



East Side Union High School District Citizens' Bond Oversight Committee Bylaws

Section 1: Committee Established

In the election conducted on March 5, 2002, the East Side Union High School District (“the District”) was authorized by voters to issue up to \$298,000,000 in General Obligation Bonds (“Measure G”). On February 5, 2008 voters approved the issuance of \$349,000,000 in General Obligation Bonds (“Measure E”). On November 6, 2012, voters approved the issuance of \$120,000,000 in General Obligation Bonds (“Measure I”). On November 4, 2014, voters approved the issuance of \$113,200,000 in General Obligation Bonds (“Technology Measure I”). On November 8, 2016, voters approved the issuance of \$510,000,000 in General Obligation Bonds (“Measure Z”). All of these elections shall be known as the “Elections.” All five measures were each passed by a vote in excess of 55% of those voting. Measure G, Measure E, Measure I, Technology Measure I, and Measure Z are referred to collectively as the “Bonds” or “Bond Measures”.

Section 2: Authority

The Elections were conducted under Proposition 39, being chaptered as the Strict Accountability in Local School Construction Bonds Act of 2000, at Section 15264 et seq. of the Education Code of the State (“Proposition 39”).

Pursuant to Section 15278 of the Education Code, the District was obligated to establish a Bond Oversight Committee in order to satisfy the accountability requirements of Proposition 39. The Board of Trustees of the District established two Citizens' Bond Oversight Committees, one for Measure G and one for Measure E.

On February 19, 2009 the Board of Trustees took action to merge the two committees into one committee (the “Committee”) to oversee both Bond Measures. On January 17, 2013, the Board of Trustees took action to include Measure I with Measure G and E, under the one “Committee”. On December 11, 2014, the Board of Trustees took action to include Technology I with Measure G, E, I, and Technology Measure I under the one “Committee”. On January 19, 2017, the Board of Trustees took action to include Measure Z with Measure G, E, I, and Technology I under the one “Committee”. These Bylaws cover the duties, responsibilities, and operations of the (combined) Committee.

Section 3: Purposes

The purposes of the Committee as set forth in Proposition 39, and these Bylaws, are specifically made subject to the applicable provisions of Proposition 39 as to the duties and rights of the Committee. The Committee shall be deemed to be subject to the Ralph M. Brown Public Meetings Act of the State of California and shall conduct its meetings in accordance with the provisions thereof. The District shall provide necessary administrative assistance to the Committee as shall be consistent with the Committee's purposes, as set forth in Education Code section 15280.

The proceeds of general obligation bonds issued pursuant to the Elections are hereinafter referred to as "Bond proceeds". The Committee shall confine itself specifically to the oversight of expenditure of Bond proceeds generated under Measures G, E, I, Technology I, and Measure Z. The Committee shall oversee expenditures where Measure G, Measure E, Measure I, Technology Measure I, and Measure Z bond monies are involved to allow the Committee to perform its oversight responsibilities.

Section 4: Duties of Parties

To carry out its stated purposes, the Committee shall have the following duties and responsibilities.

The Committee shall:

1. Actively review and report on the proper expenditure of taxpayers' money for school construction, and shall receive and review copies of the annual independent performance and financial audits (as required in Paragraphs 3(C) and 3(D), Section 1 of Article XIII A of the California Constitution).
2. Review budget and expenditure reports produced by the District, including any change orders, to ensure that (a) Bond proceeds are expended only for the purposes set forth in the Measures G, E, I, Technology I, and Measure Z; and (b) no Bond proceeds are used for any purposes not permitted under Proposition 39.
3. Inform the public concerning the District's expenditure of Bond proceeds, or as appropriate, any government body having jurisdiction over Bond expenditures.
4. Periodically tour the various Bond projects to determine that the work being performed is in compliance with Proposition 39 and Measures G, E, I, Technology I, and Measure Z. The means to accomplish the tours shall be provided by the District.
5. Present to the Board, in public session, an annual written report which shall include the following:
 - a) A statement indicating whether the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution; and
 - b) A summary of the Committee's proceedings and activities for the preceding year. The District, at the direction of the Board of Trustees or the Superintendent shall:
 1. Approve construction contracts.
 2. Approve project budgets.
 3. Approve construction change orders.
 4. Approve expenditure of construction funds.
 5. Handle all legal matters.
 6. Approve construction plans and schedules.

7. Approve deferred maintenance plans.
8. Approve the sale of the Bonds.
9. Order and make payment for all Bond audits, both financial and performance audits.
10. Projects shall be made by the Board at its sole discretion including approval of priorities and order of construction for projects.
11. Select all architects, engineers, soils engineers, construction managers, project managers, CEQA consultants, contractors and such other professional service firms as are required to complete the project based on District criteria established by the Board in its sole discretion.
12. Approve the design of each project including exterior materials, paint color, interior finishes, and site plan and construction methods (modular vs. permanent) by the Board in its sole discretion.
13. Select independent audit firm(s), performance audit consultants and such other consultants as may be necessary to support the activities of the Committee. The costs of all such audits and/or consultants shall be borne by the District and not by the Bond proceeds.
14. Appoint or reappoint qualified applicants to serve on the Committee, subject to legal limitations, and based on criteria adopted by the Board in accordance with Proposition 39 and the Education Code.
15. Provide the Committee with the information it requires to perform its duties, including, but not limited to, budgets, income, expenditures, plans and changes, contracts and payments, and any cost saving techniques considered or applied by the District.

Section 5: Issue Resolution Process

Issue Resolution Process: In the event that the Committee believes Measure G, Measure E, Measure I, Technology Measure I, and Measure Z funds have been used for impermissible purposes, or the Committee believes it requires additional information in order to perform its oversight function, the Committee will utilize the following issue resolution process:

- a) The Committee or a Committee member will request that the Committee Chair communicate the concern or information request to the District Superintendent or his/her designee.
- b) The Committee or a Committee member will request that the Committee Chair communicate the concern or information request to the President of the Board of Trustees. This request should include the original question and response from the Superintendent from step (a) above.
- c) The Committee or a Committee member will request the Committee Chair to place on the agenda the issue for discussion at the next CBOC meeting.

- d) The Committee will issue a formal “Findings”, and direct the Committee Chair to report the finding at a public meeting of the Board of Trustees and to any other agencies deemed appropriate by the Committee. Findings will be reported to the public as appropriate. Findings which are subsequently resolved to the satisfaction of the Committee will be reported in alike manner.

Section 6: Membership

1. Number: Pursuant to Education Code section 15282, the Committee shall consist of a minimum of seven (7) regular members appointed by the Board of Trustees. The Board may also appoint one (1) alternate member to the Committee.
2. Alternate Member: The alternate member may attend all meetings. The alternate member’s responsibility is to temporarily substitute, with full voting powers, for any Committee member who is absent from a meeting and who is an at-large member (i.e., member not appointed to the Committee to represent any one of the five categories of representation in Education Code section 15282(a)(1) – (5)).
3. Qualification Standards: To be a qualified person, he or she must be at least 18 years of age and eligible to vote. The Committee may not include any employee, official of the District, or any vendor, contractor or consultant of the District.
4. Ethics and Conflicts of Interest: By accepting appointment to the Committee, each member agrees to comply with Articles 4 (commencing with Section 1090) and 4.7 (commencing with section 1125) of Division 4 of Title 1 of the Government Code. Additionally, each member shall comply with the Committee Ethics Policy attached as “Attachment A” to these Bylaws.
5. Term of Regular Members: Each regular member shall, except as otherwise provided herein, serve a term of two (2) years, commencing on July 1. No member may serve more than three (3) consecutive terms, except that a member may be reappointed after a lapse of one (1) year from the date of the member’s termination due to term limits.
6. Term of Alternate Member: The alternate member shall be appointed for a term of one year, commencing on July 1, and may serve no more than six consecutive one year terms as an alternate. If the alternate is appointed by the Board as a regular member with no lapse in service, then the member’s service as an alternate shall count towards the total number of consecutive years such member may serve pursuant to Section 6(5) above.
7. Staggered Terms: In order to ensure continuity of expertise developed by Committee members, terms shall be “staggered” so that approximately one half of the Committee membership completes their term in any given calendar year.
8. Appointment: Members of the Committee (regular members and alternates) shall be appointed by the Board through a process defined by the Board pursuant to Board Policy 1220. The process is subject to change but shall include the following elements:
 - a) Appropriate local groups shall be solicited for applications. Solicitation may be via personal or email contact by Board Members, District Administration, and CBOC Members. Solicitation will also include posting notice on the District and Committee web sites.

- b) The Board shall appoint two of its members to review the applications;
 - c) The Committee shall select one of its members in good standing to review the applications; and
 - d) The appointed Board members and the selected Committee member shall forward recommendations to the Board regarding appointment of candidates to the Committee by June 1.
9. Removal or Vacancy: A Committee member may be removed by a two-thirds (2/3) vote of the Committee, including, but not limited to, the failure to attend two consecutive committee meetings without reasonable excuse or for failure to comply with the Committee Ethics Policy. Upon a member's removal, his or her seat shall be declared vacant. Vacancies may also occur due to resignation, removal, death, or permanent disability resulting in an inability to serve, disqualification (e.g. conflict of interest), or violation of Proposition 39 or the Education Code. The Board, in accordance with the established appointment process, shall appoint a replacement member to fill the remainder of the original member's term. Vacancies shall be filled within 90 days from the initial date of each such vacancy.
10. Compensation: Committee members shall not be compensated for their services.
11. Authority of Members: Committee members shall not have the authority to direct staff of the District. Individual members of the Committee shall retain the right to address the Board of Trustees.

Section 7: Meetings of the Committee

1. Regular Meetings: The Committee is required by law to meet at least once a year but may meet more often as the Committee shall determine. It is recommended that the Committee shall meet at least once per calendar quarter.
2. Location: All meetings shall be held within the District boundaries in Santa Clara County, California. Committee meetings shall be scheduled and set by the Committee and shall comply with the Ralph M. Brown Act, Government Code Section 54950 et seq.
3. Procedures: All meetings shall be open to the public and requires at least 72 hours' notice in accordance with the Ralph M. Brown Act, Government Code Section 54950 et seq. Meetings shall be conducted according to such additional procedural rules as the Committee may adopt. A majority of the sitting Committee members shall constitute a quorum for the transaction of any business of the Committee. No Committee votes or deliberation on any item may be taken in secret.

Section 8: District Support

1. The District shall provide necessary technical and administrative assistance to the Committee as follows:
 - a) Preparation of and posting of public notices as required by the Brown Act, ensuring that all notices to the public are provided in the same manner as notices regarding meetings of the Board of Trustees.
 - b) Provision of a meeting room, including any necessary audio/visual equipment
 - c) Preparation and copies of any documentary meeting materials, such as agendas and
 - d) reports; and
 - e) Retention of Committee records, providing public access to such records on an internet website provided and maintained by the District, and any other records access as required by law.
2. District staff and/or District consultants shall attend Committee proceedings in order to report on the status of projects and the expenditure of bond proceeds.

Section 9: Reports

In addition to the Annual Report required in Section 4.5, the Committee shall report to the Board from time to time in order to advise the Board on the activities of the Committee. The Annual Report shall be in writing and shall summarize the proceedings and activities conducted by the Committee, including financial information for the period.

Section 10: Officer appointment and elections

Upon establishment of a new Committee as appointed by the Board of Trustees, the Superintendent shall appoint a temporary Chair to serve until a permanent chair is elected by the Committee. The temporary Chair shall conduct elections to establish a permanent Chair and Vice-Chair no later than the second meeting after establishment of the Committee.

The Committee will conduct elections at least annually, and will take place no later than the 2nd formal meeting of the School year. Elections can also take place whenever a majority of Committee members vote to conduct a new election, or when the position of Chair or Vice -Chair is vacated for any reason.

The Committee shall have two elected officers, Chair and Vice-Chair. Both Chair and Vice-Chair shall be nominated by committee members. Once the nominees agree to accept said nominations, the nominees shall be given the opportunity share their qualifications for the position and to answer questions from the remaining committee members. Once this is done, votes are taken by open ballot. The nominees receiving the most votes for the position of Chair and Vice-Chair immediately assume their respective roles. It is at the discretion of the new Chair and/or Vice Chair to allow the then current officers to complete the meeting in their current capacity.

The duties of the Committee Chair are to set meeting agendas and dates, to conduct Committee meetings, establish subcommittees to make recommendations to the Committee as a whole, to serve as the primary point of contact for Committee business, and ensure the Committee meets all of its obligations as defined in Proposition 39 and elsewhere in this document. The duties of the Vice-Chair are to assume the duties of the Chair in the absence of the Committee Chair or in the event the Chair is vacated.

Section 11: Amendment of Bylaws

Subject to approval of the governing Board of Trustees, any amendments to these Bylaws shall be approved by a majority vote of the Committee.

Section 12: Termination

The Committee shall automatically terminate and disband after the Committee has completed and submitted its final report to the Board of Trustees or within 180 days following the date when all Measures G, E, I, Technology I Bond, and Measure Z proceeds have been spent, whichever is later.

Section 13: Compliance with Proposition 39

The intent of these Bylaws is to ensure the Committee exists and operates in full compliance with Proposition 39.

CITIZENS BOND OVERSIGHT COMMITTEE ETHICS POLICY STATEMENT

This Ethics Policy Statement provides general guidelines for Committee members to follow carrying out their roles. Not all ethical issues that Committee members face are covered in this Statement. However, this Statement captures some of the critical areas that help define ethical and professional conduct for Committee members. The provisions of this Statement were developed from existing laws, rules, policies and procedures as well as from concepts that define generally accepted good business practices. Committee members are expected to strictly adhere to the provisions of this Ethics Policy.

POLICY

1. CONFLICT OF INTEREST:

Committee members shall, at all times, seek to avoid a conflict of interest, or the appearance of conflict of interest.

A Committee member shall not make or influence a District decision or attempt to influence a District decision as a Committee member which will benefit the Committee member's outside employment, business, personal finance, or the interests of such Committee member's immediate family member such as a spouse, child or parent.

2. EMPLOYMENT:

A Committee member shall not use his or her position on the Committee to negotiate future employment or remuneration of any kind with any person or organization that relates to any contract or construction project funded by Bond proceeds or with any person, entity or organization that does business with the District or seeks to do business with the District.

3. COMMITMENT TO UPHOLD LAW:

Committee members shall uphold the federal and California Constitutions, the laws and regulations of the United States and the State of California (particularly the Education Code and Proposition 39) and all other applicable government entities.

4. COMMITMENT TO DISTRICT:

Committee members shall place the interests of the District above any related personal or business interests.