year requirement. In the future, the Board will be approving the reduction in capacity.

Penny Allee Taylor moved that the Board approve the following staff recommendations:

1. Board ratification of staff's projection for **Chandler Unified** which indicates that the relocation of Chandler Early College Building 1001 to CTA Freedom School is not projected to cause the district to fall below minimum square footage guidelines within three years.
2. Board ratification of staff's projection for **Deer Valley Unified** which indicates that the retirement and reclassification of buildings at Mountain Ridge, Barry Goldwater, and Deer Valley High Schools is not projected to cause the district to fall below minimum square footage guidelines within three years.

Tom Rushin seconded. The motion passed with a 5-0 voice vote.

VI. Consideration and possible vote to accept, reject or modify Requests for Building Renewal Grant Funds

John Arnold reminded the Board that the \$3 million allocated for the Building Renewal Grant Fund is being made available in installments of \$750,000 each quarter. Through October, we have received half or \$1.5 million. After today's Board approvals, we will have a balance of \$411,810. Staff has already received requests in excess of this balance and will have to prioritize next month's requests according to the prioritization scheme outlined in statute. When this funding has been depleted, the Board may choose to declare a district's unfunded request for Building Renewal Grant funding as an Emergency which would then allow the district to access ARS §15-907, provided the project qualifies under the statutory definition of an Emergency.

Dean Gray proceeded to review each project as presented in the Board packet.

Penny Allee Taylor asked if any of these projects would qualify as an Emergency.

John Arnold responded that staff did not evaluate these projects on the qualifications of an Emergency, but a cursory review would find that most, if not all, of these projects would qualify as an Emergency. Generally, projects would qualify when there is water intrusion or a well/potable water problem. Also, CO2 and temperature problems are considered health issues which would qualify.

Penny Allee Taylor moved for Board approval of staff recommendations as listed below:

1. Board approval of Building Renewal Grant funding in the amount of "not to exceed" \$20,000 for **Blue Elementary** for the replacement/repair of the existing roof.
2. Board approval of Building Renewal Grant funding in the amount of \$13,650 for **Canon Elementary** for the replacement/repair of the three heating and cooling system units, which includes an amount of \$746 for contingency that will only be used with SFB staff approval.

3. Board approval of Building Renewal Grant funding in the amount of “not to exceed” \$200,000 for **Elfrida Elementary** for the design, electrical upgrade and installation of air conditioning with supplemental heat strips in nine classrooms.
4. Board approval of Building Renewal Grant funding in the amount of “not to exceed” \$27,977 for **Fountain Hills Unified** for additional engineering fees to complete the truss repair project at McDowell Mountain Elementary School.
5. Board approval of Building Renewal Grant funding in the amount of \$215,000 for the **Stanfield Elementary** replacement of one water storage tank and the repair of the second tank.
6. Board approval of Building Renewal Grant funding in the amount of “not to exceed” \$45,000 for **St. David Unified** for the design and replacement of the roof on the administration/library building.

Tom Rushin seconded. The motion passed with a 5-0 voice vote.

VII. Consideration and possible vote to accept, reject or modify the Solar Energy Grant Awards

John Arnold explained that this is the first block of solar energy grant awards that will be presented to the Board. The solar energy grant monies were designated by the Board to the smallest school districts in the State, limiting each award to a 30KWdc system. Staff sent these districts a survey requesting information on their site and visited each school to evaluate the feasibility of a photovoltaic system. Presented today are the staff recommendations for the first fifteen school districts, totaling \$2.9 million. This represents the estimated cost of installing the recommended system. We anticipate getting rebates from utility companies on several of these projects. Once received, the rebates will be put back into the grant fund and will be used to fund additional projects. The second block of awards for the balance of the \$5 million will be presented to the Board at the November meeting. One caveat of today’s Board action is that the awards are subject to approval of an environmental survey required by the National Environmental Policy Act (NEPA). The survey has been completed and submitted to the US Department of Energy, but to date has not been approved.

Ed Schaffer of Technology Coordinators, LLC requested to address the Board and voiced his opinion of the solar energy grant proceedings.

Penny Allee Taylor moved that the Board approve the following staff recommended solar energy grant awards, subject to approval of the NEPA survey:

District	District Size (sf)	Electricity Usage for FY09		Suggested KWdc Award (up to)	Estimated KWH Production	Estimated Cost Savings (in dollars)	Estimated Cost
		KWH	Amount				
Apache ESD	1,720	9,343	\$1,232.47	4	7,200	\$950	\$32,000
Blue ESD	1,600	11,160	\$1,450.00	5	9,000	\$1,169	\$40,000
Bouse ESD	13,177	190,589	\$24,586.00	30	54,000	\$6,966	\$240,000
Graham County Special Services	14,000	108,770	\$15,556.43	30	54,000	\$7,723	\$240,000
Hillside ESD	4,196	39,043	\$5,704.07	15	27,000	\$3,945	\$120,000
Navajo County Accommodation	5,409	93,960	\$13,901.99	30	54,000	\$7,990	\$240,000
Owens-Whitney ESD	7,598	83,635	\$11,954.27	30	54,000	\$7,718	\$240,000
Paloma ESD	15,280	197,724	\$28,989.00	30	54,000	\$7,917	\$240,000
San Fernando ESD	4,620	55,760	\$8,606.00	25	45,000	\$6,945	\$200,000
Sentinel ESD	15,200	171,840	\$22,665.00	30	54,000	\$7,122	\$240,000
Skull Valley ESD	8,550	85,090	\$12,710.63	30	54,000	\$8,066	\$240,000
Tonto Basin ESD	14,232	142,000	\$21,407.92	30	54,000	\$8,141	\$240,000
Vernon ESD	19,640	137,331	\$12,379.96	30	54,000	\$4,868	\$240,000
Yavapai Accommodation	3,125	55,680	\$9,654.15	15	27,000	\$4,681	\$120,000
Yucca ESD	4,514	80,013	\$11,161.00	30	54,000	\$7,532	\$240,000
Total					655,200	\$91,735	\$2,912,000

Gary Marks seconded. The motion passed with a 5-0 voice vote.

VIII. SFB Policy Changes

John Arnold explained that due to legislative changes to statute staff has prepared the required changes to Policy III. SFB Capital Plans. Presented to the Board today are the proposed changes for review. Staff will post on the SFB website a call for public comment on the proposed changes and will bring any comments and a final draft of the policy to the Board for approval in November.

IV. Director's Report (continued)

a. CarbonFree Technology Presentation-Ben Montclair

Ben Montclair, Southwest Regional Manager with CarbonFree Technology gave a PowerPoint presentation on the financing structure used for installation and use of solar photovoltaic systems.

Penny Allee Taylor left the meeting at this time.

b. Legislative/Budget Update

d. Litigation Update-Building Renewal Lawsuit

John Arnold noted that the remaining agenda items (IV. b and IV. d) were for information only and did not require discussion. Board members may refer to their Board packets for details.

XI. Adjournment

There being no further business, Dr. Frank Davidson adjourned the meeting at 11:00 A.M.

Approved by the School Facilities Board on November 4, 2009

Frank Davidson
Chair