

## **CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS**

**Section 1. Committee Established.** The Southwestern Community College District (the "District") was successful at the election conducted on November 4, 2008 in obtaining authorization from the District's voters to issue up to \$389,000,000 aggregate principal amount of the District's general obligation bonds ("Proposition R"). The District was successful at the election conducted on November 8, 2016 in obtaining authorization from the District's voters to issue up to \$400,000,000 aggregate principal amount of the District's general obligation bonds ("Proposition Z"). The Proposition R Election and the Proposition Z Election are hereinafter referred to as the "Elections." Proposition R and Measure Z are hereinafter referred to as the "Propositions." The Elections were each 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 and a resolution of the Board of Trustees of the District (the "Board"), the District has established an Independent Citizens' Bond Oversight Committee (the "Committee"), and granted it the duties and rights set forth in these Amended and Restated Bylaws. The Committee does not have legal capacity independent from the District.

**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, as set forth in Prop 39.

The proceeds of general obligation bonds issued pursuant to the Election are hereinafter referred to as "bond proceeds." The Committee shall confine itself specifically to bond proceeds generated under the Authorization. Expenditure of other facility monies generated from other sources shall fall outside the scope of the Committee's review. However, to the extent that facilities are financed with a combination of monies from the Authorization and other non-bond funds, such projects and expenditures shall be subject to Committee oversight and review.

**Section 3. Duties.** To carry out its stated purposes, the Committee shall perform the Committee shall perform only the duties set forth in Sections 3.1, 3.2, and 3.3 hereof, and shall refrain from those activities set forth in Sections 3.4 and 3.5.

3.1 **Inform the Public.** The Committee shall inform the public and the Board concerning the District's expenditure of bond proceeds. . In fulfilling this duty, all official communications to either the Board or the public shall come from the Chair acting on behalf of the Committee. The Chair shall only release information that reflects the majority view of the Committee.

3.2 **Review Expenditures.** The Committee shall review expenditure reports produced by the District to ensure that (a) bond proceeds were expended only for the purposes set forth in the Authorization; and (b) no bond proceeds were used for any teacher or administrative salaries or other operating expenses, in compliance with Attorney General Opinion 04-110, issued on November 9, 2004.

3.3 **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.

3.4 Duties of the Board and/or Superintendent/President. While the Board or the Superintendent/President, as the Board shall determine, shall have the following powers reserved to it, and the Committee shall have no jurisdiction over the following types of activities:

- (i) Approval of construction contracts,
- (ii) Approval of construction change orders,
- (iii) Approval of expenditure of Bond funds,
- (iv) Approval of construction plans and schedules,
- (v) Approval of all Scheduled maintenance plans, and
- (vi) Approval of the sale of bonds.

(vii) Handling of all legal matters.

3.5 Voter Approved Projects Only. (i) Subject to the provision (ii) below, in recognition of the fact that the Committee is charged with overseeing the expenditure of bond proceeds, the Board has not charged the Committee with responsibility for:

(a) Projects exclusively financed through the State of California, developer fees, redevelopment tax increment, certificates of participation, lease/revenue bonds, the general fund or the sale of surplus property without bond proceeds of the Propositions shall be outside the authority of the Committee.

(b) The establishment of priorities and order of construction for the bond projects, which shall be made by the Board in its sole discretion.

(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 project based on District criteria established by the Board in its sole discretion.

(d) The approval of the design for each project including exterior materials, paint color, interior finishes, site plan and construction methods (modular vs. permanent) which shall be determined by the Board in its sole discretion.

(e) The selection of independent audit firm(s), performance audit consultants or 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 Prop 39 and included herein.

(g) The appointment or reappointment of qualified applicants to serve on the Committee, subject to legal limitations, and based on criteria adopted in the Board's sole discretion as part of carrying out its function under Prop 39. With respect to the activities described in paragraph (b), (c), (d), (e) and (f) above, the Committee shall have the right to provide advice and input to the Board and Superintendent/President.

**Section 4. Authorized Activities.**

4.1 In order to perform the duties set forth in Section 3.0, the Committee shall 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 Prop 39 (Article XIII A of the California Constitution) (together, the "Audits") at the same time said Audits are submitted to the District, but not later than March 31 of each year, and review the.

(b) Inspect college facilities and grounds for which bond proceeds have been or will be expended, in accordance with any access procedure established by the District's Vice-President, Business and Financial Affairs.

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

(d) Review efforts by the District to maximize bond proceeds by implementing various cost-saving measures.

(e) . Receive from the Board, within three months of the District receiving the Audits, responses to any and all findings, recommendations, and concerns addressed in the Audits, and review said responses.

**Section 5. Membership.**

5.1 Number.

The Committee shall consist of a minimum of seven (7) members appointed by the Governing Board from a list of candidates submitting written applications, and based on criteria established by Prop 39, to wit:

- One (1) student enrolled and active in a community college support group, such as student government.
- One (1) member active in a business organization representing the business community located in the District.
- One (1) member active in a senior citizens' organization.
- One (1) member active in a bona-fide taxpayers association.
- One (1) member active in a support organization for Southwestern College, such as a foundation or advisory council.

- Two (2) members of the community at-large. One at-large position will be given preference to an individual active in a veterans association or advocacy.

In addition, a majority of the members of the Committee shall possess expertise in one or more of the following areas:

- (i) large scale construction operations;
- (ii) municipal/public finance matters;
- (iii) multiple years expertise with agency/entity budgeting (which may include public agency or public entity budgeting);
- (iv) construction related project management; and
- (v) real estate acquisition or sales.

#### 5.2 Qualification Standards.

- (a) To be a qualified person, he or she must be at least 18 years of age and, wherever possible, reside within the boundaries of the District.
- (b) The committee may not include any employee, official of the District or any vendor, contractor or consultant of the District.

#### 5.3 Ethics: Conflicts of Interest.

- (a) . Members of the Committee are not subject to the Political Reform Act (Gov. Code §§ 81000 *et seq.*), and are not required to complete Form 700.
- (b) Pursuant to Section 35233 of the Education Code, the prohibitions contained in Article 4 (commencing with Section 1090) of Division 4 of Title 1 of the Government Code (“Article 4”) and Article 4.7 (commencing with Section 1125) of Division 4 of Title 1 of the Government Code (“Article 4.7”) are applicable to members of the Committee. Accordingly:
  - (i) Members of the Committee shall not be financially interested in any contract made by them in their official capacities or by the Committee, nor shall they be purchasers at any sale or vendors at any purchase made by them in their official capacity, all as prohibited by Article 4; and
  - (ii) Members of the Committee shall not engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, in conflict with, or inimical to duties as a member of the Committee or with the duties, functions, or responsibilities of the Committee or the District. A member of the Committee shall not perform any work, service, or counsel for compensation where any part of his or her efforts will be subject to approval by any other officer, employee, board, or commission of the Board, except as permitted under Article 4.7.

5.4 Term. Except as otherwise provided herein, each member shall serve a term of two (2) years, commencing on the date of the first meeting of the Committee. No member may serve more than three (3) consecutive terms. At the Committee's first meeting, members will draw lots or otherwise select a minimum of two members to serve for an initial one (1) year term and the remaining members for an initial two (2) year term. Members whose terms have expired may continue to serve on the Committee until a successor has been appointed. Members who have previously served on the Proposition R Committee shall be permitted to serve on the Committee and, if appointed by the Board, are entitled to serve new three (3) consecutive two (2) year terms from the date of their appointment.

5.5 Appointment. Members of the Committee shall be appointed by the Board at a regularly scheduled, properly noticed public meeting through the following process: (a) the District shall advertise for members in local newspapers, on its website, and in other customary forums, as well as solicit appropriate local groups for (b) the Superintendent/President or his or her designee will review the applications; (c) the Superintendent/President or his or her designee will submit the qualifications of each applicant to the Board and make appointment recommendations to the Board, and (d) the Board shall appoint members following public disclosure of each applicant's qualifications and soliciting public comment on all of the nominees.

5.6 Removal; Vacancy. The Board may remove any Committee member for any reason, including failure to attend two consecutive Committee meetings without reasonable excuse or for failure to comply with section 5.3(b) hereof. Upon a member's removal, his or her seat shall be declared vacant. The Board, in accordance with the established appointment process set forth in Section 5.5 above shall fill any vacancies on the Committee. Vacancies shall be filled within 90 days from the initial date of each such vacancy.

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

5.8 Authority of Members. (a) Committee members shall not have the authority to direct staff of the District, and (b) individual members of the Committee retain the right to address the Board, either on behalf of the Committee or as an individual. (c) the Committee shall not establish sub-committees for any purpose; and (d) the Committee shall have the right to request and receive copies of any public records relating to the projects funded by the Propositions.

## **Section 6. Meetings of the Committee.**

6.1 Regular Meetings. The Committee is required to meet at least once a year but no more frequently than quarterly.

6.2 Location. All meetings shall be held within the boundaries of the Southwestern Community College District.

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 of the Committee.

**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 and/or District consultants shall attend Committee proceedings in order to report on the status of projects and the expenditures of bond proceeds.

7.3 No bond proceeds shall be used to provide District support to the Committee.

**Section 8. Reports.** In addition to the Annual Report required in Section 3.3, the Committee may 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.

**Section 9. Officers.** The Committee shall elect the Chair and a Vice-Chair who shall act as Chair only when the Chair is absent. The Chair and Vice-Chair shall serve in such capacities for a term of one year and may be re-elected by vote of a majority of the members of the Committee.

**Section 10. Amendment of Bylaws.** Any amendment to these Bylaws shall be approved by a majority vote of the Board.

**Section 11. Termination.** The Committee shall automatically terminate and disband concurrently with the Committee's submission of the final Annual Report which reflects the final accounting of the expenditure of all Propositions' monies.