

Memo:

To: Paso Robles Joint Unified School Board

Dr. Curt Dubost

Brad Pawlowski

From: Swim Paso Association

Re: Grand Jury Report

The following document includes excerpts from the recent grand jury report titled PASO ROBLES SCHOOL DISTRICT: A CAUTIONARY TALE and Swim Paso Association's responses to the claims found in the report. It is our goal to ensure full and accurate information is shared to the best of our ability regarding the aquatic complex. The grand jury report has some specific errors as well as omissions of information and statements which appear subjective rather than factual.

SUMMARY

As of the date of this report, there is no clear plan or path forward for the construction of a complex. However, to date, \$1.5 million of Measure M funds have been expended. This includes the poorly timed purchase of modular stainless steel components for the vinyl-lined pools that have now been paid for and placed in storage for over two years.

- There are opportunities to apply for state grants specific to aquatic complexes, to fundraise, and to work with partners to re-create a new, clear plan led by the district, on how to move forward
- A poorly timed purchase is in the eye of the beholder and is now somewhat irrelevant since it is done. The piggyback bid was a great opportunity. Whether or not this project should have been a forerunner is quite debatable as evidenced by the past.
- There is no vinyl lining in storage as stated later in the GJ report. The steel should not deteriorate in storage and the storage has no ongoing cost to the district.
- There are no components or materials with an expiration date currently in storage.

NARRATIVE

Trustees approved new positions, purchased a million-dollar pool for a proposed aquatic complex without a completed construction plan and accurate construction estimates, and brought in new academic, athletic and student service programs, all before they realized they didn't have the money to pay for them or sustain the long term costs.

- The original estimates were noted in the prioritized Master Facility Plan (MFP)
<https://www.pasoschools.org/cms/lib/CA01801048/Centricity/Domain/42/PRJUSD%20-%20Facilities%20Master%20Plan.pdf>
 - At this time, it is unknown how those estimates were made, however, the “A” priority portion cost was expected to be covered by the bond.
<https://www.pasoschools.org/cms/lib/CA01801048/Centricity/Domain/42/Facilities%20Master%20Plan%20Potential%20Priority%20Lists.pdf>
 - One proposal for how to sustain the long term costs has been to follow the USA Swim programming plan for the facility. Utilizing both pools to generate an income based on a widely used model of daily and periodic income generating events.
<https://www.usaswimming.org/news/2017/02/09/facilities-department-what-we-do> Swim Paso Association Board members have attended the training USA Swim program and have a sustainable plan for facility management.

CHAPTER 3 – THE AQUATICS COMPLEX

PURPOSE

The Grand Jury (SLOGJ) believes that nothing illustrates these failures better than the example of the Aquatic Complex plan, which to date, is not close to being constructed.

NARRATIVE

In 2015, the new superintendent wanted to produce a new Facilities Master Plan (FMP) anticipating a significant increase in school enrollment and other factors. This increase would require modifications to existing facilities and construction of new facilities to support anticipated growth.

- The declining condition of some of the aged buildings, lack of space on some campuses for STEM, as well as the open campus layouts within the district were also reasons for modifications and new construction.
- The lack of a safe and adequate facility for aquatics played a role as well.
 - All block starts on the lanes at Muni Pool are unsafe for swimmers to use due to the shallow depth of the pool. American Red Cross recommends greater than 6 ft depth for dive starts. Muni pool swim lanes do not meet this recommendation. [.https://www.health.ny.gov/environmental/outdoors/camps/aquatics/minimum_water_depths_for_head_first_diving.htm#:~:text=Diving%20Safety%20Recommendations%3A,incl%20dives%20from%20pool%20decks](https://www.health.ny.gov/environmental/outdoors/camps/aquatics/minimum_water_depths_for_head_first_diving.htm#:~:text=Diving%20Safety%20Recommendations%3A,incl%20dives%20from%20pool%20decks).
 - The current dive blocks are not able to be repaired and are considered unsafe.
 - The current bulkhead used for the shallow-end water polo goal is unstable and creates risk for injury and while it can possibly be replaced an appropriate facility would provide improved safety to this design.
 - Pool depths and shapes are inadequate for regulation swim and polo meets <https://www.nfhs.org/media/1017763/water-polo-pool-diagrams.pdf>
 - Lack of lighting restricts hours of safe use
 - Repair needs have caused teams to have to travel to nearby cities for practice
 - Example: In approx. 2015 the dive team drove to Arroyo Grande twice a week as no other nearby pools could hold practices due to repairs.
 - Swim and polo teams practiced at Kennedy Club Fitness during this same period.
 - These travel and other travel expenses created additional costs which PRJUSD, the aquatic families, and boosters covered.
 - Budget issues in the past have also required families and boosters to cover most of the costs of programming and travel.
 - Municipal pool was built decades ago. Paso Robles and Atascadero are the only remaining Central Coast community or high school pools which have not been upgraded to current standards. Atascadero is preparing to build a new pool.

Included in the plan were changes to all elementary and middle schools, the high school, the War Memorial Stadium and the construction of a new aquatic complex. The facilities master

plan was estimated at a cost of \$187 million.

The original plan for the aquatic complex included a 50-meter and a 25-meter pool, decking, concession area, four rows of bleacher seating, changing rooms, rest rooms, equipment space, and a solar heating system. The initial estimated cost for the aquatic complex was \$10,570,000.

- 50 meter, 25 yard (this is a consistent error in terminology)

<https://www.pasoschools.org/cms/lib/CA01801048/Centricity/Domain/42/fmp.pdf>

The total budget for all changes to be funded by a bond was over \$130 million. An additional amount of \$58.2 million was needed for potential repairs and modifications for the schools that would have to be funded. The aquatic complex was included in the proposed bond to improve the high school athletic performance of the swim and water polo teams. The high school currently practices at a municipal pool across town, next to Flamson Middle School. They do not have an adequate venue to conduct swim meets. One of the intentions of the aquatic complex was to improve student access and competitiveness, as well as potentially attracting new students.

- The Aquatic Complex (AC) was proposed to bring a facility to Paso Robles and district which could serve many purposes.
 - Swim lessons for elementary students provided by the district
 - Aquatics as part of high school and middle school PE
 - Reduction of travel for students practice
 - Safe depths for swim and dive
 - Safe and competitive options for water polo teams (you can't learn the sport on half court)
 - Aquatic sport opportunities for the county youth prior to high school
 - Life saving swim lessons for the whole community
 - Water therapy
 - Scuba lessons
 - Local water rescue practice by safety personnel
 - Community health options

- Lifeguard training
- Training or potential to explore CTE in recreation management, event management or healthcare
- Water fitness
- CPR courses for high school students
- Up to date and efficient aquatic facilities for the community
- Ability to hold large local tournaments and meets on students “home fields”

These facility changes could only be accomplished through external funding using taxpayer funded bonds. The district modified the wish list for the aquatic complex over the next four months to prioritize projects and to make it acceptable to voters. Several board meetings and planning sessions were held by the administration and board to discuss the size and scope of the projects and the details of the bond measure. Many changes were made. Projects were massaged into an “A” priority and a potential “B” priority list. Notably, the aquatic complex estimate and scope were significantly reduced. What remained in the bond financing, which was approved for the aquatic complex, was a 50-meter pool and the equipment room. The estimate for the change to the aquatic complex in the FMP was reduced from the original \$10.5 million to \$5.7 million. This is the amount that voters were asked to approve as part of Measure M. The 25-meter pool, pool deck, concession area, bleachers, changing room, solar water heating system and restrooms were left off the aquatic complex bond issue list that was approved by the Board of Trustees. When the description for the bond issue was written in November of that year, however, all of the items on the list were included. The aquatic complex was listed as a community effort with the School District providing limited financing. Donations and potential, though undocumented, agreements with outside parties were to fund the remainder.

- A
 - 50 meter pool
 - Equipment room
- B
 - 25 yard pool
 - Pool deck
 - Bleachers

- Concessions
- changing/locker room (public/visitors)
- Restrooms (public/visitors)
- Solar water heating
- Priority A for each project is what was expected to be completed by the bond. It is unclear where the information about “what was written in November” is referring to.
<https://www.pasoschools.org/cms/lib/CA01801048/Centricity/Domain/42/Facilities%20Master%20Plan%20Potential%20Priority%20Lists.pdf>
 - The community perspective appears to be varied on this. In discussions recently held with some SPA supporters we found some aquatic followers and supporters did think a whole facility would be built by the bond. Equally concerning, per many early debates within the citizens oversight committee they felt the aquatic facility or pools were not clearly stated as partially or fully funded by the bond at all.
- Fundraising and in-kind donations as well as potential state funding for portions of the project were anticipated.
 - It is unknown by Swim Paso Association (SPA) if there were written agreements for the verbal in-kind donation discussions had with 4A or the district admin.
 - It was the SPA founding members understanding, through conversation, that there were local businesses willing to assist with some components of preparation to build and/or material donations; however, SPA later learned of complications between allowing some in-kind work to be completed and obtaining a contractor who would be willing to accept this work as part of the project.
 - 4A and/or SPA did not fail to fundraise, their fundraising efforts for this project were halted due to controversies within district administration and the district's financial position (budget crisis). Fundraising was successful in SPA’s perspective. Over \$200,000.00 in four months time was a solid beginning.

The architect presented artist’s rendering of the first phase of the work on Measure M projects on October 10, 2017. Included is a rendering of the aquatic complex. The board suspended work on the aquatic complex, objecting to a lack of outside public restrooms, for which no funds were secured. However, this did not preclude the actual purchase of pool components. Keep in mind,

that at this point, the project was still not fully funded.

- This information is not represented as an objection in the board meeting minutes from October 10, 2017. The board approved the project, with stipulation that construction would not begin until funds were raised for the public restrooms.
<https://www.pasoschools.org/site/handlers/filedownload.ashx?moduleinstanceid=2083&dataid=5684&FileName=Minutes%20October%2010%2017%20Adopted.pdf>
- The first goal to fundraise to build certain components of the project was set at raising \$1.5 million in increments of \$750,000.00 for restrooms and changing/locker rooms for the public/visitor use.
- The current school gym locker rooms and restrooms are slightly too far away from the facility and are also utilized for two school gyms already.
- There is a requirement for the number of public restrooms required per square foot of water.
- Although many other schools use their school restrooms and changing rooms during aquatic events our students and families currently attend, separate facilities for the public are best practice.

As of January 23, 2018, the project design was not complete and funding for the complex was not secured. Regardless, on that date, the board approved the purchase and delivery of components for two stainless steel pools for \$945,200. The vote was six in favor and one opposed. The price was higher than the Measure M designated cost. These components were delivered and placed in storage containers in August of 2018. At the time of this report, the majority of pool components remain in storage at the high school site.

- See previous comments on what is in storage at PRHS
- We are not sure where the GJ found a price for the material costs of the pools that is higher than the Measure M designated costs for purchase. The price in reference is not referred to in the document or cited. The Facilities Master Plan Document (pg 44) does not break out the material costs of the pools. Total costs specified include labor, materials, and estimated overages and come to \$6,260,000.00 for
 - Priority A includes 50 meter pool for \$5,210,000.00

- Priority B includes 25 yard pool for \$1,050,000.00

In February 2018, the superintendent and other district officials posed for pictures in a simulated groundbreaking photo opportunity at the proposed site. The superintendent, at the photo opportunity, stated he could build the complex for \$8.2 million dollars (despite the FMP estimate exceeding \$10 million) with Measure M Bond funds providing \$5.7 million and anticipating \$2.5 million coming from donations. He claimed to have an agreement for the ground clearing, excavation, and site work to be completed by a retired earthwork contractor and winery owner. That agreement was never documented and the party who made the agreement has since passed away.

- The ceremonial groundbreaking was held in April 2018
- A February 2018 Tribune article discussed the upcoming groundbreaking and the \$8.2 million build amount. <https://www.sanluisobispo.com/article199495079.html>
- Sadly, Tom Maas has passed away. PRJUSD and the local community and specifically its youth has lost an incredible ally.

A group of citizens formed a non-profit organization to raise funds for the donations. SWIMPASO raised several thousand dollars through fundraising efforts. Their contributions were transferred to the 4A Foundation, a group used to fund extracurricular activities at the schools, designated for the construction of the aquatic complex. As of the date of this report there has not been an audit of those funds (\$144,473.95) nor any indication of expenditures by the group to support the completion of the aquatic complex.

- Original fundraising was completed by a committee under and as part of 4A.
- Funds raised/donations made (approx \$200,000.00 in 4 months) were held by 4A and are above the \$144,475.95 quoted by the GJ. The donated stock option may be the discrepancy in these amounts.
- Donations were recorded by 4A
- Due to controversies within PRJUSD and 4A, a portion of the supporters and aquatic complex committee members chose to create a non-profit, Swim Paso Association (SPA), for local aquatic benefit which included but was not limited to supporting the

aquatic complex.

- Due to the ongoing controversies and the Covid pandemic, SPA has not continued to fundraise specifically for this cause. The funds are held by 4A in a designated bank account with oversight by SPA and PRJUSD. An agreement was reached to transfer funds to SPA pending PRJUSD legal approval and clarity of next steps by PRJUSD on the project. To date SPA has not been informed of any decision by PRJUSD or their legal team.
- There has been no request for expenditures of this funding to be made toward any progress on the project. It is unclear what the grand jury would expect to see as expenditures from SPA or 4A for at this point, since the project is on hold. Time and personal commitment has been spent on fundraising with no intention to spend those donation funds until such time as the school district needed them to complete building of the project, which has consistently been the goal for the use of said funds.
- Swim Paso continues to collaborate with PR city, PRJUSD, 4A foundation, Jordan Cunningham's office and others to work toward solutions.
- The Grand Jury failed to speak to anyone from Swim Paso Association regarding the non-profit organizations activities since 2018.

On March 13, 2018, the Board of Trustees appointed new members of the Measure M oversight committee. The Board was given an update on the progress of the work for rebuilding the schools and the aquatic complex. On April 24, 2018, the Board agreed to sell \$40 million dollars of bonds for Measure M repairs and the aquatic complex. The \$3 million of anticipation notes previously issued were paid off.

In the ensuing eight months up to November of 2018, the District began physical work. They eliminated temporary structures and leveled the site in preparation for the pool installation. Total expenditures, including the pool components purchased, at that time were \$1,308,128. On November 3, 2018, the District presented an update of the Facilities Master Plan including the aquatic complex. The District entertained bidding for the installation of the pools at that time. The bids received from two contractors came in at \$11 million and \$12.7 million (in addition to the cost of the pool components) and was announced at a January 2019 Board of Trustee meeting. They were substantially over the original estimate and the remaining bond funding set

aside for the aquatic complex. The Board voted at that time to put a hold on the project until additional funding could be secured.

- Since this point in time no effort to secure funding beyond any state matching or school modernization funds has been made by PRJUSD that is known to the aquatic community.

Since that time, District staff toured a similar aquatic complex site in Hollister, California. The staff learned that the operating costs for a similar site were substantially more than what was projected for Paso Robles. The manufacturer has recalled one of the pool liners for another similar project and continues to honor a three-year warranty effective when the pool is installed. The last Board of Trustees discussion concerning the Aquatic Complex was at the January 25, 2020 board meeting. The district trustees remained committed to complete the installation that is needed for the high school. They hoped funding could come from a proposed School Modernization Bond, State Measure Proposition 13, in the 2020 primary election. That potential funding source was eliminated by the defeat of the proposition.

- SPA members joined this tour and disagree that the operating costs were stated as higher than expected. The facility was newly constructed and recently opened on a limited basis. Only time would tell the true operational costs. This should be revisited.
- The aquatic complex was left on the bond project lists and continued to be on hold. There is no record or recollection by members present at that January meeting of the board committing to what is “needed for the high school”, it was simply left in limbo. Not cancelled or changed in any way but understood there is no way to move forward at this time.
- Unfortunately, prop 13 did fail and soon after COVID 19 became an ongoing stumbling block for events, grants and more.

CONCLUSION

The Paso Robles School Board of Trustees and the previous superintendent prematurely purchased pool components and committed to an aquatic complex without a fully developed

plan and a way to pay for it. It was mistakenly assumed that the additional funding required would be forthcoming. No written agreements have been found that could prove that the needed donations were in place to consummate the building of the complex. As a result of the trustees' actions, Measure M, as authorized by the voters, has funded expenses of \$1.5 million for an aquatic complex, which is unlikely to be realized. This includes almost a million dollars-worth of pool components, which require additional funding to maintain while stored in metal containers, potentially degrading.

- This document references a final expenditure after land clearing of \$1,308,128.00 and the project being placed on hold. Yet this section states \$1,500,00.00 has been spent. SPA would like to request the actual number of \$1.3 million or \$1.5 million to be established and documentation shared since this is imperative to future decision making.
- The last statement here is speculation. Representatives from Myrtha pools have been consulted to determine if these components are at risk for any deterioration. It is the understanding of SPA that there is no risk of deterioration of the remaining components.
- SPA is in no way disputing the difficulties this project has faced. It is unfortunate that the aquatic complex has come to be held in limbo due to factors beyond the control of current PRJUSD administration and school board. SPA respectfully disagrees with the GJ in that the project is unlikely to be realized. SPA fully prepared to do the work and raise the funds to make this facility a reality. SPA is committed to hiring a professional grant writer and/or professional fundraiser to assist in reaching these goals however, the school board must commit to move forward at some point for grant writing and/or fundraising to take place.

CHAPTER 3-THE AQUATIC COMPLEX

F1. The modular pool components were prematurely purchased before the aquatic complex project was fully developed or funded.

- Before fully funded is a true statement, the word “developed” creates lack of clarity as a design is available. Blueprints do exist.

F2. A site visit to an existing installation was not conducted prior to purchasing pool equipment constituting a failure of due diligence by the district superintendent and trustees.

- Many of the staff and families involved in supporting this project spend substantial time and or worked at districts with large pools.

F3. It was poor business policy to not have documented proposed donations between the district and donors to fund portions of construction.

- It is unfortunate the in-kind donations may not have been documented or if they were, no one currently knows the location of those agreements.

F4. The anticipated financial support to complete the project has not materialized, as evidenced by the lack of support for SWIMPASO and 4A Foundation fundraising efforts. Strong community support is not evident.

- This is conjecture on the part of the Grand Jury. As mentioned above, the Grand Jury did not reach out to any Swim Paso Association board member. We held multiple, publicly advertised and promoted community input meetings once the project was paused. These were well attended gatherings that produced multiple alternative ideas and solutions to the problem at hand.
- To the knowledge of SPA, jury members were not present at early board meetings where the vote to purchase pools or to decline bids were made nor did they ask for any information on documentation or lists of M and aquatic facility supporters.
- SPA representatives attended most, if not all, of the PRJUSD Board Meetings and spoke during public comment at the many of the board meetings in 2019 and early 2020 updating the board on our efforts to apply for grants via the State of California Water Bond, Prop 68. This grant, if awarded, will provide enough funding to complete Phase A of the project. The Covid pandemic has delayed the release of the RFP for this grant.

F5. The Trustees and the superintendent understood Measure M Bond funding allocation was inadequate to complete the aquatic complex. As of the date of this report, the board has chosen not to prioritize the aquatic complex and shift additional bond funding.

F6. Annual operating costs were dramatically underestimated in the planning of the aquatics complex.

- SPA would like to see evidence of this. This was well researched and presented to the board based on research from USA Swimming.
- F7. The advisory council is negligent in their charge with overseeing the execution of Measure M Bond funds and has not published an audit for two years as required by the measure.

F8. The Board of Trustees did not use due diligence and failed in their fiduciary obligation to properly complete the aquatic complex, lacking a reasonable design, construction and financial plan before purchases were approved.

- SPA would like to understand the GJ term “reasonable design” as it is quite subjective.

R13. Under the conditions that exist today, the district trustees and administration should determine if the aquatic complex is viable.

- SPA agrees in part with this statement, however we believe that “today” shouldn’t be the only determining factor as the district is in a current financial crisis which would be likely to negatively impact the decision. SPA believes in patience. A new president, a pandemic, the hard work of the current board, CBO and PRJUSD staff are all factors today which will change in time. There should be a long term plan developed based on what is needed for the students, and for the community. Viability/sustainability over time should be carefully considered.
- Additionally, the state of California has released the grant RFP with specifics for funding aquatic complexes. If the current board agrees to move forward in allowing Swim Paso Association to apply for this grant, we will do so.

R14. The PRJUSD should consider the possibility of collaborating with the city of Paso Robles to use purchased equipment to upgrade current municipal swim facilities.

- Meetings have been held between SPA and city officials. PRJUSD and PR city have ongoing collaboration meetings (not all specific to this project). The superintendent had discussions with some community leaders to have shared commitment for the benefit of all. SPA has also met with PR City officials regarding the aquatic complex. SPA has a mission to support local aquatics. This includes the complex as a goal for our students and our community.

R15. There should be a comprehensive audit and report made available to the public of 4A Foundation funds that were dedicated to the aquatic complex construction.

R16. There should be a current audit of Measure M Funds by the Oversight Committee and it should be made available to the public.

- Historically, with respect to aquatics, this district has a poor reputation for saying one thing and doing another or not being able to fulfill what they say they plan to do. This is an opportunity to slow down and plan ahead. The storage of the pools is not a cost or a

risk to the district. The bond is not fully expended. The district has changed the scope of what is promised with M to the community already. Even though it may be justified by time and weather and enrollment changes, this is still changing from what the community was promised would be accomplished with these funds.

Swim Paso Association final comments:

It is our goal to confirm support and need for a facility on PRHS campus as well as assist the school board in its decision making process by providing historical information that is factual and evidence based to the best of our ability. Swim Paso was never contacted by the Grand Jury for inquiry into any portion of this matter. We understand this is not the time to move forward. There are other crises at hand which demand immediate attention. We believe that the project should stay on hold while information and options are presented to the new school board members. We are open to continuing to work collaboratively with PRJUSD and others to find the best way to move forward with a project that serves PRJUSD students and others as best as possible in the future.