

INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE BYLAWS

Section 1. Committee Established. The Hamilton Unified School District (the "District") was successful at the election conducted on November 6, 2018, in obtaining authorization from the District's voters to issue up to \$7,000,000 aggregate principal amount of the District's general obligation bonds, pursuant to a 55% vote. The election was 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 ("Prop 39"). Pursuant to Section 15278 of the Education Code, the District is now obligated to establish the Committee in order to satisfy the accountability requirements of Prop 39. The Board of Education of the Hamilton Unified School District (the "Board") hereby establishes the Citizens' Bond Oversight Committee (the "Committee") which shall have the duties and rights set forth in these Bylaws.

Section 2. Purposes. The purposes of the Committee are set forth in Prop 39, and these Bylaws are specifically made subject to the applicable provisions of Prop 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 support to the Committee as shall be consistent with the Committee's purposes, set forth in Prop 39.

The proceeds of general obligation bonds issued pursuant to the Election are hereinafter referred to as "Bond proceeds."

Section 3. Duties. To carry out its stated purposes, the Committee shall perform the following duties:

3.1 **Review Expenditures.** The Committee shall review quarterly expenditure reports produced by the District to ensure that (a) Bond proceeds are expended only for the purposes set forth in the ballot measure; (b) no Bond proceeds are used for any teacher or administrative salaries or other operating expenses of the District.

3.2 **Annual Report.** The Committee shall 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.

Section 4. Authorized Activities.

4.1 In order to perform the duties set forth in Section 3.0, the Committee may engage in the following authorized activities:

(a) Receive and review copies of the District's annual independent performance audit and annual independent financial audit, required by Article XIII A of the California Constitution.

(b) Inspect school site facilities and grounds for which bond proceeds have been or will be expended to ensure that Bond proceeds are expended in compliance with the requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A

of the California Constitution, in accordance with any access procedure established by the Superintendent.

(c) Review copies of deferred maintenance proposal or plans developed by the District.

(d) Review the District's efforts to maximize use of Bond proceeds in ways designed to: (1) reduce costs of professional fees or site acquisition; (2) incorporate efficiencies in school site design; (3) encourage joint use of core facilities; or (4) involve cost-effective and efficient reusable facility plans.

4.2 Make requests for copies or inspection of District records in writing to the District's Superintendent.

Section 5. Membership.

5.1 Number. The Committee shall consist of a minimum of 7 members appointed by the Board from a list of candidates submitting applications and based on criteria established by Prop 39, to wit:

- (1) at least one representative of the local business community;
- (2) at least one person active in a senior citizens' organization;
- (3) at least one person active in a bona fide taxpayers' organization;
- (4) the parent or guardian of a child who is enrolled in the District;

(5) the parent or guardian of a child enrolled in the District and active in a parent-teacher organization, such as the Parent Teacher Association or schoolsite council.

5.2 Qualification Standards.

(a) To be a qualified person, he or she must be at least 18 years of age, in accordance with Government Code Section 1020.

(b) The Committee may not include any employee, official of the District or any vendor, contractor or consultant of the District.

(c) If a member fails to meet the qualification standards set forth above at any time during the term of service, such member shall be disqualified and the position shall be declared vacant. The Board shall appoint a new person to serve the remainder of the term, in accordance with the appointment process set forth below.

5.3 Appointment. Committee members shall be appointed for each vacancy or at the termination of each two-year term. Prior to appointment, the Superintendent or designee shall conduct a nomination process to ensure that each person nominated meets the qualification standards set forth in Sections 5.1 and 5.2. The Superintendent or designee shall establish a process that provides reasonable notice to Board members, specified nominating organizations and individuals. When an appointment is necessary to fill a vacancy, the Superintendent or designee shall ensure that a nomination is received from a like organization or category as the Committee member whose position is vacant.

5.4 Ethics; 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 and the

Political Reform Act (Gov. Code §§ 81000 et seq.). Additionally, each member shall comply with the Committee Ethics Policy attached as Attachment A to these Bylaws.

5.4 Term. Except as otherwise provided herein, each member shall serve a minimum term of two (2) years. No member may serve more than three (3) consecutive terms. At the Committee's first meeting, members shall draw lots to select a minimum majority for an initial two (2)-year term and the remaining members for an initial three (3)-year term.

5.5 Removal; Vacancy. The Board may remove any Committee member for cause, including failure to attend three consecutive Committee meetings or for failure to comply with the Committee Ethics Policy. Upon a member's removal, his or her seat shall be declared vacant. The Board, in accordance with the established appointment process shall fill any vacancies on the Committee.

5.6 Compensation. The Committee members shall not be compensated for their services.

Section 6. Meetings of the Committee.

6.1 Regular Meetings. The Committee shall establish a schedule for the date and time of regular meetings to be held periodically to include an annual organizational meeting to be held annually in December.

6.2 Location. All meetings shall be held at a location within the District freely accessible to the public, as may be designated by the Committee on the particular agenda.

6.3 Procedures. All meetings shall be open to the public 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 number of Committee members shall constitute a quorum for the transaction of any business except adjournment.

Section 7. District Support.

7.1 The District shall provide to the Committee necessary technical and administrative assistance 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 District Board;

(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 reports; and

(d) retention of all Committee records, and providing public access to such records on an Internet website maintained by the District.

7.2 District staff shall attend all Committee proceedings in order to report on the status of projects and the expenditures of Bond proceeds.

7.3 The District shall not use any Bond proceeds to provide the support set forth in this Section.

Section 8. Reports. In addition to the Annual Report required in Section 3.2, the Committee shall report to the Board periodically in order to advise the Board on the activities of the Committee. Such report shall be in writing and shall summarize the proceedings and activities conducted by the Committee.

Section 9. Officers. The Committee shall elect a chair and a vice-chair who shall act as chair only when the chair is absent, which positions shall continue for two (2) year terms. No person shall serve as Chair for more than two consecutive terms.

Section 10. Powers Reserved to the Governing Board.

10.1 In order to clarify that the Committee's duties and activities are limited to those set forth in Sections 3 and 4 respectively, by way of example the Board maintains the exclusive authority with respect to all, but not limited to, the following powers and activities:

(a) projects financed through the State of California, developer fees, redevelopment tax increment, certificates of participation, community facilities district bonds, the general fund or the sale of surplus property without bond proceeds.

(b) the establishment of priorities and order of construction for Bond projects.

(c) the selection of architects, engineers, soils engineers, construction managers, project managers, CEQA consultants and such other professional service firms as are required to complete the Bond projects.

(d) the approval of the design for each Bond project including exterior materials, paint color, interior finishes, site plan and construction methods.

(e) the selection of independent audit firm(s), performance audit consultants and such other consultants as are necessary to support the activities of the Committee.

(f) the approval of an annual budget for the Committee that is sufficient to carry out the activities set forth in Proposition 39 and included herein.

(g) the allocation of State School Building Program grant funds to projects in the order and in an amount determined by the Board.

(h) the adoption of a plan for publicizing the activities of the Committee.

(i) the appointment or reappointment of qualified applicants to serve on the Committee, subject to legal limitations, and based on criteria adopted by the Board.

Section 11. Amendment of Bylaws. Any amendment to these Bylaws shall be approved by a two-thirds vote of the entire Board.

Section 12. Termination. The Committee shall automatically terminate and disband at the earlier of the date when (a) all bond proceeds are spent, or (b) all projects funded by bond proceeds are completed.

Section 13. California Law. The Committee was established by the District in order to comply with Sections 15278 *et seq.* of the Education Code. Nothing in these Bylaws shall be interpreted in a manner that is inconsistent with such provisions of the Education Code.

**ATTACHMENT A
CITIZENS' BOND OVERSIGHT COMMITTEE
ETHICS POLICY STATEMENT**

This Ethics Policy Statement provides general guidelines for Committee members to follow in 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

- **CONFLICT OF INTEREST.** A Committee member shall not make or influence a District decision related to: (1) any contract funded by Bond proceeds or (2) any District construction project which will benefit the committee member's outside employment, business, or a personal finance or benefit an immediate family member, such as a spouse, child or parent.

- **OUTSIDE EMPLOYMENT.** A Committee member shall not use his or her authority over a particular matter to negotiate future employment with any person or organization that relates to : (1) any contract funded by Bond proceeds, or (2) any District construction project. A Committee member shall not make or influence a District decision related to any construction project involving the interest of a person with whom the member has an agreement concerning current or future employment, or remuneration of any kind. For a period of two (2) years after leaving the Committee, a former Committee member may not represent any person or organization for compensation in connection with any matter pending before the District that, as a Committee member, he or she participated in personally and substantially. Specifically, for a period of two (2) years after leaving the Committee, a former Committee member and the companies and businesses for which the member works shall be prohibited from contracting with the District with respect to: (a) bidding on projects funded by Bond proceeds; and (b) any District construction project.

- **COMMITMENT TO UPHOLD LAW.** A Committee member 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 all other applicable government entities, and the policies, procedures, rules and regulations of the Hamilton Unified School District.

- **COMMITMENT TO DISTRICT.** A Committee member shall place the interests of the District above any personal or business interest of the member.