

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE
BYLAWS**

Section 1. Committee Established. The MiraCosta Community College District (the "District") was successful at the election conducted on November 8, 2016, in obtaining authorization from the District's voters to issue up to \$455,000,000 aggregate principal amount of the District's general obligation bonds ("Measure MM"). 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 ("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"), which shall have the duties and rights set forth in these Bylaws. The Committee does not have legal capacity independent from the District.

In addition to the 'Committee' as set forth in the original Bylaws, the District hereby establishes two "Advisory Committees" (one for Finance and one for Construction) each to consist of no more than three (3) Members from the Committee, nominated by the Committee President, such nominations subject to approval by the 'Board' and/or its designee (i.e., the President/Superintendent of the District, and/or their designee). The Advisory Committees do 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 Elections are hereinafter referred to as "bond proceeds." The Committee shall confine itself specifically to bond proceeds generated under Measure MM. Regular and scheduled maintenance projects and all monies generated under other sources shall fall outside the scope of the Committee's review.

The Advisory Committees shall perform only advisory functions regarding only those responsibilities granted to the Committee by these Bylaws, any Amendments hereto, and in compliance with Proposition 39. The District shall provide necessary administrative and financial support to the Advisory Committees as shall be consistent with the Advisory Committees' purposes as set forth herein and under applicable law.

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 hereof, and shall refrain from those activities set forth in Sections 3.4 and 3.5.

The Advisory Committees shall perform only advisory functions regarding only those duties assigned to the Committee and pursuant to 3.1, 3.2 and 3.3 of the Bylaws, and only within the subject matter areas of Finance and Construction for which each Advisory Committee is established, and shall also refrain from those activities set forth in Sections 3.4 and 3.5 of the Bylaws. The Advisory Committees shall verbally report their findings and recommendations to the Committee at the next regularly scheduled Committee Meeting.

(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 majority view of the Committee.

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

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

(4) Duties of the Board/Superintendent/President. Either 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:

- (A) Approval of construction contracts,
- (B) Approval of construction change orders,
- (C) Expenditures of construction funds,
- (D) Handling of all legal matters,
- (E) Approval of construction plans and schedules,
- (F) Approval of scheduled maintenance plans, and
- (G) Approval of the sale of bonds.

(5) Measure MM Projects Only. In recognition of the fact that the Committee is charged with overseeing the expenditure of proceeds of Measure MM, the Board has not charged the Committee with responsibility for:

- (i) Projects 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 Measure MM shall be outside the authority of the Committee.
- (ii) The establishment of priorities and order of construction for the bond projects, which shall be made by the Board in its sole discretion.
- (iii) 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 based on District criteria established by the Board in its sole discretion.
- (iv) 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.

(v) The selection of independent audit firm(s), performance audit consultants or such other consultants as are necessary to support the activities of the Committee.

(vi) 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.

Section 4. Authorized Activities.

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

(i) Receive 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, no later than March 31 of each year, and review the Audits.

(ii) Inspect District 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.

(iii) Review copies of scheduled maintenance proposals or plans developed by the District.

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

(v) 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.

(2) The Committee may authorize each Advisory Committee to review, evaluate, and prepare findings and recommendations to be presented and reported by said Advisory Committee to the Committee regarding the subject matter area for which each Advisory Committee has been established by the Board of Trustees. Each Advisory Committee shall only conduct those functions expressly given to it by the Committee and subject to the Bylaws, Amended Bylaws and applicable law.

Section 5. Membership.

(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 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 the District, such as a foundation.
- Two (2) members of the community at-large.

Any Advisory Committee shall consist of no more than three (3) Members, only from the Committee, and subject to the requirements of the Second Amendment to the Bylaws set forth in Section 1 above of this Second Amendment.

(2) Qualification Standards.

(i) To be a qualified person, they must be at least 18 years of age, except the Student Representative, who may be less than 18 years of age.

(ii) The Committee may not include any employee, official of the District or any vendor, contractor or consultant of the District.

(3) Ethics: Conflicts of Interest.

(i) 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; but each member shall comply with the Committee Ethics Policy attached as “Attachment A” to these Amended and Restated Bylaws.

(ii) 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:

(A) 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

(B) 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 their efforts will be subject to approval by any other officer, employee, board, or commission of the District’s Board of Trustees, except as permitted under Article 4.7.

(4) Term. Except as otherwise provided herein, each member shall serve a term of two (2) years, commencing as of the date of appointment by the Board. No member may serve more than three (3) consecutive terms. At the Committee’s first meeting, members will draw lots to 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. A term commences as of the date of appointment to the Committee by the Board.

Each Member of the Committee nominated and approved as set forth above shall serve a maximum of one year on an Advisory Committee unless re-nominated and approved as provided for in this Second Amendment to the Bylaws.

(5) Appointment. Members of the Committee shall be appointed by the Board 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 applications; (b) the Superintendent/President will review the applications; and (c) the Superintendent/President will make recommendations to the Board.

(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, their seat shall be declared vacant. The Board, in accordance with the established appointment process shall seek to fill any vacancies on the Committee within 90 days of the occurrence of a vacancy.

The Committee Chair may remove any Advisory Committee Member for any reason, including failure to attend two consecutive Advisory Committee meetings without reasonable excuse or for failure to comply with the Committee's Ethics Policy. Upon an Advisory Committee Member's removal, the Committee Chair shall seek to fill the vacancy within 90 days of the occurrence of a vacancy.

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

(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; (c) the Committee may 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 Measure MM.

Section 6. Meetings of the Committee.

(1) Regular Meetings. The Committee shall meet at least once a year, but no more than every other month during any given twelve month cycle. Each Advisory Committee shall meet no more than 4 times per any given twelve month cycle, and preferably, at least a month before a regularly scheduled meeting of the Committee so as to have time to perform the functions and duties assigned to each Advisory Committee.

(2) Location. All meetings shall be held within the boundaries of the MiraCosta Community College District, located in San Diego County, California.

(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.

Meetings of the Advisory Committees are not subject, per applicable law, to the Ralph M. Brown Act, Government Code Section 54950 et seq. Topics discussed, findings, recommendations and reports, if any, arising from each Advisory Committee shall however be reported and take place at a regularly scheduled Committee meeting which are open to the public subject to Ralph M. Brown Act, Government Code Section 54950 et seq. A majority, for purposes of constituting a quorum for an Advisory Committee Meeting shall be two Members of an Advisory Committee.

Section 7. District Support.

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

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

(2) District staff and/or District consultants shall attend all Committee proceedings in order to report on the status of projects and the expenditure of bond proceeds.

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 Board, upon the recommendation of the superintendent/president shall appoint the initial Chair of the Committee. Thereafter, 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 Measure MM monies.

Section 12. Effect of Second Amendment to the Current Bylaws. Except as expressly or by implication changed as set forth above, the original Bylaws for the Committee, and any prior Amendments to the Second Amendment to the Bylaws remain in full force and effect. Otherwise they are amended, modified and/or changed to accomplish the purpose of this Second Amendment.