

GENERAL OBLIGATION BONDS**THIRD AMENDED AND RESTATED BYLAWS OF PROPOSITION S AND Z
INDEPENDENT CITIZENS OVERSIGHT COMMITTEE OF THE SAN DIEGO
UNIFIED SCHOOL DISTRICT****1. Committee Established and Consolidated.**

- A. The San Diego Unified School District (the "District"), through the Board of Education of Education ("Board"), conducted an election on November 4, 2008 ("2008 Election"), seeking authorization from the District's voters to issue up to \$2.1 billion in aggregate principal amount of the District's general obligation bonds ("Proposition S"). The voters of San Diego County approved Proposition S in the amount of \$2.1 billion. The District conducted another election on November 6, 2012 ("2012 Election"), seeking authorization from the District's voters to issue up to \$2.8 billion in aggregate principal amount of the District's general obligation bonds ("Proposition Z"). The voters of San Diego County approved Proposition Z in the amount of \$2.8 billion. Both elections were conducted under Proposition 39, chaptered as the Strict Accountability in Local School Construction Bonds Act of 2000 (California Education Code section 15264 et seq.)
- B. Under Education Code ("Education Code") section 15278, the District Board shall establish and appoint an Independent Citizens Oversight Committee ("Committee") to satisfy the accountability requirements of Proposition 39. The Board previously formed the Committee for Proposition S at its regular meeting on or about November 18, 2008 and appointed initial members at subsequent meetings, to oversee the expenditure of general obligation bonds approved by voters in 2008. Under Education Code section 15278, the District Board shall form the Committee for Proposition Z to oversee the expenditure of general obligation bonds approved by voters in 2012. Because the District intends to concurrently implement projects under Proposition S and Proposition Z, it desires to consolidate two Committees into one Committee for efficiency in providing public oversight of the general obligation bond expenditures under each bond measure. The Committee does not have independent legal capacity from the District. The duties and rights set forth in these Bylaws reflect the language and intent of the Board's creation and consolidation of the Committee for Proposition S and Proposition Z.

2. Purposes.

- A. The purposes of the Committee are set forth in Proposition 39 and its implementing provisions in Education Code, the Full Text Ballot Proposition of Proposition S and Proposition Z, and these Bylaws are specifically made subject to these provisions of law as to the duties and rights of the Committee.

GENERAL OBLIGATION BONDS (continued)

The Committee shall also be charged with responsibilities as set forth in the Proposition S Election Resolution and Proposition Z Election Resolution, which are incorporated herein in their entirety. 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.

- B. The proceeds of general obligation bonds issued pursuant to the 2008 Election and 2012 Election are hereinafter referred to as "bond proceeds." The Committee shall confine itself specifically to bond proceeds generated under Proposition S and Proposition Z. 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 Proposition S or Proposition Z monies and other non-bond funds, such projects and expenditures shall be subject to Committee oversight and review in accordance with law and these Bylaws.
- C. Essential to the purpose of the Committee is the establishment of meaningful and effective community and small business outreach, so that the District may maximize available resources and achieve its goals in a timely and efficient manner.

3. Duties.

The Committee shall perform its duties under the Strict Accountability in Local School Construction Bonds Act of 2000 (Education Code sections 15264 et seq.) as follows:

- A. Inform the public concerning the District's expenditures of bond proceeds.
- B. Provide oversight, including review and report on the proper expenditures of taxpayers' money for school construction, to ensure that bond proceeds are expended only for the purposes described in California Constitution Article XIII A, Section 1(b)(3), and that no bond proceeds are used for any teacher or administrative salaries or other school operating expense.
- C. Issue an annual report, which includes a statement as to whether the District is in compliance with California Constitution Article XIII A, Section 1(b)(3) and results of its activities for the preceding year.

4. Authorized Activities.

The Committee may engage in the activities under the Strict Accountability in Local School Construction Bonds Act of 2000 (Education Code sections 15264 et seq.) as follows:

GENERAL OBLIGATION BONDS (continued)

- A. Receive and review copies of the District's annual independent performance audit and annual independent financial audit, which are required by California Constitution Article XIII A, Section 1(b)(3).
- B. Inspect school facilities and grounds to ensure that bond revenues are expended in compliance with California Constitution Article XIII A, Section 1(b)(3), in accordance with any access and security procedures established by the District and Chief of Facilities Planning & Construction or designees.
- C. Receive and review copies of any deferred maintenance proposals or plans developed by the District.
- D. Review efforts by the District to maximize bond proceeds by implementing cost-saving measures.

5. Unauthorized Activities.

In recognition that the Committee's charge is to review bond expenditures and inform the public about the uses of bond proceeds, the Committee shall not have the authority to do the following, which is a non-exhaustive list:

- A. Review projects that are not paid for in whole or in part by bond proceeds.
- B. Establish priorities and order of construction for bond projects, or otherwise determine how bond funds will be spent.
- C. Select architects, engineers, construction managers, project managers, consultants, or contractors.
- D. Select independent performance or financial audit firms or consultants.
- E. Approve annual budget for the Committee that is sufficient to carry out the activities set forth in Proposition 39.
- F. Appoint or reappoint members to serve on the Committee, subject to Proposition 39 and the Board.

6. Membership.

- A. Number. The Committee shall consist of eleven (11) members, appointed by the Board.

GENERAL OBLIGATION BONDS (continued)

B. Composition. (i) The Committee shall include five (5) members from the following categories, as required under Education Code section 15282(a):

- 1) One member who is active in a business organization representing the business community located with the District;
- 2) One member who is active in a senior citizens' organization;
- 3) One member who is active in a bona fide taxpayers' organization;
- 4) One member who is the parent or guardian of a child enrolled in the District;
- 5) One member who is the parent or guardian of a child enrolled in the District and active in a parent/teacher organization.

(ii) The Committee shall consist of eight (8) members to be nominated by and represented by the parent, community, business and labor organizations listed below, including at least four (4) members who meet designated categories under Education Code section 15282(a), as set forth in Section 6(B) of these Bylaws, as applicable. If any organization listed below does not nominate any representative within 90 days, the District may request nominees from other similar organizations as determined by the Board.

- San Diego Regional Chamber of Commerce representative who is active in a business organization representing the business community located with the District
- Middleclass Taxpayers Association representative who is active in a bona fide taxpayers' organization
- San Diego Unified School District Cluster Governance Committee representative who is a parent or guardian of a child enrolled in the District
- San Diego Unified Council of PTAs representative who is a parent or guardian of child enrolled in the District and active in a parent/teacher organization
- San Diego Unified School District Charter School Facility Committee representative

GENERAL OBLIGATION BONDS (continued)

- American Society of Civil Engineers San Diego Section representative
- San Diego Building and Construction Trades Council representative
- Construction industry organization representative

(iii) The following members shall be appointed from a list of candidates who submit applications to the Superintendent or designee:

- One member who is active in a senior citizens' organization
- Two members from the community at large

(iv) Based on a nomination from ASB Student Congress, the Board may allow a student enrolled in the District to serve as a non-voting member of the Committee. This student representative shall not count towards the membership of 11 on the Committee and shall not count towards the establishment of a quorum of the Committee. The term of appointment may be one semester or quarter and shall not exceed one school year.

C. Qualification Standards. To be a qualified member of the Committee, a person must:

- 1) Be at least 18 years of age and a citizen of the state in accordance with Government Code section 1020;
- 2) Not be an employee or official of the District; and
- 3) Not be employed as or by a vendor, contractor, or consultant of the District.

D. Appointment. Members of the Committee shall be appointed by majority vote of the Board at a regularly scheduled, properly noticed public meeting, through an appointment process developed by the Board, which includes a public disclosure of qualifications and opportunity for public comment. As noted above in Section 6 of these Bylaws, members of the Committee shall be appointed by the Board through the Board's individual selections; nominations from specified parent, community, business and labor organizations; and applications for the categories of active in a senior citizens' organization and two members from the community at large. The Superintendent or designee(s) will review the potential list of candidates and provide input to the Board on qualifications. The Board shall, in its sole discretion, select and appoint the members to the Committee.

GENERAL OBLIGATION BONDS (continued)

E. Term. (i) Except as provided herein, each member shall serve a term of two (2) years, and no member shall serve on the Committee for more than three (3) consecutive terms, under Education Code section 15282(a), with the term year commencing on the date of Board appointment. Hence, no member shall serve on the Committee for more than six (6) consecutive years. In order to stagger the terms of the Committee members, upon the adoption of these Bylaws by the Board, the following six (6) seats shall be for a one (1) year term at time of initial Board appointment:

- One member who is active in a senior citizens' organization
- One member who is the parent or guardian of a child enrolled in the District
- Two members from the community at large
- American Society of Civil Engineers San Diego Section

The Board will take appropriate action to ensure membership of statutory required memberships, as outlined in Section 6B of these Bylaws, and to ensure service of a mix of tenured Committee members.

(ii) Members of the Committee for Proposition S are appointed on this consolidated Committee for Proposition S and Proposition Z under these Bylaws. Time already served by members for the Committee for Proposition S shall count towards the term limits for this consolidated Committee for Proposition S and Proposition Z.

(iii) After appointment to a two-year term, members of the Committee who wish to be appointed for subsequent terms, subject to term limits in Education Code section 15282(a), must be reappointed by the Board, through approval or ratification.

(iv) A member of the Committee who no longer serves as a representative of a designated category under Education Code section 15282(a) that s/he was appointed to represent (i.e., ceases to be active within a taxpayers' organization or ceases to have a child enrolled in the District) may be allowed to complete his/her term, subject to the stakeholder group's recommendation and/or Board direction, but shall not serve a subsequent term as a representative of that designated category. A member of the Committee has an immediate duty to disclose that s/he no longer meets the requirements of the designated category once s/he is aware of a change in status. Failure to disclose may be grounds for removal for cause, as set forth in Section 6G of these Bylaws.

GENERAL OBLIGATION BONDS (continued)

- F. Ethics; Conflicts of Interest. Each member of the Committee agrees to comply with the Conflict of Interest provisions of Article 4 (commencing with Section 1090) and Article 4.7 (commencing with Section 1125) of Division 4 of Title 1 of the California Government Code, and the Political Reform Act of Title 9 (commencing with Section 81000) of the Government Code, which includes the submitting of Form 700: Statement of Economic Interests with the District. Form 700 records will be maintained in the possession of the District's Legal Services Office at the Eugene Brucker Education Center.

- G. Removal; Vacancy. The Board may remove any Committee member for cause, including but not limited to failure to attend three (3) consecutive regular Committee meetings due to unexcused absences as determined by the Executive Committee, being absent for more than eighty percent (80%) of the regular Committee meetings in a term year, being absent from regular Committee meetings more than four (4) times in a term year, or for failure to comply with the provisions of these Bylaws. The Board may also remove any Committee member in the Board's sole discretion. If a member fails to meet the qualification standards set forth in Section 6C of these Bylaws at any time during the term of service, the member shall be disqualified and the position shall be declared vacant. Upon a member's removal, his or her seat shall be declared vacant, and the Board shall fill any vacancies on the Committee in accordance with Section 6 of these Bylaws.

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

- I. Authority of Members. Individual members of the Committee, the Committee, and Subcommittees shall not have the authority to direct staff of the District. Individual members of the Committee retain the right to address the Board, either as an individual, or on behalf of the Committee or Subcommittee, when so directed or authorized by the Committee or Subcommittee.

7. Officers.

- A. The Committee shall elect a Chair and a Secretary/Vice-Chair who shall act as Chair in the absence of the Chair, whose positions shall continue for one (1) year terms.

GENERAL OBLIGATION BONDS (continued)

- B. The Committee Chair shall be elected annually and may serve no more than four (4) consecutive one year terms.

8. Subcommittees.

- A. Establishment. There shall be three (3) standing Subcommittees, as follows:

- 1) Finance/Audit Subcommittee
- 2) Construction Subcommittee
- 3) Executive/Governance Subcommittee

- B. Membership.

- 1) Subcommittees shall consist of a minimum of three (3) and a maximum of five (5) members.
- 2) Members of the Committee should serve on a minimum of one (1) Subcommittee.
- 3) The Committee Chair shall serve as an ex-officio member of all Subcommittees, and shall vote on Subcommittee matters only in the case of a tie vote.

- C. Officers. Each Subcommittee shall appoint a Subcommittee Chair. Subcommittee Chairs are to be elected annually and may serve a total of four (4) consecutive terms. In the event that a Subcommittee has no elected Chair, the Chair of the Committee shall appoint a Subcommittee Chair pro-tem until the Subcommittee elects its Chair.

- D. Executive/Governance Subcommittee. An Executive/Governance Subcommittee shall be comprised of the Chair of the Committee, Secretary/Vice Chair and all standing Subcommittee Chairs. The Chair of the Committee shall preside over this subcommittee. The duties of the Executive/Governance Subcommittee are to monitor Committee and Subcommittee attendance and to convene in emergency situations, when an attempt to convene a quorum of the Committee is unsuccessful.

9. Meetings of The Committee and Subcommittees.

- A. Brown Act. The Committee and its standing Subcommittees shall 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.

GENERAL OBLIGATION BONDS (continued)

- B. Regular Meetings. The Committee and Subcommittees shall establish a schedule for the date and time of regular meetings to be held at least quarterly, but no more frequently than monthly, and shall include an annual organizational meeting to be held no later than in April.
- C. Location. All Committee and Subcommittee meetings shall be held where noticed, within the jurisdictional boundaries of the San Diego Unified School District, which includes but is not limited to Physical Plant Operations, 4860 Ruffner Street, San Diego, CA 92111.
- D. Quorum. Except as provided herein, a majority of the number of Committee or Subcommittee members shall constitute a quorum for the transaction of any business, discussion, or action except adjournment. Except as provided herein, action of the Committee or a Subcommittee shall be by a majority vote of the Committee or Subcommittee members. In regards to the Committee, a quorum constitutes six (6) members present out of the total eleven (11) members, except that a quorum shall constitute a majority of the seats actually appointed by the Board when vacancies exist, provided that a quorum shall be a minimum of four (4) members present. (Example #1: If only five (5) members of the Committee are appointed by the Board with six (6) vacancies, then a quorum shall be four (4) members present. If only nine (9) members of the Committee are appointed by the Board with two (2) vacancies, then a quorum shall be five (5) members present). In recognition that the transition into one consolidated Committee with 11 members from various parent, community, business and labor organizations will take considerable time, this modified quorum requiring at least four (4) members present only applies when vacancies on the Committee exist.
- E. Procedures.
- 1) All meetings of the Committee and Subcommittees shall be noticed and conducted in accordance with the Ralph M. Brown Act, Government Code Section 54950 et seq.
 - 2) The rules contained in the 10th edition of Robert's Rules of Order shall serve as a guide to the conduct of meetings when applicable, and when not inconsistent with these Bylaws.
 - 3) Proxy votes are not permitted at Committee meetings or at Subcommittee meetings.

GENERAL OBLIGATION BONDS (continued)

10. District Support.

- A. The District shall provide to the Committee necessary technical and administrative assistance as needed, including but not limited to:
 - 1) 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;
 - 2) Provision of a meeting room, including any necessary audio/visual equipment;
 - 3) Preparation and copies of any documentary meeting materials, such as agendas and reports;
 - 4) Retention of all Committee records, and providing public access to such records on an Internet website maintained by the Board.
- B. District staff shall make reasonable efforts to attend all Committee and Subcommittee meetings as appropriate to report on the status of projects and the expenditures of bond proceeds.
- C. The District shall not use any bond proceeds to provide the support set forth in this Section consistent with Education Code section 15280.
- D. Any requests for copies or inspection of District records pursuant to their duties described in the Education Code shall be made through the Chair of the Committee and the Chair of the appropriate Subcommittee. Requests shall be made in writing to the District's Chief of Facilities Planning & Construction or designees.

11. Transparency.

The Committee shall strive to achieve the highest level of transparency to ensure accountability and information for all District residents.

12. Indemnification.

The Board shall indemnify, insure and hold harmless Committee members for and during their service on the Committee. Such indemnification, insurance and actions to hold them harmless shall be consistent with to what is provided for the members to the Board, its officers, and employees.

GENERAL OBLIGATION BONDS (continued)

13. Amendment of Bylaws.

The Committee may submit recommendations for revisions to these Bylaws to the Board. Adoption and any amendment to these Bylaws shall be approved by majority vote of the Board, with only one reading necessary.

14. Termination.

The Committee shall automatically terminate and disband at the earlier of the date when all bond proceeds are spent, or all projects funded by bond proceeds are completed.

Reports

Within 30 days after the end of each fiscal year, the district shall submit to the County Superintendent of Schools a report concerning any bond election(s) containing the following information: (Education Code 15111)

1. The total amount of the bond issue, bonded indebtedness, or other indebtedness involved
2. The percentage of registered electors who voted at the election
3. The results of the election, with the percentage of votes cast for and against the proposition

Exhibit
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SAN DIEGO UNIFIED SCHOOL DISTRICT
San Diego, California