

**MEASURE Q CITIZENS' BOND OVERSIGHT COMMITTEE
BYLAWS**

Section 1. Committee Established. The Huntington Beach City School District (the "District") caused Measure Q to be placed on the ballot for the November 8, 2016 (the "Election") and the voters of the District approved Measure Q authorizing the District to issue up to \$159,850,000 aggregate principal amount of the general obligation bonds. The election was conducted in accordance with the Strict Accountability in Local School Construction Bonds Act of 2000, Section 15264 *et seq.* of the Education Code of the State ("Proposition 39"). Pursuant to Section 15278 of the Education Code, the District is obligated to establish the Committee in order to satisfy the accountability requirements of Proposition 39. On January 17, 2017, the Board of Trustees of the Huntington Beach City School District (the "Board") established the Citizens' Bond Oversight Committee (the "Committee") and directed that the Committee shall have the specific purposes and be operated in the manner set forth in these Bylaws. The Committee does not have legal capacity independent from the District.

Section 2. Purposes. The purposes of the Committee are 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. Minutes of the proceedings of the Committee and all documents received and reports issued shall be a matter of public record and be made available on an internet website maintained by the Board. The District shall provide necessary administrative support to the Committee as shall be consistent with the Committee's purposes, as set forth in Proposition 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 monitoring the expenditure of bond proceeds generated under Measure Q. Projects undertaken with monies generated from sources other than bond proceeds shall fall outside the scope of the Committee's review.

Section 3. Duties. To carry out its stated purposes, the Committee shall perform only the duties set forth in Sections 3.1, 3.2 and 3.3 below and shall observe the limitations set forth in Sections 3.4 and 3.5 below.

3.1 **Inform the Public** The Committee shall inform the public 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 consensus 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 Measure Q; and (b) no bond proceeds were used for any teacher or administrative salaries or other operating expenses.

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. Either the Board or the Superintendent, 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:

- (a) Approval of contracts,
- (b) Approval of change orders,
- (c) Expenditure of bond proceeds,
- (d) Handling of all legal matters,
- (e) Approval of project plans and schedules,
- (f) Approval of deferred maintenance plans, and
- (g) Approval of the sale of bonds.

3.5 Measure Q Projects Only. 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 financed without bond proceeds either through the State of California, developer fees, tax increment revenues, certificates of participation, lease/revenue bonds, the District general fund or other sources, which shall be outside the authority of the Committee.
- (b) The establishment of priorities and order of construction for the projects to be funded with bond proceeds, 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 projects funded with bond proceeds which shall be based on 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 and such other consultants as are necessary to support the activities of the Committee which shall be

determined by the Board in its sole discretion and may be the audit firm that audits the District's financial statements.

(f) The approval of an annual budget for the Committee that is sufficient to carry out its activities which shall be determined by the Board in its sole discretion.

(g) The appointment or reappointment of qualified applicants to serve on the Committee, subject to legal limitations, which shall be based on criteria adopted in the Board's sole discretion as part of carrying out its function under Proposition 39.

Section 4. Authorized Activities.

4.1 In order to perform the duties set forth in Sections 3.1, 3.2 and 3.3 above, 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 as required by Article XIII A of the California Constitution.

(b) Inspect school facilities and grounds for which bond proceeds have been or will be expended, in accordance with any access procedure established by the District's Superintendent, in order to ensure that bond proceeds are expended in accordance with the requirements of Article XIII A of the California Constitution.

(c) Receive and review copies of any deferred maintenance proposals or plans for facilities financed with bond proceeds.

(d) Review efforts by the District to maximize bond proceeds by implementing various cost-saving measures, including, but not limited to, those set forth in Section 15278(c)(5) of the Education Code.

Section 5. Membership.

5.1 Number.

The Committee shall consist of at least seven (7) members appointed by the Board from a list of candidates submitting written applications, and based on criteria established by Proposition 39, which provides that:

- One (1) member shall be the parent or guardian of a child enrolled in the District.
- One (1) member shall be both a parent or guardian of a child enrolled in the District and active in a parent-teacher organization, such as the P.T.A. or a school site council.
- One (1) member shall be active in a business organization representing the business community located in the District.

- One (1) member shall be active in a senior citizens' organization.
- One (1) member shall be active in a bona-fide taxpayers association.
- The remaining members may be from the community at-large or a member of one of the aforementioned categories.

A single individual may be appointed as a representative of more than one (1) of the above categories, if applicable, as long as the Committee has the minimum number of members required by law.

5.2 Qualification Standards.

(a) To be a qualified person, a Committee member must be at least 18 years of age. A member originally appointed to serve a term to one of the categories specified in Section 5.1, other than a member from the community at-large, who, during the course of that term, no longer qualifies for that category, must so notify the Board and resign from the committee unless the Board reassigns the member to a different category for which the member is qualified.

(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. 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 Chapter 1 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. Any member shall disclose immediately any possible or potential conflict of interest to the Committee. A Committee member's failure to disclose any possible or potential conflict of interest when known will result in the member's removal from the Committee.

5.4 Term. Each member shall serve a minimum term of two (2) years, commencing on the date of the first meeting of the Committee. At the first meeting of the Committee, members shall vote to select four members whose initial term will be for three (3) years and the remainder of the members shall serve for an initial term of two (2) years. Upon the expiring term of a member, such member may be appointed for a new two (2) year term or a new member may be selected for a two (2) year term. No member may serve more than three (3) consecutive terms or a maximum of six (6) consecutive years, whichever is less.

5.5 Appointment. Members of the Committee shall be appointed by the Board through the following process: (a) appropriate local groups and community members will be solicited for applications; (b) the Superintendent will review the applications; (c) the Superintendent will make recommendations to the Board; and (d) the Board shall appoint the members of the Committee.

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 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. Vacancies shall be filled within 90 days from the initial date of each such vacancy. Any person appointed to fill a vacancy shall serve for the remainder of the term of the member whose position is being filled.

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, (b) individual members of the Committee retain the right to address the Board, either on behalf of the Committee or as an individual, and (c) the Committee may only request copies of reports and documents which have been previously presented to the Board and which are a public record.

Section 6. Meetings of the Committee.

6.1 Regular Meetings. The Committee shall meet at least once a year but no more frequently than quarterly unless requested by the Board to meet more often. The Committee shall cause minutes of all meetings to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to District staff for posting on the District's website.

6.2 Location. All meetings shall be held within the boundaries of the 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 *Ralph M. 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, translation 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 Superintendent shall appoint the initial Chair to serve for an initial two (2) year term. The Committee shall elect an initial Vice-Chair. Thereafter, the Committee shall elect a Chair and a Vice-Chair who shall act as chair only when the Chair is absent.

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 180 days after all Measure Q bond proceeds are spent.