

LOS ANGELES UNIFIED SCHOOL DISTRICT

SCHOOL CONSTRUCTION BOND CITIZENS' OVERSIGHT COMMITTEE

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Lori Raineri and Keith Weaver – Oversight Consultants
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Timothy Popejoy
Bond Oversight Administrator
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Bond Oversight Coordinator

RESOLUTION 2024-38

BOARD REPORT 166-24/25

RECOMMENDING BOARD APPROVAL TO DEFINE AND APPROVE 21 SOLAR PHOTOVOLTAIC PROJECTS AND AMEND THE FACILITIES SERVICES DIVISION STRATEGIC EXECUTION PLAN TO INCORPORATE THEREIN

WHEREAS, District Staff proposes that the Board of Education (Board) define and approve 21 solar photovoltaic projects (PV Projects) with a combined budget of \$122,406,423 as described in Board Report 166-24/25 attached hereto, and amend the Facilities Services Division (Facilities) Strategic Execution Plan (SEP) to incorporate therein, and

WHEREAS, District Staff also requests that the Board authorize the Chief Facilities Executive, Chief Eco-Sustainability Officer, Chief Procurement Officer and/or their designee(s), to execute all instruments necessary, as legally permissible, to implement the proposed PV Projects, including budget modifications and the purchase of equipment and materials; and

WHEREAS, On August 7, 2024, the Board adopted a resolution ordering an election on November 5, 2024, to authorize the issuance of school bonds (Measure US). The same action approved the Proposed 2024 Bond Priorities, Funding Targets and Implementation Strategies for Measure US, which help guide the identification of sites and development of project proposals. The School Upgrade Program (SUP), representing the current phase of the bond program, has been updated with the identified Funding Targets after the approval of Measure US by voters on November 5, 2024; and

WHEREAS, Pursuant to the Board Resolution Transitioning Los Angeles Unified School District to 100% Clean, Renewable Energy Resulting in Healthier Students and More Sustainable, Equitable Communities adopted on December 03, 2019 (Clean Energy Resolution), funding has been prioritized within the SUP under the category of need for School Upgrades and Reconfigurations to Support Wellness, Health, Athletics, Learning, and Efficiency. Projects to install photovoltaic panels, electrification, and electrical infrastructure fall under this SUP category of need; and

RESOLUTION 2024-38

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WHEREAS, The installation of PV systems to generate electricity from solar power offers the District the opportunity to significantly offset its energy costs over the long term and to achieve its goals for environmental stewardship and clean energy; and

WHEREAS, The school sites were selected based on high energy use within the geographic areas of two utility providers, Los Angeles Department of Water and Power and Southern California Edison. Other factors considered were sites that had been identified for future roof replacement, and sites with newly installed roofs to avoid roof warranty issues and minimize roof penetrations that could cause water leakage; and

WHEREAS, In addition to the PV systems, 13 of these PV Projects will also install Level 2 electric vehicle (EV) charging stations and/or conduit for future charging stations; and

WHEREAS, The PV Projects will optimize the District's energy generation, conservation, and cost avoidance pursuant to California Government Code §4217.10 et seq. The net cost avoidance to the District including the project costs and operations and maintenance costs is anticipated to be up to approximately \$45.7 million over the 25-year lifespan of the equipment due to on-site electricity generation from the PV systems and the benefits of electric vehicle charging stations and infrastructure. Based on the same assumptions, the utility cost avoidance to the General Fund over 25 years is anticipated to be up to approximately \$168 million; and

WHEREAS, The proposed PV Projects are consistent with the Los Angeles Unified School District (Los Angeles Unified or District)'s Clean Energy Resolution and long-term goal to address unmet school facilities needs and significantly improve the conditions of aging and deteriorating school facilities as described in Los Angeles Unified local bond measures K, R, Y, Q, RR, and US; and

WHEREAS, The Board of Education's approval of the proposed PV Projects will authorize District Staff to proceed with the expenditure of bond funds to undertake the PV Projects in accordance with the provisions set forth in Los Angeles Unified local bond measures K, R, Y, Q, RR, and US; and

WHEREAS, The District's Office of the General Counsel has reviewed the proposed PV Projects and determined that they may proceed to the School Construction Citizens' Bond Oversight Committee (BOC) for its consideration for recommendation to the Board of Education; and

WHEREAS, District staff has concluded that this proposed Facilities SEP amendment will facilitate Los Angeles Unified's ability to successfully complete the Facilities SEP.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The BOC recommends that the Board of Education define and approve 21 solar photovoltaic projects with a combined budget of \$122,406,423 and amend the Facilities SEP to incorporate therein, as described in Board Report 166-24/25, a copy of which is attached hereto in the form it was presented to the BOC and is incorporated herein by reference.

RESOLUTION 2024-38

RECOMMENDING BOARD APPROVAL TO DEFINE AND APPROVE 21 SOLAR PHOTOVOLTAIC PROJECTS AND AMEND THE FACILITIES SERVICES DIVISION STRATEGIC EXECUTION PLAN TO INCORPORATE THEREIN

2. This resolution shall be transmitted to the Los Angeles Unified School District Board of Education and posted on the BOC’s website.
3. The District is directed to track the above recommendation and to report on the adoption, rejection, or pending status of the recommendations as provided in section 6.2 of the Charter and Memorandum of Understanding between the BOC and the District.

ADOPTED on December 12, 2024, by the following vote:

AYES: 9

ABSTENTIONS: 1

NAYS: 1

ABSENCES: 2

/Michael Hamner/

D. Michael Hamner
Chair

/Robert Campbell/

Robert Campbell
Vice-Chair



Board of Education Report

File #: Rep-166-24/25, **Version:** 1

Define and Approve 21 Solar Photovoltaic Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein

January 14, 2025

Facilities Services Division and Eco-Sustainability Office

Action Proposed:

Define and approve 21 projects to provide solar photovoltaic systems (PV Projects), as listed on Exhibit A, and amend the Facilities Services Division (Facilities) Strategic Execution Plan (SEP) to incorporate therein. The total combined budget for these proposed PV Projects is \$122,406,423.

Authorize the Chief Facilities Executive, Chief Eco-Sustainability Officer, Chief Procurement Officer and/or their designee(s) to execute all instruments necessary, as legally permissible, to implement the proposed PV Projects, including budget modifications and the purchase of equipment and materials.

Background:

On August 7, 2024, the Board of Education (Board) adopted a resolution ordering an election on November 5, 2024, to authorize the issuance of school bonds (Measure US). The same action approved the Proposed 2024 Bond Priorities, Funding Targets and Implementation Strategies for Measure US, which help guide the identification of sites and development of project proposals. The School Upgrade Program (SUP), representing the current phase of the bond program, has been updated with the identified funding targets after the approval of Measure US by voters on November 5, 2024.

Pursuant to the Board Resolution Transitioning Los Angeles Unified School District to 100% Clean, Renewable Energy Resulting in Healthier Students and More Sustainable, Equitable Communities adopted on December 03, 2019 (Clean Energy Resolution), funding has been prioritized within the SUP under the category of need for School Upgrades and Reconfigurations to Support Wellness, Health, Athletics, Learning, and Efficiency. Projects to install photovoltaic panels, electrification, and electrical infrastructure fall under this SUP category of need. The installation of PV systems to generate electricity from solar power offers the District the opportunity to significantly offset its energy costs over the long term and to achieve its goals for environmental stewardship and clean energy.

The school sites were selected based on high energy use within the geographic areas of two utility providers, Los Angeles Department of Water and Power (LADWP) and Southern California Edison (SCE). Other factors considered were sites that had been identified for future roof replacement, and sites with newly installed roofs to avoid roof warranty issues and minimize roof penetrations that could cause water leakage. In addition to the PV systems, 13 of these PV Projects will also install Level 2 electric vehicle (EV) charging stations and/or conduit for future charging stations. The school sites are located across all seven Board Districts and Regions within Los Angeles Unified.

Construction activities related to the installation of the PV system is anticipated to begin in the third quarter of 2025 and will be completed by the third quarter of 2027.

Bond Oversight Committee Recommendations:

This item was considered by the School Construction Bond Citizens' Oversight Committee (BOC) at its meeting on December 12, 2024, as referenced in Exhibit C. The presentation that was provided is included as Exhibit D. Staff has concluded that this proposed Facilities SEP amendment is in alignment with BOC recommendations and will facilitate the successful implementation of the Facilities SEP.

Expected Outcomes:

Define and approve the proposed PV Projects and amend the Facilities SEP to incorporate therein. Approval will authorize staff to proceed with the implementation of the proposed PV Projects and expenditure of Bond Program funds.

Approval of the proposed action will permit activities in support of solar photovoltaic projects at 21 school sites. Staff estimates that the PV Projects will optimize the District's energy generation, conservation, and cost avoidance pursuant to California Government Code §4217.10 et seq. Based on the proposed PV system sizes as shown in Exhibit A, the Eco-Sustainability Office estimates the net cost avoidance to the District including project costs and operations and maintenance costs is anticipated to be up to approximately \$45.7 million over the 25-year lifespan of the equipment due to on-site electricity generation from the PV systems and the benefits of electric vehicle charging stations and infrastructure. Based on the same assumptions, the utility cost avoidance to the General Fund over 25 years is anticipated to be up to approximately \$168 million. The anticipated cost avoidance in energy costs is set forth in Exhibit B.

Board Options and Consequences:

Approval will allow staff to develop, design, and construct the proposed PV Projects.

If staff's proposal is not approved, the proposed improvements will not commence, the District will not benefit from the anticipated cost avoidance in energy costs created by these PV Projects, and this progress towards meeting the goals of the Clean Energy Resolution will not occur.

Policy Implications:

The proposal does not impact Los Angeles Unified's policies. The proposal supports the implementation of the Clean Energy Resolution. The proposal is consistent with the District's long-term goal to address unmet school facilities needs and significantly improve the conditions of aging and deteriorating school facilities as described in the District's local bond measures K, R, Y, Q, RR, and US. The proposed action advances Los Angeles Unified's 2022-2026 Strategic Plan Pillar 4 Operational Effectiveness Modernizing Infrastructure by installing PV systems.

Budget Impact:

The total combined budget for the 21 PV Projects is \$122,406,423. The proposed PV Projects will be funded with Bond Program funds earmarked for school upgrades and reconfigurations to support wellness, health, athletics, learning, and efficiency. Separately, after the energy contractors have secured permission from the utility providers to operate the PV systems, the District will make annual payments to the energy contractors for Operations & Maintenance (O&M) and Performance Guarantee amounts estimated at \$9.9 million over 25 years funded by General Funds.

The PV Project budgets were prepared based on the current information known, and assumptions about each proposed PV Project's scope, site conditions, and market conditions. The PV Project budgets will be reviewed throughout the planning, design, and construction phases as new information becomes known or unforeseen conditions arise and will be adjusted accordingly to enable the successful completion of the proposed PV

Projects.

Based on the proposed PV system sizes as shown in Exhibit A, the Eco-Sustainability Office estimates this action is projected to provide up to approximately \$45.7 million in net cost avoidance to the District over a 25-year period including project costs and operations and maintenance costs. Based on the same assumptions, the cost avoidance to the General Fund is anticipated to be up to approximately \$168 million as set forth in Exhibit B.

Student Impact:

Once completed, the proposed PV Projects will help reduce energy consumption, thus lowering the utilities cost impact to the General Fund and allowing for more financial resources to be allocated to support educational programs. Additionally, clean renewable energy technologies at schools, such as carport and rooftop solar PV systems and Level 2 EV charging stations, may provide an educational opportunity for students to learn about real-world energy issues. Such project-based and hands-on experience can help further science, technology, engineering, and mathematics (STEM) education at these campuses serving approximately 23,500 students.

Equity Impact:

The school sites were selected based on high energy use within the geographic areas of two utility providers, LADWP and SCE. Other factors considered were sites that had been identified for future roof replacement, and sites with newly installed roofs to avoid roof warranty issues and minimize roof penetrations that could cause water leakage.

Issues and Analysis:

The proposed action will enable Los Angeles Unified to install up to 15 megawatts (MW) of solar power on 21 school sites. The PV Projects require compliance with all laws, rules, regulations, and standards for public school construction.

Seven of these PV Projects were initially approved by the Board under a Pilot Program (Pilot Program) in October 2021. These projects were originally bid via Request for Proposal (RFP) where the agreements were structured as power purchase agreements by which the cost of design and construction were to be funded by the energy contractors at no cost to the District. The District planned to pay the contractors for energy generated by the systems over 25 years from General Funds. However, due to extreme inflation experienced shortly after that Board action, the contracts associated with Pilot Program were not executed. Since that time, bond funds have been identified as the most appropriate funding source for these projects.

The 14 remaining PV Projects (Phase 1) resulted from an RFP issued in April 2022. These Phase 1 PV Projects were originally approved by the Board on January 23, 2024 to execute agreements. At that time, the Phase 1 PV Projects were approved with funding from the General Fund using vendor financing. The District would have made annual payments to the energy contractors over a 25-year period once the PV systems were approved to be activated by the utility providers. Subsequent to the January 2024 Board approval, it was determined that the terms of the vendor financing were unfavorable, and the planned funding source was changed to bond funds. The Office of Environmental Health and Safety (OEHS) will evaluate the proposed PV Projects in accordance with the California Environmental Quality Act (CEQA).

Staff proposes that the District utilize California Government Code §4217.12, which allows public agencies to use the procurement method it determines is in the best interests of the public agency. To satisfy the requirements of California Government Code §4217.12, the Board shall adopt a proposed Resolution, making findings and determinations of the energy cost avoidance, at a regularly scheduled public hearing of which

public notice is given at least two weeks in advance. Public Notice of the proposed Resolution and Public Hearing will be provided at the January 14, 2025, meeting of the Board.

Attachments:

Exhibit A: Scope, Budget, and Schedule for 21 Solar Photovoltaic Projects

Exhibit B: Anticipated Cost Avoidance Chart

Exhibit C: BOC Resolution

Exhibit D: BOC Presentation

Informatives:

None

Submitted:

12/03/24

RESPECTFULLY SUBMITTED,

APPROVED BY:

ALBERTO M. CARVALHO
Superintendent

PEDRO SALCIDO
Deputy Superintendent
Business Services and Operations

REVIEWED BY:

APPROVED BY:

DEVORA NAVERA REED
General Counsel

JAIME TORRENS
Senior Advisor to the Superintendent

___ Approved as to form.

REVIEWED BY:

APPROVED & PRESENTED BY:

NOLBERTO DELGADILLO
Deputy Chief Financial Officer

KRISZTINA TOKES
Chief Facilities Executive
Facilities Services Division

___ Approved as to budget impact statement.

APPROVED & PRESENTED BY:

CHRISTOS CHRYSILIOU
Chief Eco-Sustainability Officer
Eco-Sustainability Office

**LOS ANGELES UNIFIED SCHOOL DISTRICT
Board of Education Report**

**Exhibit A
Scope, Budget, and Schedule for 21 Solar Photovoltaic Projects**

#	BD	Region	School	PV* System Size (kW)	EV* Qty.	Project Budget	Const. Start	Const. Comp.
1	5	East	Bell HS	959	0	\$7,274,924	Q4-2025	Q3-2026
2	1	South	Crenshaw Magnet HS	1,207	12	\$9,300,587	Q4-2025	Q3-2026
3	1	South	Dorsey HS	846	0	\$6,862,632	Q3-2026	Q1-2027
4	7	South	Drew MS	691	8	\$5,723,453	Q4-2026	Q3-2027
5	7	South	Edison MS	631	9	\$5,215,047	Q4-2026	Q3-2027
6	2	East	Franklin HS	763	0	\$6,529,607	Q4-2025	Q3-2026
7	7	South	Fremont HS	1,390	17	\$10,296,032	Q4-2026	Q3-2027
8	7	East	Los Angeles Academy MS	791	0	\$6,117,889	Q4-2026	Q3-2027
9	1	South	Muir MS	612	0	\$4,855,984	Q3-2026	Q1-2027
10	3	North	Northridge MS	674	2	\$4,888,613	Q3-2025	Q2-2026
11	6	North	Pacoima MS	588	2	\$4,237,615	Q3-2025	Q2-2026
12	4	North	Sherman Oaks Center for Enriched Studies	527	2	\$4,235,022	Q4-2025	Q3-2026
13	6	North	Sun Valley Magnet	423	2	\$3,038,334	Q4-2025	Q3-2026
14	4	North	Sutter MS	510	2	\$4,265,486	Q4-2025	Q3-2026
15	1	West	Los Angeles Center for Enriched Studies	865	4	\$7,416,368	Q4-2025	Q3-2026
16	1	West	Los Angeles HS	982	0	\$7,707,349	Q1-2026	Q4-2026
17	7	South	Markham MS	706	5	\$7,093,801	Q3-2026	Q1-2027
18	3	North	Mulholland MS	556	13	\$5,973,080	Q1-2026	Q4-2026
19	3	North	Nobel Charter MS	590	0	\$5,032,329	Q1-2026	Q4-2026
20	5	East	San Miguel ES	264	0	\$1,681,284	Q3-2026	Q1-2027
21	5	East	South Gate MS	441	11	\$4,660,987	Q1-2026	Q4-2026
			TOTAL	15,016	89	\$122,406,423		

* PV = Photovoltaic; EV = Electric Vehicle Chargers/Infrastructure

Schedule: Construction is anticipated to begin in Q3-2025 and be completed in Q3-2027.

**LOS ANGELES UNIFIED SCHOOL DISTRICT
Board of Education Report**

**Exhibit B
Anticipated Cost Avoidance Chart***

#	BD	Region	School	Est. 25 Yr. Energy Production	Est. 25 Yr. Net Cost Avoidance	Est. 25 Yr. General Fund Savings
1	5	East	Bell HS	\$12,002,923	\$4,453,097	\$11,728,021
2	1	South	Crenshaw Magnet HS	\$14,867,756	\$5,237,009	\$14,537,596
3	1	South	Dorsey HS	\$9,704,221	\$2,582,505	\$9,445,137
4	7	South	Drew MS	\$8,047,624	\$2,086,869	\$7,810,322
5	7	South	Edison MS	\$7,612,471	\$2,205,976	\$7,421,023
6	2	East	Franklin HS	\$9,348,748	\$2,533,690	\$9,063,297
7	7	South	Fremont HS	\$15,790,589	\$5,187,324	\$15,483,356
8	7	East	Los Angeles Academy MS	\$9,090,696	\$2,707,075	\$8,824,964
9	1	South	Muir MS	\$7,051,489	\$1,944,445	\$6,800,429
10	3	North	Northridge MS	\$8,255,456	\$2,084,279	\$6,972,892
11	6	North	Pacoima MS	\$7,499,496	\$2,080,710	\$6,318,325
12	4	North	Sherman Oaks Center for Enriched Studies	\$6,960,500	\$1,631,772	\$5,866,794
13	6	North	Sun Valley Magnet	\$5,684,833	\$1,722,549	\$4,760,883
14	4	North	Sutter MS	\$6,643,098	\$1,326,346	\$5,591,832
15	1	West	Los Angeles Center for Enriched Studies	\$10,310,055	\$2,536,602	\$9,952,970
16	1	West	Los Angeles HS	\$10,556,994	\$2,471,494	\$10,178,843
17	7	South	Markham MS	\$8,458,019	\$1,052,827	\$8,146,628
18	3	North	Mulholland MS	\$6,746,586	\$508,097	\$6,481,177
19	3	North	Nobel Charter MS	\$6,319,192	\$1,039,133	\$6,071,462
20	5	East	San Miguel ES	\$2,154,002	\$264,340	\$1,945,625
21	5	East	South Gate MS	\$4,894,993	\$183	\$4,661,170
			TOTAL	\$177,999,741	\$45,656,322	\$168,062,746

* Anticipated cost avoidance calculations provided by the Eco-Sustainability Office