

LAUSD Historical Invoices Summary

Summary of Situation:

- PCHS's Campus Lease from LAUSD (our SOA – Sole Occupancy Agreement) charges us No Rent
- The SOA charges us a 1% of our School Budget as a Facilities Oversight Fee. The Oversight Fee is Not Rent, and covers them fixing Nothing!
- LAUSD Provides Maintenance for us at PCHS's Cost as follows:
 - o Regulatory/Required by LAUSD/LACOE/CDE
 - o Preventative Maintenance they do (we do much PM In-House as well)
 - o Reactive Repairs/Maintenance if/as Needed – We sometimes can/do use Non-LAUSD Contractors for repairs when LAUSD Expertise is not critical or not available
- LAUSD apparently had outstanding/unbilled charges from 2014-15 thru 2-16-2017 that they dropped on us during winter of 2018-19 (~18 Months ago) for at the time ~\$330,000
- A significant part of Invoiced charges are for Aging/Crumbling Underground Utility repairs (i.e. remember the school closure in Feb 2017 with the eruption/geyser of water, things like that)
- PCHS has been discussing/debating/negotiating on these Historical Invoices since Spring 2019
- LAUSD has billed us for 2018-19 and 2019-20 services as well - Total Outstanding Balance as of 7/1/2020 - \$476,800
- PCHS looking to get \$168,200 in additional Underground Utility Infrastructure Repairs charges be credited to us, as they stem from the same Root Cause of Aging/Crumbling Underground Utilities installed 60 years ago

Risks to/for PCHS to Consider:

- LAUSD already credited us ~\$500,000 for Underground Utility Repairs, and could decide to charge us that.
- The LAUSD Bond Funded (no cost to PCHS) Underground Utilities Replacement Project, to hopefully fix long-term all these ongoing Underground Utilities problems, is waiting to Go-to-Bid for Award-Scheduling-Start this fall. They may withhold doing that.
- The LAUSD Bond Funded (no cost to PCHS) Gym Complex HVAC Installation Project, to replace the not working heat and non-existing A/C, is waiting to Go-to-Bid for Award-Scheduling-Start this fall. They may withhold doing that.
- LAUSD is preventing us from even being considered to use Pali Academy facilities without these Invoices paid for
- We've submitted a Material Revision to our Student Cap for 100 extra students, which would equate to ~\$1,000,000 of added ADA Revenue (~\$10,000/Student) that they have had since Feb 2020 and have not even been willing to put on a Board Agenda to discuss, let alone approve. They may indefinitely withhold it.

Credits to PCHS of Charges that LAUSD is saying they've already given us:

- 2014-15 thru 2016-17:
 - o LAUSD saying they credited us whatever was not already paid, but we have not seen what that might be
- 2017-18:
 - o None of the significant Underground Utilities Leak Fix items were credited
- 2018-19:
 - o \$26,800 – Apr/Jul 2018 Underground Utilities Leak Fix (end date in Jul 2018 so was put in 2018-19SY even though really a 2017-18 event)
 - o \$48,600 – Jan/Mar 2019 Underground Utilities Leak Fix
 - o \$25,100 – Feb/Mar 2019 Underground Utilities Leak Fix
 - o \$10,200 – Feb/Apr 2019 Underground Utilities Leak Fix
 - o \$23,400 – Feb/Jun 2019 Underground Utilities Leak Fix
 - o Total in 2018/19: \$134,100
- 2019-20: *NOTE – All these have NOT been credited in writing to PCHS, but were verbally stated as would be.*
 - o \$53,100 – Nov2018/Jul2019 Underground Utilities Leak Fix (end date in Jul 2019 so was put in 2019-20SY even though really a 2018-19 event)
 - o \$187,400 – Dec2019/Jun2020 Underground Utilities Leak Fix
 - o \$72,700 – Jan/Jun 2020 Underground Utilities Leak Fix
 - o \$26,300 – Feb/Mar 2020 Underground Utilities Leak Fix
 - o \$31,100 - Dec2019/Jun2020 Underground Utilities Leak Fix
 - o Total in 2019/20: \$370,600
- Total Known Credits over the last 3 Years: \$134,100+\$370,600 = \$504,700

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Credits PCHS Wants from Same Root Cause Issue:

- While the above credits are significant for us to maintain, and ALL of these issues stem from the same exact Root Cause, Aging Underground Infrastructure Problems, here's what we'd like added to the Credited List, and proposed such. However, LAUSD replied with a Hard No.
 - o \$78,300 – Oct2016/May 2017 Underground Utilities Leak Fix
 - o \$6,900 – Jun2016/May 2017 Underground Utilities Leak Fix
 - o \$26,800 – Mar/Apr 2018 Underground Utilities Leak Fix
 - o \$56,200 – Apr/May 2018 Underground Utilities Leak Fix
- Total Additional Credits Requested: \$168,200

Proposal to LAUSD:

- If LAUSD would credit us the ~\$168,000 for the additional Underground Utilities Leak Fixes, all credits will be directly related to the Crumbling Underground Utilities Piping
- The remaining ~\$308,000 PCHS will agree to pay w/o further scrutiny/discussion of those charges
- However, we can probably pay \$148,000 up-front and will need a multi-year payment plan for the remainder – Something like \$40k/Year for Four Years.

Reply from LAUSD:

- No to any additional credits
- No to any payment plan – All due needs to be paid at once
- Payment needed within 20 Days
- However, after some discussion, they're acknowledging if we pay the \$308,000 up-front, we can put the remaining In-Dispute \$168,200 into a neutral escrow account while we further discuss/negotiate those charges.