

**COLLEGE OF THE SEQUOIAS
CITIZENS' BOND OVERSIGHT COMMITTEE**

Committee. The College of the Sequoias Hanford Campus Improvement District No. 1 of the College of the Sequoias Community College District was successful at the election conducted on November 7, 2006, in obtaining authorization from the Improvement District's voters to issue up to \$22,000,000 aggregate principal amount of the Improvement District's general obligation bonds (Measure C). 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 (Proposition 39). Pursuant to Section 15278 of the Education Code, the District is obligated to establish an Oversight Committee in order to satisfy the accountability requirements of Prop 39. The Board of Trustees of the College of the Sequoias Community College District acting as the Legislative Body of the College of the Sequoias Hanford Campus Improvement District No. 1 of the College of the Sequoias Community College District will establish a Citizens' Bond Oversight Committee which shall have the duties and rights set forth in a set of bylaws which will be created following establishment of the Committee. The Committee will not have legal capacity independent from the District.

Purpose. The purposes of the Committee are set forth in Prop 39. The duties and rights of the Committee will be applicable under the provisions of Prop 39. The Committee will 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 will 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. The Committee shall confine itself specifically to bond proceeds generated under Measure C. Regular and deferred maintenance projects and all monies generated under other sources shall fall outside the scope of the Committee's review.

Duties. To carry out its stated purposes, the Committee will perform only the following duties:

Inform the Public. The Committee will inform the public concerning the District's expenditure of bond proceeds.

Review Expenditures. The Committee may review quarterly expenditure reports produced by the District to ensure that (a) bond proceeds were expended only for the purposes set forth in the Measure C; and (b) no bond proceeds were used for any teacher or administrative salaries or other operating expenses.

Annual Report. The Committee will present to the Board, in public session, an annual written report which shall include the following:

- 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
- A summary of the Committee's proceedings and activities for the preceding year.

Duties of the Board and/or Superintendent/President. Either the Board or the Superintendent/President (to be determined by the Board), shall have the following powers reserved to it, and the Committee shall have no jurisdiction over the following types of activities:

- Approval of contracts,
- Approval of change orders,
- Expenditure of project funds,
- Handling of all legal matters,
- Approval of plans and schedules,
- Approval of all deferred maintenance plans, and
- Approval of the sale of bonds.

Measure C Projects Only. The Committee will be charged with overseeing the expenditure of bond proceeds only.

Authorized Activities.

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

- 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.
- 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 Superintendent/President.
- Review copies of deferred maintenance proposals or plans developed by the District.
- Review efforts by the District to maximize bond proceeds by implementing various cost-saving measures.

Membership.

Number.

- The Committee shall consist of a minimum of seven (7) members appointed by the Board of Trustees of the District 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 Improvement 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 the College of the Sequoias, such as a foundation.
- Two (2) members of the community at-large.

Qualification Standards.

- To be a qualified person, he or she must be at least 18 years of age.
- The committee may not include any employee, official of the District or any vendor, contractor or consultant of the Improvement District.

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. Additionally, each member shall comply with a Committee Ethics Policy (attached).

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 two (2) consecutive terms. At the suggestion of the Superintendent/President at the Committee's first meeting, members may 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.

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

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.

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

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

receive copies of reports and documents which have been previously presented to the Board and which are a public record.

Meetings of the Committee.

Regular Meetings. The Committee is required to meet at least once a year but may meet more often as the Committee shall determine.

Location. All meetings shall be held within the District.

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.

District Support.

The District shall provide to the Committee necessary technical and administrative assistance as follows:

- 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;
- provision of a meeting room, including any necessary audio/visual equipment;
- preparation and copies of any documentary meeting materials, such as agendas and reports; and
- retention of all Committee records, and providing public access to such records on an Internet website maintained by the District.

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.

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

Reports. In addition to the Annual Report required in Section 3.2, 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.

Officers. The Superintendent/President 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.

Termination. The Committee shall automatically terminate and disband 180 days following the date when all Measure C bond proceeds have been spent.

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

This Ethics Policy Statement provides general guidelines for Committee members in carrying out their responsibilities. 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 Improvement District decision related to: (1) any contract funded by bond proceeds or (2) any 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 construction project. A Committee member shall not make or influence a Improvement 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: (1) bidding on projects funded by the bond proceeds; and (2) any 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 College of the Sequoias Community College District;

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