SAN LEANDRO UNIFIED SCHOOL DISTRICT
CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS
FOR MEASURE J1

Adopted by the Board of Education of the District on January 24, 2017

Section 1. Committee Established. The San Leandro Unified School District (the "District") was successful at the election conducted on November 8, 2016 (the "Bond Election") in obtaining authorization from the District's voters to issue up to $104 million aggregate principal amount of the District's general obligation bonds ("Measure J1"). The election was conducted under Proposition 39, 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 now obligated to establish this Citizens' Bond Oversight Committee (the "Committee") in order to satisfy the accountability requirements of Proposition 39. The Board of Education of the San Leandro Unified School District (the "Board") hereby establishes the Committee, to be known as the "Citizens' Bond Oversight Committee for Measure J1," which shall have the duties and rights set forth in these Bylaws.

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. The Committee shall be deemed to be subject to the *Ralph M. Brown Public Meetings Act* of the State of California, Government Code Section 54950 *et seq.* (the "Brown Act"), 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 Proposition 39, but without expending bond funds on such support.

The proceeds of general obligation bonds issued pursuant to the authority of the Bond Election are hereinafter referred to as "bond proceeds." The Committee shall confine its review of District expenditures specifically to expenditures of bond proceeds generated under Measure J1. Regular and deferred maintenance projects and all monies generated under other sources 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 following duties:

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 of the Committee 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 Measure J1; and (b) no bond proceeds have been used for teacher or administrative salaries or other operating expenses.

3.3 Annual Report. At least one time annually, commencing with the end of the first fiscal year in which any bond proceeds are expended, and continuing through the end of the fiscal year in which bond proceeds have been spent in full, the Committee shall prepare an

annual written report, the findings of which shall be summarized to the Board in public session, which annual written report shall include the following:

(a) A statement indicating whether the District is in compliance with the requirements of Article XIIIA, Section 1(b)(3) of the California Constitution; and

(b) A summary of the Committee's proceedings and activities for the preceding year.

(c) Annual reports shall be posted on the District's website in accordance with Sections 7 and 8 hereto.

3.4 Duties of the Board/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) Expenditures of bond funds,

(d) Handling of all legal matters,

(e) Approval of project prioritization, project plans and schedules,

(f) Approval of all deferred maintenance plans, and

(g) Approval of the sale of bonds.

3.5 Measure J1 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 through the State of California, developer fees, certificates of participation, lease/revenue bonds, the general fund or the sale of surplus property without bond proceeds shall be outside the oversight of the Committee.

(b) The establishment of priorities and order of construction for 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 and financial audit consultants and such other consultants as are necessary to support the activities of the Committee.

(f) 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 Proposition 39.

Section 4. Authorized Activities.

4.1 In order to perform the duties set forth in Section 3, the Committee may engage in the activities authorized under Education Code Section 15278 subsection (c), including:

(a) Receive and review copies of the District's annual independent performance audit and annual independent financial audit, required by Article XIIIA 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 or business official.

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

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

Section 5. Membership.

5.1 Number.

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

- One (1) member shall be the parent or guardian of a child enrolled in the District.

- One (1) member shall be the 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 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.

- Two (2) members of the community at-large.

Additional members of the community at-large may be appointed at the Board's discretion; however, the Board is only required to appoint seven members meeting the above criteria.

5.2 Qualification Standards.

(a) To be a qualified person, Committee members must be at least 18 years of age.

(b) As specifically prohibited by Education Code Section 15282, the Committee may not include any employee, official of the District or any vendor, contractor or consultant of the District.

(c) Preference will be given applicants who reside within District boundaries, however, residency within District boundaries is not a necessary qualification.

5.3 Ethics: Conflicts of Interest. The prohibitions contained in Article 4 (commencing with Section 1090) and Article 4.7 (commencing with Section 1125) of Chapter 1 of Division 4 of Title 1 of the Government Code (the "Conflicts Laws") apply to members of the Committee. As provided therein, members of the Committee shall not be financially interested in District contracts within the meaning of State law, or engage in any activity for compensation that is in conflict with such member's duties described herein. The Committee is established to inform the public regarding the expenditure of bond proceeds. Committee members are not public officials of a government agency with decision-making authority within the meaning of the Political Reform Act of 1974, and the Committee is not a decision-making authority. By accepting appointment to the Committee, each member agrees to comply with the Committee Ethics Policy attached to these Bylaws, and to complete and file with the District's business official each year the Fair Political Practice Commission Form 700 Statement of Economic Interests.

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. This limitation shall not prevent a former Committee member whose term has expired from serving again following a one-year period from such expiration. In order to stagger the expiration dates of the terms of initial members, at the Committee's first meeting, members will draw lots, by volunteer or other method, select three members to serve for an initial one (1) year term and the remaining members to serve an initial two (2) year term.

5.5 Appointment. Members of the Committee shall be appointed by the Board through the following process: (a) the District shall notify the public through its customary forums that it is accepting applications for Committee members, which may include posting at school sites, advertising in the local newspapers, and posting notice on the District's website, as well as the solicitation of local groups for applications; (b) applications shall be made available at the District office and/or through the District's web site; (c) the Superintendent will review the applications which have been submitted by the stated deadline; and (d) the Superintendent will make

recommendations to the Board with respect to appointment. Appointments shall be made by the Board at an open meeting and recorded in the minutes.

5.6 Removal; Vacancy. The Board may remove any Committee member for cause, which includes 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, the seat shall be declared vacant. The Board, in accordance with the established appointment process shall fill any vacancies on the Committee. The District shall make best efforts to fill vacancies within 90 days. Members whose terms have expired may continue to serve on the Committee until their successor has been appointed. In the event the District is unable to appoint members meeting the criteria listed in Section 5.1, the Committee may proceed with one or more vacancies.

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 as an individual or, on behalf of the Committee if said member has been authorized to do so by a majority vote of the Committee; and (c) the Committee shall have the right to request and receive only copies of any public records relating to Measure J1 funded projects.

Section 6. Meetings of the Committee.

6.1 Regular Meetings. The Committee shall meet at least once a year, or more frequently as the Committee deems it necessary to discharge its duty, but no more frequently than quarterly. At the end of each meeting, the Committee shall identify the next approximate meeting date.

6.2 Location. All meetings shall be held within the San Leandro Unified School District, located in Alameda County, California.

6.3 Procedures. All meetings shall be open to the public in accordance with the Brown Act. 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.

Section 7. District Support.

7.1 Technical and Administrative Support. As provided by Education Code Section 15280, the District shall provide to the Committee necessary technical and administrative assistance in furtherance of its purposes and to publicize its conclusions. Such support shall include:

(a) preparation of and posting of public notices and agendas as required by the Brown Act, ensuring that all meetings notices and agendas are provided in the same manner as meetings of the District's 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, minutes and reports;

(d) providing bond expenditure reports produced by the District for review at each meeting;

(d) retention of all Committee records and reports; and

(e) providing public access to Committee meeting minutes and reports on an Internet website maintained by the District.

7.2 Copies of Bond Audits. Pursuant to Education Code Section 15286, the District shall submit a copy of its annual bond financial audit and performance audit, prepared each fiscal year, to the Committee at the same time such audits are submitted to the Board, and in any event no later than March 31 of each year. In addition, pursuant to Education Code Section 15280(a)(2), if findings, recommendations or concerns are identified in such audits, within three months of receiving the audits, the District shall provide the Committee with responses to such findings.

7.3 Staff Support. A member of the District staff shall attend Committee meetings in order to report on the status of projects and the expenditure of bond proceeds.

Section 8. Reports. The Committee must produce at least one annual report as referenced in Section 3.3. In addition, the Committee may report to the Board from time to time in order in order to inform the Board on the activities of the Committee. Any such reports shall be in writing and shall summarize the proceedings and activities conducted by the Committee. Such reports shall also be made available on the District's internet web site link to Measure J1.

Section 9. Officers. The Superintendent shall appoint the initial Chair for purposes of conducting the first meeting of the Committee. At the first meeting, the Committee shall elect by majority vote of its members a 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. These Bylaws may be amended by the Board of the District. 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 Measure J1 monies.

CITIZENS' BOND OVERSIGHT COMMITTEE
ETHICS POLICY STATEMENT

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 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 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 San Leandro 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.