PUBLIC SCHOOL CAPITAL OUTLAY
MINUTES
SEPTEMBER 6, 2006
STATE CAPITOL BUILDING, ROOM 317
SANTA FE, NEW MEXICO

Members Present:  Mr. David Abbey, LFC  Ms. Paula Tackett, LCS
                 Dr. Kurt Steinhaus, Governor's Office  Dr. Pauline Rindone, LESC
                 Ms. Catherine Smith, PEC  Ms. Katherine Miller, DFA

Designees:  Mr. Don Moya for Dr. Veronica Garcia, PED
            Ms. Vicki Smith for Ms. Liliemae Ortiz, NMSBA
            Mr. Lonnie Hudson for Ms. Lisa Martinez, CID

1. Call to Order – 10:30 am  Ms. Catherine Smith, Chair
   a. Adoption of Agenda
      Mr. Robert Gorrell, PSFA staff, called roll and presented the agenda to the Council
      noting that the PSCOC reserves the right to change the order of the agenda items.
      Mr. Gorrell noted that there are additions to the agenda. He noted that changes to
      the agenda include the bid issues and additional funding for the Navajo Middle
      School in the Gallup School District. Also added was the request for modification
      of the award for the Gadsden High School in the Gadsden School District. Dr. Kurt
      Steinhaus moved to approve the agenda with the changes specified. Ms. Paula
      Tackett seconded and the motion carried.

   b. Correspondence
      There is no correspondence at this time.

2. Approval of Minutes (September 6, 2006)
   Ms. Tackett addressed her corrections to the minutes. Dr. Kurt Steinhaus moved to
   approve the August 1, 2006 PSCOC meeting minutes with an editorial change. Dr.
   Pauline Rindone seconded and the motion carried.

3. 2006-2007 Award Acceptance Status
   Mr. Tim Berry referred the Council to a spreadsheet that was made available to them in
   their meeting notebooks. Mr. Berry reminded the Council that the deadline for districts
   to accept their awards was September 1, 2006. He noted that PSFA has not received an
   official acceptance letter from the following districts: Gadsden, Belen and Moriarty. Mr.
   Berry informed the Council that the Estancia, Tularosa and Hondo districts submitted a
   conditional acceptance based on raising their local share and their school board approval.
   The PSFA will contact these districts to determine if they are going to accept or decline
   their award.
In regard to Estancia, the district has accepted the award contingent upon school board approval. The board will meet September 15, 2006 and the district anticipates acceptance.

In regard to the Tularosa and Hondo districts, there is concern regarding the district ability to meet their local match and the awards have been conditionally accepted. Mr. Berry stated that although the Belen District netted $0 because of their offset, the district will have to submit an acceptance letter that acknowledges that the award was made and has been offset. The PSFA staff will follow-up on these awards.

Ms. Catherine Smith asked for clarification regarding offsets. Mr. Berry explained that offsets are not a Council ruling but rather a legislative requirement. He stated that the legislature put the offset provision in the law based on the special master’s insistence that the State take into account the disequalizing effect of direct appropriations. As part of the standards-based process a Council award is reduced by the local match percentage of all direct appropriations that districts accept. Ms. Smith requested that the PSFA hold a workshop so districts can understand this facet of the law. She clarified that the legislature had to have offsets because of court action and the Council is not the perpetrator of the offset provision.

Mr. David Abbey asked under what condition the Tularosa District accepted their award. Mr. Berry said that the condition was based on the amount of funds they received and the district did not feel that they would be able to raise the sufficient amount of dollars from their bonds and other local sources to meet the required match within a two-year period. The district was concerned about continuing to develop their plans and at some point coming back before the Council to request a potential adjustment to their local match or a partial waiver if they could not produce their required match before the construction begins. Mr. Abbey does not feel that there should be conditional award acceptance. He believes that any district should be allowed to come before the Council to discuss any changed circumstances. Ms. Tackett noted that the acceptance of the award is conditional because that is what the district requested but agrees with Mr. Abbey that the district could accept the award. Mr. Berry explained that the district was reserving the right that they may have to return to the Council to request a potential adjustment or a partial waiver. Mr. Abbey requested that the district submit a letter clarifying the conditions of the acceptance and suggested that the Council not authorize spending until the conditions are clarified. Ms. Catherine Smith voiced concern stating that if the Council allows conditional awards for the Tularosa, Estancia and Hondo school districts, other districts may attempt the same thing. Ms. Smith stated that if the Council allows this to happen the Council would not know an award was made and how much funding would be left for other awards. Mr. Abbey suggested that the Council declare that the district submit an appeal due to changed circumstances. The Council is reluctant to approve the acceptance because the districts have named it as a condition. The Council would not want to be in the position to provide additional funding for a project that the district can’t provide. The districts can come back before the Council, if they so desire, in order to meet the conditions of the award of unexpended funding in two years or they can appeal the decision. Ms. Catherine Smith said that the same would hold true for the Estancia District as well and feels that the Awards Subcommittee would be responsible for these districts to meet the Council criteria. Mr. Gorrell stated that if the Council is
setting a policy, any acceptances that come with conditions would have to be reviewed by the Awards Subcommittee. Ms. Tackett sympathized with the districts stating that the districts are trying to meet the acceptance deadline and feels that the Council might consider recognizing the deadline as one the Council could waive or consider all awards accepted. The PSFA staff would then work with the districts and report to the Awards Subcommittee recognizing that the districts met the deadline. Mr. Berry stated that there was a similar issue with the Lease Assistance Awards in that the charters have their acceptance letters in by the time the Awards Subcommittee met. There were a number of charters that had not accepted their awards at that point. The PSCOC directed the PSFA staff to contact the charters by phone and letter advising them that they missed the deadline for acceptance and have them fax or e-mail the acceptance by a deadline that was established by the Awards Subcommittee. Mr. Berry reported that the process was 100% successful. Dr. Steinhaus stated that if the Council chooses to delegate the Awards Subcommittee to follow up on the Tularosa, Estancia and Hondo award acceptance they would take the responsibility.

By consensus of the Council it was agreed that the Awards Subcommittee will take the responsibility of following up on the above named districts.

Note: Mr. Ron Haugen, Superintendent of the Gadsden School District, informed the Council that their board met and accepted the roof award as well as the standard-based award. He stated that he would follow up on the matter and see that the signed acceptance letter is forwarded to the PSFA.

4. Subcommittee Reports
   a. Awards Subcommittee Report

   • Gallup District Request for Additional Funds—Ramah Middle/High School
   Dr. Steinhaus reminded the Council the Ramah High School project had previously been discussed at the PSCOC presentation meeting in Rio Rancho. He informed the Council that the new project cost is more than $18.3 million with a net difference of $7,766,135. The Awards Subcommittee met and recommends approval of an additional $6,445,892.05.

   Ms. Karen White, Superintendent of the Gallup School District, was present at the meeting. Mr. John Samford presented the history/timeline of the project. Ms. White said that the district portion of the project has risen and that the district is requesting consideration for an adjustment of their required match. Mr. Samford informed the Council that their bond election passed in 2000 and the district had a master plan and a design professional in place at that point. The Ramah High School project was ranked at #8 on the NMCI ranking in 2004-2005 and the district was awarded $10,588,573. At that point various issues arose that made it necessary for the district to re-bid the construction phase. The district re-bid and the bid was too high so the district went through a 30-day process, working with their design professional and the conditionally awarded contractor. The district is requesting an additional $6,445,892.05 for the Ramah High School project. Mr. Samford informed the Council that their board has accepted the new bid.

   Dr. Steinhaus and Mr. Gorrell informed the Council the information presented by the district was not reviewed by either the Awards Subcommittee or the PSFA.
staff. Mr. Gorrell noted that there are events in the document that the district presented that occurred before the PSFA was created. He said that because of high construction costs school building in rural areas may have to be dealt with in a different manner. Ms. Tackett asked if design services have increased. Mr. Gorrell said that the PSFA and Districts are bound by procurement laws that indicate that an RFP has to specifically identify a project of this size. This did not occur on the previous design professional selection process and because the state was involved the PSFA had to ask the district to issue a new RFP. In terms of additional compensation to the design professional, Mr. Gorrell stated that the increase in construction costs does not cause a corresponding increase in the design professional fees. There may be additional services that should be considered for the value engineering to attempt to bring the project within costs. Mr. Gorrell explained that the architects determine their fees by man-hour costs and when the project increases by 80%, such as the Ramah project, the labor costs for the architect is not affected. Ms. Tackett informed the Council that the Public School Capital Outlay Oversight Task Force (PSCOOTF) heard testimony about the subsequent subcontractor bonding and may recommend repeal because it is almost impossible to get local subcontractors to perform public works projects. They may also recommend changing the procurement piece where a contractor is not required to have a license before they bid on projects which would allow rural districts along the borders to attract bids from contractors in neighboring states. Ms. Tackett commended the district for complying with all requests/requirements involved in this project.

Ms. Tackett requested that the Awards Subcommittee review waiving the districts additional local match and have the PSFA staff bring back a recommendation to the full Council. Mr. Gorrell informed the Council that the Awards Subcommittee has developed a process that allows districts to come before the Council to address their issues. It is, however, mandatory that requests be submitted in writing. The request would then go to the Awards Subcommittee for review and then to the full Council for approval. The Council directed the PSFA to prepare a checklist with all waiver requirements and instructions.

Ms. White stated that the districts local match have risen because of rising construction costs. Mr. Abbey asked why the district did not ask for a waiver during their presentation at the July 29, 2006 PSCOC meeting. He noted that the amount shown on the district handout is less than the contract that the Council adopted. Mr. Samford explained that if the award had been made at $13.6 million in June the match would have been in place. Mr. Gorrell explained that there is $500,000 of furniture and other costs and the price quoted at the July 29, 2006 PSCOC meeting is basically the same as the second bid. It was stated that the entire project is estimated at $18 million. Mr. Gorrell stated that there was discussion that took place with the original bidder and the potential value engineering amount appeared comparable to the current bid. At the time the PSFA was looking at the bids the adjustment for architect fees and other items were not taken into account. Mr. Abbey reiterated his concern regarding the district not asking for a waiver in at the July PSCOC meeting. Ms. Tackett said
that the district may not have asked for a waiver because they were trying to move forward with the negotiated bid.

Mr. Leonard Haskie, Gallup School District Representative, said that, to his recollection, when the initial bidding process ended, the district was discussing the possibility of an adjustment to the award. At that time, the district proposed that they would come forth with a contribution to the project but the funds were already expended on other facilities. They calculated $1.4 or $1.6 million should have been injected into the project. He stated that he wrote a letter to Mr. Gorrell, however, he did not get the precise acknowledgment of the receipt of the letter that would be a credit to the project. The district came in with an inflated bid of 15.1% and at that point it was made known to the district that the percentage exceeded the 15% bid by 10%. Mr. Haskie stated that when he came before the Council on June 29, 2006 the Council indicated that a re-bid should be entertained because of the local construction cost. The value engineering decreased the project by 700 square feet and, in essence, there were no projected savings but an inflation of $600,000 instead. Mr. Haskie informed the Council that the district excluded athletic costs and has expended $300,000 for bleachers and such. Mr. Gorrell explained that when the project was previously bid, the total cost including the building, which was above adequacy, was $18 million. Mr. Gorrell reminded the Council that he testified at the July 29, 2006 PSCOC meeting stating that the PSFA staff recommends that the project should be re-bid because the project is over $237 per square foot. Mr. Gorrell stated that in rural areas the cost per square foot is higher but this project had an 80% increase in costs. He reminded the Council that these are the numbers that were submitted by the district. He also reminded the Council that at the July PSCOC meeting the district was willing to contribute an additional $500,000 to the project which is greater than the local match. Mr. Gorrell asked if the district is ready to pay their local match or are they requesting funds for their local match share. He stated that the project is built well above adequacy and the previous request was to allow infrastructure costs paid for by the District to count toward their local share.

Mr. Berry noted that there are certain procedures and criteria in requesting a reduction of the local match and said that throughout the application process there is a worksheet and a procedure to make the request.

Mr. Don Moya moved that the Council approve an additional $6,445,892.05 for the Ramah High School project. Ms. Tackett further moved that the Awards Subcommittee look at the request of the Gallup School District regarding their request for an adjustment of their local match as it relates to the increasing local share costs. Dr. Steinhaus seconded and the motion carried.

- **Gallup District Request for Additional Funds—Navajo Middle School**

Dr. Steinhaus informed the Council that the Awards Subcommittee did not review this request. Mr. Pat McMurray stated that the information was received after the Awards Subcommittee had met. Mr. McMurray stated that, based on the low bid that was received, the total project cost is $12,863,629. He informed the Council that the district is requesting an additional state share of $3.1 million for the
Mr. McMurray explained that the project went through a constructability review with an outside consultant and the estimated cost was given prior to the bid. The expected bid was for $10.1 million but it came in at $10.3 million mainly due to the remoteness of the project. Mr. Gorrell added that the project is less per square foot than what was expected based on other recent bids in the area. Mr. Gorrell further stated that the PSCOC may need to consider other principles be applied in future projects for items that do not affect the life of the building but, in fact, increase the life of the building by simplifying the design which would cause less roof problems in the future.

Mr. Abbey inquired as to the total cost of the project. Mr. Gorrell indicated that the total cost of the project is $234 per square foot as compared to over $300 for the Ramah High School project. He said that the contributing factors for the higher cost of the Ramah High School project is the location and difficulty of the site. Mr. Gorrell informed the Council that the site location was the only one available at the time and the value engineering that was applied was very late in the design.

Mr. Gorrell stated that the Awards Subcommittee was apprised of an increase in cost for the Navajo Middle School project because PSFA staff needed to notify the district, that they could proceed knowing the cost would be greater. The Awards Subcommittee did not have the opportunity to review this project. Mr. Gorrell pointed out that when a request comes in late, normally, it would go before the Council the following month for approval because the bidder is required to hold his price for only forty-five days. However, since the next Council meeting is scheduled for November 2, 2006 the PSFA staff felt that the request should be on the current agenda.

Dr. Steinhaus moved that the Council approve the request for an additional $3,109,941 for the Gallup Navajo Middle School project. Ms. Vicki Smith seconded and the motion carried.

- Pojoaque School District Request for Additional Funds—Intermediate School
  Dr. Steinhaus presented this item to the agenda. The Pojoaque School District is requesting an additional $1,935,613 for the Pojoaque Intermediate School. Dr. Steinhaus stated that the Awards Subcommittee has reviewed this item and recommends approval. Mr. Abbey asked if the district is also requesting a waiver on their local share. Mr. McMurray said that the district is not requesting a waiver they are requesting advancement of $206,000 due to insufficient funds to fully meet the local match requested by the Awards Subcommittee. The advancement would be paid for by future bond proceeds. The district would still be contributing $706,000. He informed the Council that the PSFA has been working closely with the district and the district has contributed an additional $500,000 into the project based on the recommendation from the Awards Subcommittee leaving a balance of $1.9 million from the state. Ms. Tackett asked if the Council has previously advanced funds to districts and wondered if they are authorized to advance money to districts. Mr. Berry answered in the negative and
informed the Council that a similar issue came up in the Deficiency Correction process for the roof issue for Jemez Mountain. In that case, the Council granted funds with the stipulation that any recovery from the lawsuit with the contractor or the insurance company would have to be paid back to the fund. Ms. Tackett noted that the districts have four years in which to complete their match. Mr. Berry said that the Council has authority to advance funds to the districts under the high priority project provision. Mr. Abbey reminded the Council that they advanced funds to the Albuquerque School District (APS) under this provision. Mr. Gorrell stated that the Council has allowed APS and other districts to spend monies from their state share for design services when they didn’t have their local match. Ms. Tackett said that it would not be an advance because the statute allows districts four years in which to meet their match and it allows them to use their cash flow of state funds. Mr. Abbey stated that generally the Council wants district to pay their share as they go along and in this case, the Pojoaque District is contemplating all funds will be expended before they can come up with their local match. Ms. Tackett voiced concern regarding the language in the law that speaks of high priority project advances and if it restricts the Council from making advances in other cases. She also wondered if this request is something other than an advance. She indicated that she would be more comfortable if the district used their SB-9 funds. Mr. Gorrell stated that there may be a possibility that as the project proceeds, the district may not need the funds. He made reference to a letter from the district that is included in the PSCOC meeting notebooks that states that “if the GO Bond is not available the district would have to use a combination of SB-9 and operational funds.”

Dr. Pauline Rindone moved that the Council approve the request for an additional $1,935,613 for the Pojoaque Intermediate School project. Dr. Steinhaus seconded and the motion carried.

After further discussion, Mr. Abbey moved that the Council reconsider the motion. Ms. Tackett seconded and the motion carried.

Mr. Abbey changed the motion to approve the award but not give the district an advance because they are liable to come up with the needed $706,000. He cited from the district’s letter that they have bond proceeds that they wish to use for other projects. Ms. Tackett voiced concerns regarding the district’s other bond projects because it is assumed that the projects have already been bid. She also had concerns regarding the advance request of $206,327. Ms. Tackett supported an additional $1,729,285 and asked that staff bring to the Awards Subcommittee a firm discussion of advances and legal basis for the advances to be discusses at the November PSCOC meeting.

Dr. Steinhaus noted that the request for an additional local match advance was not discussed in the Awards Subcommittee and was not part of the Subcommittee recommendation. The Awards Subcommittee recommendation was for additional state funds for $1,729,285 and the confusion came because new information was presented that the subcommittee had not had time to review.
Ms. Tackett made a substitute motion to award an additional $1,729,285.23 for the Pojoaque Intermediate School to complete and bring the project to adequacy without providing the district with a requested additional $206,000 advance on the additional local match liability the district has incurred regarding project cost increases. Ms. Tackett further moved that the Council direct the PSFA to research the legalities and precedents regarding providing advances of this type before the next scheduled PSCOC meeting. Mr. Abbey seconded and the motion carried.

- **Portales District—Request for Additional Funds—Brown Early Childhood Center**
  Dr. Steinhaus presented this item to the Council. He informed the Council that the Awards Subcommittee reviewed this request and recommend approval of additional state funds in the amount of $126,754 for the Brown Early Childhood Center in the Portales School District. Dr. Steinhaus indicated that the district agreed to pay the requested local match.

  Dr. Steinhaus moved to approve additional state funds in the amount of $126,754 for the Brown Early Childhood Center with the understanding that the Portales School District will pay its share of the local match. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

- **Robert F. Kennedy Charter School—Request for Additional Lease Payment Award**
  Dr. Steinhaus presented this item to the Council. He informed the Council that the Awards Subcommittee reviewed this request and recommends approval. Mr. Berry explained that the charter school submitted two applications for lease payment assistance. Upon the review of the applications the PSFA staff observed one location of the charter but not the second. The original award for the RFK lease payment assistance included only one location. The request is to adjust the award to include the second location of the charter which was submitted on time. The total amount requested is $72,600 which brings the lease payment assistance for both charter locations to $144,000.

  Dr. Steinhaus moved that the Council approve increasing the lease payment assistance to Robert F. Kennedy Charter School by $72,600 providing assistance for the charter’s second location. Since this is a subcommittee motion a second is not required. There being no objection the motion carried.

- **Gadsden District—Request for Modification of Award—Gadsden High School**
  Dr. Steinhaus presented this item to the Council. He informed the Council that the Awards Subcommittee discussed the Gadsden High School issue. He said that it is clear that additional information is needed from the PSFA staff and the district. Mr. Gorrell provided a brief history of the district master plan and its growth issues. He stated that upon approval of the districts master plan the Council released funds from last years awards so the Gadsden Middle School
Mr. Gorrell said that the Gadsden High School ranked high on the NMCI ranking list. In the application the district asked that the high school be renovated for 2,000 students. The districts' current facility master plan indicates that there will be 1,800 students attending the high school in three years and 1,600 students attending five years on out and it also indicates that the population is decreasing in that area. The district now does not agree with this and believes that the information is inaccurate. Mr. Gorrell went on to say that the Council and the Awards Subcommittee were bound by the facility master plan in making the award. The Council approved the gymnasium renovation portion of the project that was not contingent on the population. The size of the gymnasium was one that would accommodate a smaller number of students. Mr. Gorrell said that there are other gymnasiums at the school and, therefore, this one can be modified and renovated without contradicting the requirement that is based through adequacy of the facility master plan. He said that the districts highest priority is the library/administrative building and feels that the numbers are still inaccurate. Mr. Gorrell informed the Council that the PSFA met with the district and information regarding this issue was taken to the Awards Subcommittee recently. The district is requesting a modification to their award because they feel that delaying the completion of the library/administrative building would affect their long-range timeline. The district agreed the modification could be conditional on adjusting their facility master plan to the point that the project is justified. Mr. Gorrell went on to say that the dollar amount that is presented includes infrastructure costs and soft costs. The PSFA recommends $5.5 million and feels that this is an appropriate amount to build the project up to adequacy standards.

Mr. Ron Haugen, District Representative, stated that the facility for the administration/counseling/library facility is the key in terms of the rest of the facility that needs to be done at a future date. Mr. Haugen stated that in regard to the facility master plan prepared by ARC, Mr. Patronis and Mr. Robely indicated that the issue at Gadsden High School is not necessarily enrollment but the adequacy of the existing facility.

Dr. Steinhaus stated that the motion he is about to make has nothing to do with the previous award for the gymnasium. The motion is just applicable to the administration building and library. He clarified that the dollar amount of $3,915,000 is not the total project cost but the state share.

Dr. Steinhaus moved that the Council authorize the Awards Subcommittee, contingent upon a revised facility master plan that supports an appropriate design capacity, to modify the 2006-2007 Gadsden award for the Gadsden High School project to include the library, administration and fund up to adequacy and up to an additional $3,915,000 for this phase modification which would bring this phase total funding to $5,787,573. Ms. Tackett seconded and the motion carried.

b. Standards-Based Subcommittee Report
Dr. Rindone presented this report to the Council. She reported that currently there are no action items to discuss. Dr. Rindone presented the 2007-2008 PSCOC/PSFA
timeline and indicated that the various Subcommittees have reviewed the timeline and very few changes were made. Mr. Gorrell informed the Council that the adequacy standards review process is underway. Questionnaires/surveys have been sent to districts and posted on the PSFA website to address their deficiencies, performing arts, additional playing fields and other issues the districts may have. He did, however, inform the Council that modification of the adequacy standards can not fit into the standards-based process in time to make the published ranking list in December. The performing arts, multiple playing fields, etc. can not be considered in this cycle because of the time needed to study, receive public comment and rule making to effect the development and changes in the adequacy standards.

c. Adequacy & Maintenance Subcommittee Report
   - Maintenance Plan Approvals
     Mr. George Gabaldon presented a list of eight districts that now meet or exceed the established requirements and are ready for PSCOC approval. The districts include Cimarron, Lordsburg, Mora, Socorro, Tatum and Tucumcari, Dulce and Artesia. Mr. Gabaldon noted that the preventive master plans were reviewed by the Adequacy & Maintenance Subcommittee. He informed the Council that currently there are five districts that have not submitted their maintenance plans. Mr. Abbey moved that the Council approve the Preventive Maintenance Plans for Cimarron, Lordsburg, Mora, Socorro, Tatum and Tucumcari, Dulce and Artesia. Ms. Tackett seconded and the motion carried.

d. PSFA Subcommittee Report
   - Deficiencies Correction Project Status Report
     The Deficiency Correction Project Status Report is sent to the PSCOC for their review prior to their meetings to save time in full Council meetings.

     Allocations to date (as of September 6, 2006) include 375 projects totaling $290.6 million. Contracts entered into to correct the various deficiencies are currently at $234.4 million (increase of $4.2 million from August 1, 2006), with expenditures at $208.8 million (increase of $9.3 million from August 1, 2006).

     Allocations from the DCP Reserve Fund were made for the period of August 1, 2006 through September 6, 2006 total $12.1 million. Balance remaining in the Fund is $4.6 million, including reversions from completed projects.

   - Lease Payment Assistance Report
     The Lease Payment Assistance Report is sent to the PSCOC for their review prior to their meetings to save time in full Council meetings. Awards at the November 2, 2005, PSCOC meeting were made to 52 schools totaling $4.0 million.

     Awards at the August 1, 2006 PSCOC meeting were made to 63 schools for $5.15 million. An additional a subsequent award of $72,000 for Robert F. Kennedy Charter High School is pending approval.
Acceptance letters received as of September 5, 2006 total $5.15 million for 63 schools.

- **Public School Capital Outlay Award Balance Report**
  The Public School Capital Outlay Award Balance Report is sent to the PSCOC for their review prior to their meetings to save time spent in full Council meetings.

  The Public Education Department (PED) & PSFA jointly provide the report on the previously allocated PSCOC projects. The PSFA is responsible for awards beginning with the 2004-2005 cycle.

  Ms. Vicki Smith asked if the PSFA staff has received feedback on roof repairs due to the current rain. Mr. Gorrell responded in the negative stating that there are districts, however, that are experiencing roof problems and some districts are being proactive in looking at their school roofs before they fail. Ms. Catherine Smith requested that the PSCOC ask the legislature to allocate additional funds for roof repairs. Mr. Gorrell stated that the PSFA is working with roof consultants to rank roof projects. The information will be taken to the Standards-Based Subcommittee for review in the near future.

  Ms. Vicki Smith asked if the PSFA is aware of any drainage problems in school district facilities. Mr. Gorrell stated that the Deficiency Correction Program fixed many drainage problems around the state and he is not aware of any districts that may be experiencing drainage problems.

  Dr. Steinhaus asked a question regarding the Hatch emergency request. Mr. Gorrell informed the Council that the Hatch District withdrew their request for emergency funding for portables because they have resolved their problem. The district was able to use the elementary school effectively and was able to remediate the facility that they once thought would need replacement. Mr. Gorrell indicated that the PSFA has a letter on file from the Hatch District that indicates that they no longer need the emergency funds.

  In regard to Sandia High School in Albuquerque Public School District, Mr. Gorrell explained that the request originally came from the district for emergency assistance for up to $1.2 million. The district later reduced the amount stating that they plan to do remedial work in the amount of $200,000. Mr. Gorrell communicated through Mr. Bill Moffatt, APS Finance Director, regarding the process and procedures and has made follow-up calls to him since. Mr. Gorrell indicated that, at this point, he has no further information regarding this issue to present to the Council. He reminded the Council that the normal course of action is that the Chair makes an emergency allocation so the project can begin but the Council has to ratify the emergency funding at the next meeting. Ms. Vicki Smith indicated that, by statute, the local school boards are charged with the facility maintenance, etc., and is delegated to the superintendent of the district. Ms. Tackett suggested that a letter be sent to the APS board president on behalf of the Council informing them that the Council is willing to assist them with the Sandia
High School project. Mr. Abbey suggested that the process and procedures of how to acquire emergency funding be posted on the PSFA website. He asked that the PSFA bring draft policies and procedures to the next scheduled Council meeting for adoption. Mr. Gorrell indicated that the district is proceeding with their design and repair at the Sandia High School. Upon their meeting Mr. Moffatt said that emergency funding is helpful in that the district does not have $200,000 that is not committed to another project and an advance would be helpful.

The Council asked if the PSFA has other groups to assist in the PSCOC processes. Mr. Gorrell stated that the following groups have been created:

- **PDAG-Project Development Advisory Group** — This group looks at projects from their inception to completion and turned over to the district. The group meets quarterly on a similar schedule to the Maintenance Advisory Group. Their next meeting is scheduled for October.

- **Application Committee** — This committee reviews the PSCOC/PSFA timeline and makes recommendations. The committee will work with the PSFA to identify areas that will improve the application.

- **Adequacy Work Group and the Adequacy Planning Guideline Group** — Both groups meet to assist in refining the processes already in place.

- **Other State Facility Manager Group** — This group will meet on September 19, 2006, to discuss an alliance workgroup to share with other states on what’s working and what isn’t.

5. **Other Business**

- **Election of New Chair and Vice-Chair**
  On nominations duly made and seconded, the following were elected to the following positions; Ms. Paula Tackett will serve as Chair of the PSCOC and Dr. Kurt Steinhaus will serve as Vice-Chair. Each Council member was present and accepted the position to which they were elected. The Council thanked Ms. Smith for her diligence and competence while chairing the PSCOC.

**Public Comment**
There was no public comment at this time.

**Adjournment**
There being no further business to come before the Council, the meeting adjourned at 1:00 p.m.

[Signature]
Chair

[Signature]
Date