



# Measure L Citizens' Bond Oversight Committee Meeting

## **COMMITTEE MEMBER PACKET**

March 21, 2018

6:30 pm – 7:30 pm

### **LOCATION:**

Laneview Elementary School – FIS Room (#17)  
2095 Warmwood Ln., San Jose, CA 95132-1251

Please add tab: AGENDA

# **Measure L Citizens' Oversight Committee Meeting**

Berryessa Union School District

March 21, 2018, Wednesday @ 6:30 PM – 7:30 PM

**Location:** Laneview Elementary School – FIS Room (Rm 17)

2095 Warmwood Ln, San Jose, CA 95132

## **Agenda**

- 1- Call to order
  - a. Roll call Marty  
Marty Michaels – Chair  
Amy Chen – Vice Chair  
Adrienne O'Leary  
Frank Cancilla  
Susan Fowle
  - b. Adoption of agenda Marty
  - c. Approve CBOC December 7, 2017 meeting minutes Marty
- 2- Public comments
- 3- Reports
  - a. Bond Audit report Kevin
  - b. Measure L project update Tony
  - c. Measure L financial report Tony
- 4- Old business
  - a. Committee membership update Marty
  - b. Future committee meeting dates
- 5- New business
  - a. Marty
- 6- Adjournment
- 7- Tour Construction Project – Laneview FIS (optional)

## **FUTURE MEETINGS**

June 20, 2018

September 19, 2018

December 12, 2018

Please add tab: MEETING MINUTES



UNADOPTED

**Berryessa Union School District  
1376 Piedmont Road  
San Jose, CA 95132**

Measure L Citizens' Oversight Committee Meeting  
Laneview Elementary School – Room 18  
December 7, 2017  
6:30 p.m. – 7:30 p.m.

**REGULAR MEETING MINUTES**

Members Present: Marty Michaels, Chair  
Frank Cancilla  
Susan Fowle

District Staff Present: Tony Kanastab, Director of Bond Facilities and  
Modernization  
Pam Lee, Budget Bond Accountant

Public Present: None

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**1. Call to Order**

**Minutes**

Mr. Marty Michaels called the meeting to order at 6:33 p.m.

a. Roll Call -

**Minutes**

All present except for Ms. Chen and Ms. O'Leary

b. Adoption of Agenda

**Minutes**

Motion to approve by Mr. Cancilla, 2<sup>nd</sup> by Ms. Fowle.

c. Approval of the September 5, 2017 CBOC Meeting Minutes

**Minutes**

Motion to approve by Mr. Cancilla, 2<sup>nd</sup> by Ms. Fowle.

**2. Public Comments**

### Minutes

No public comments.

## **3. Reports**

### a. Measure L Project Update

### Minutes

Mr. Kanastab reported on the status of the Measure L – 2017, as everyone followed the report.

#### Phase II Projects Update

- Vinci Park ES FIS – Mr. Kanastab said that construction started the week of November 30<sup>th</sup> and the project is scheduled to be completed in March 2018. He added that the exterior canopy project was submitted to CGS (California Geological Survey) in November 2017.
- FIS Furniture – Vinci Park – Mr. Kanastab said that working with the site to order this furniture.
- Central Kitchen – Mr. Kanastab announced that the punch list was completed, and the paving for the parking lot will be completed over holiday break.
- Pavement Rehabilitation – Piedmont Middle School – Mr. Kanastab shared that plans were submitted to the City of San Jose for review, as well as DSA. He added that they are bidding for the project in February/March, and construction is estimated to start on June 2018. The project is to increase/add 15 more spaces and expand the parking to full sizes. They are also adding some fencing and making the drop-off easier.

#### Phase III Projects Update

- Laneview FIS Project – Mr. Kanastab stated that project started at the end of October and is on schedule in February. Mr. Michaels asked the difference between an MPR (Multi-Purpose Room) and a FIS (Flexible Instructional Space). Mr. Kanastab replied that MPR is usually used for general assembly/lunch room and FIS is primarily for education. He also added that FIS is designed to allow multiple learning activities to occur simultaneously.
- ADA upgrades to path of travel are included as part of the Laneview FIS project.

- Majestic Way FIS Project – Mr. Kanastab stated that project started at the end of October and is on schedule in February.
- FIS Furniture – Laneview & Majestic – Mr. Kanastab stated that quotes are finalized and they are ordering furniture the week of December to be delivered mid-February.

#### Phase IV Projects Update

- Modernization Projects
  - Ruskin Elementary School – FIS – Mr. Kanastab said this was submitted to DSA on 11/27/2017.
  - Piedmont Middle School – FIS – Mr. Kanastab said that this was submitted to DSA on 11/13/2017
  - Brooktree Elementary School – Mr. Kanastab said that this was submitted to DSA on 11/27/2017.
  - Cherrywood Elementary School – Mr. Kanastab said that this was submitted to DSA on 12/12/2017
  - Toyon Elementary School – Mr. Kanastab stated that they will meet with DSA to review structural upgrades. He said that DSA recently changed the requirement of how structural upgrades to existing structures are approved. Previously, if you wanted to enlarge or add an opening in a shear wall, DSA would allow you to replace the shear wall in kind (a shear wall resists horizontal forces acting on the structure). DSA is now requiring the building be upgraded to current codes. The District is currently exploring options to use a different room/s for the FIS. He also mentioned that Toyon only uses 14 of its 24 classroom and is currently has the lowest enrollment rate in the District. Mr. Michaels asked if there's a threshold in closing a school, and Mr. Kanastab answered yes, but there are no plans to close any school. Mr. Michaels also noted that on the schedule Toyon is the longest project and asked why. Mr. Kanastab answered that the non-dsa work painting and flooring replacement will occur in the summer, but the FIS can't be start until the DSA has approved the project.
  - Morrill Middle School – Mr. Kanastab added that this project was submitted to DSA on 12/8/2017.
  - AV @ MPR Elementary Schools – Mr. Kanastab stated that the installation for AV equipment was done by the end of November 2017.
  - Mr. Michaels asked the likelihood that DSA would say to NO to a project/plan. Mr. Kanastab responded that currently the DSA process is that they will review a set of plans and provide comments back to the architects/engineers (6 to 8 weeks). The architect/engineer will then review the comments and meet with DSA to review and respond to these comments. Once all the

comments have been address DSA approves the project (2 to 3 weeks).

b. Measure L Financial Report

Minutes

Mr. Kanastab presented the Measure L Quarter Report from 07/01/2017-09/30/2017 to the committee. Mr. Michaels inquire if the committee can request for a different report that is comparable to the one that was in the implementation plan that shows what has been spent per school site. He said that this would be easier to understand by the public. Mr. Kanastab stated that a similar report can the provided in January and can be included for the next meeting.

Mr. Michaels also asked regarding when the annual report is needed, and the committee responded that it should be done by the end of January since it will go to the Board on February.

**4. Old Business**

a. Committee membership update

Minutes

Mr. Michaels stated that the members' position will expire after June 2018, so he and Phuong have asked for a waiver. He added that per the Bond council, as long as the district made an attempt to find replacements, it is considered in good faith that the committee members can stay in their position even until the term has expired.

**5. New Business**

Future Committee meeting dates

Minutes

Mr. Michaels and Mr. Kanastab stated that the committee meetings should always be scheduled after the board meetings. The new proposed dates are: March 21<sup>st</sup>, June 20<sup>th</sup>, September 19, and December 12 for the year 2018

**6. Adjournment**

Minutes

Motion to adjourn by Mr. Michaels at 7:30 pm, 2<sup>nd</sup> by Ms. Fowle.

Please add tab: PROJECT UPDATE



Laneview

# Citizens Bond Oversight Committee

March 21, 2018

## Measure L – Overview

- Phase 2 Project Update
- Phase 3 Project Update
- Phase 4 Project Update
- FIS and Classroom Furniture Update
- Program Schedule Review

# Measure L – Phase 2 Projects

Vinci Park FIS Project (Phase 1 ) – Project is on schedule to be completed in March



Main FIS space



# Measure L – Phase 2 Projects

- Vinci Park FIS Project (Phase 1)



Main FIS space

## Measure L – Phase 2 Projects

- Pavement Rehabilitation – Piedmont Middle School
  - Project approved by DSA
  - Receive bids March 2018
  - Construction starts June 2018
- Vinci Park Elementary School - FIS
  - Phase 2 - Exterior Canopy and Site work
    - Meeting with DSA on March 15, 2018 for Canopy approval
    - Procurement/installation of exterior canopy and site related work completed by May 1, 2018

# Measure L – Phase 3 Projects

## Laneview FIS Project



Main FIS Space



# Measure L – Phase 3 Projects

Majestic Way FIS Project – Project to be completed on March 19, 2018



Main FIS space

# Measure L – Phase 3 Projects

## Majestic Way FIS Project



FIS sink area

## Measure L – Furniture

- FIS Furniture - Vinci Park
  - Awaiting final quote from vendor
  - Furniture delivery April 2018
- FIS Furniture - Laneview & Majestic Way
  - Furniture was delivered on March 8, 2018
- FIS Furniture - 2018 Project
  - Meeting with Principal in March 2018
- Classroom Furniture - 2018 Projects
  - Submitted order to vendor for quote in February 2018

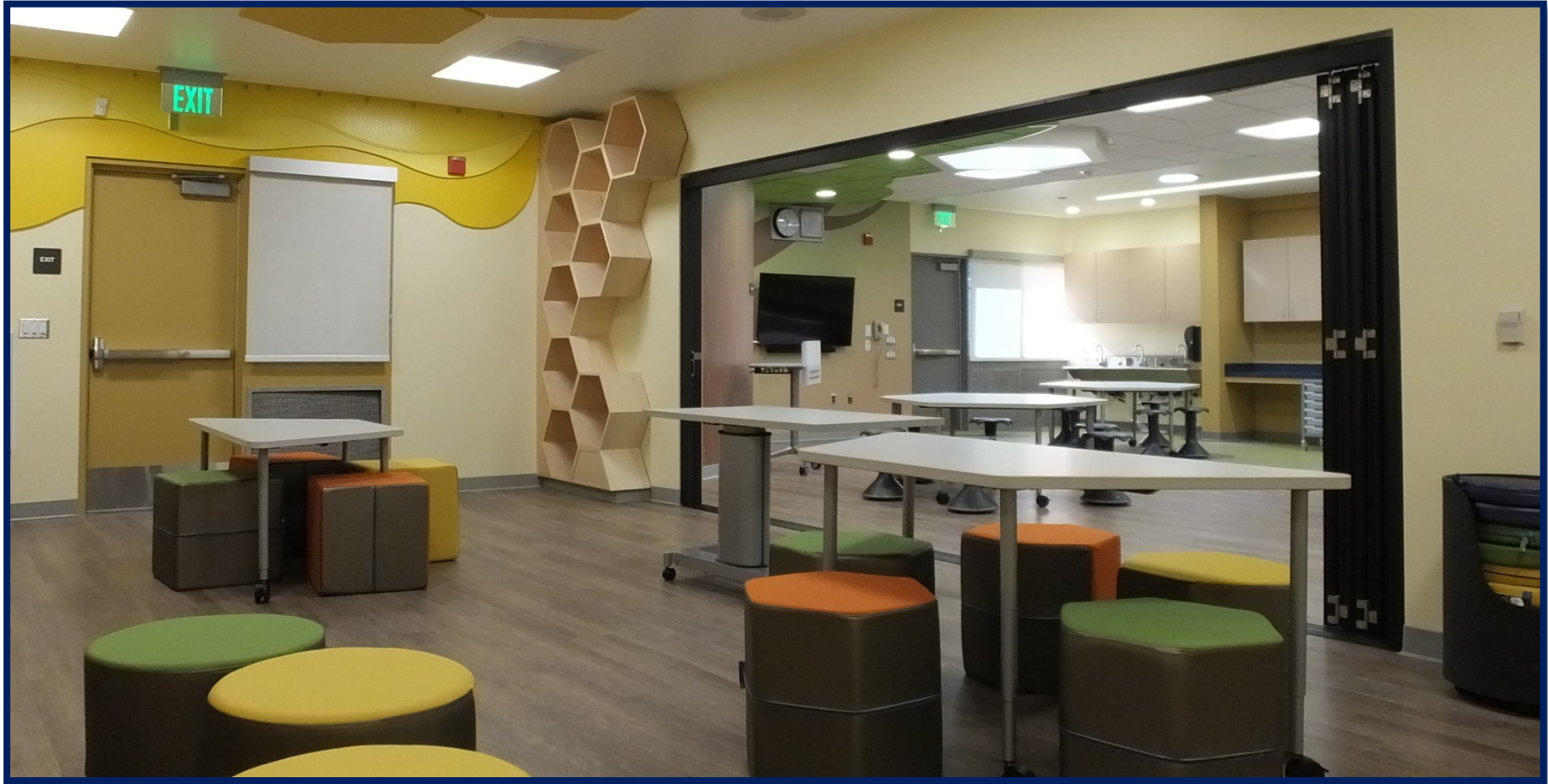
# Measure L – Phase 4 Projects

- Projects
  - Ruskin Elementary School - FIS
    - Receive bids in March 20, 2018
  - Piedmont Middle School - FIS
    - Receive bids in March 20, 2018
  - Brooktree Elementary School
    - Receive bids in April 2018
  - Cherrywood Elementary School
    - Interior Painting Package -Receive bids March 2018
    - Mod/FIS Package – Awaiting structural comments from DSA
    - Meeting with DSA in March to review wheelchair lift option
  - Toyon Elementary School
    - Interior/Exterior Painting Package – Receive bids March 2018
    - FIS
      - Submit to DSA early May 2018
      - Construction to begin in Fall of 2018
  - Morrill Middle School
    - Receive bids in April 2018

## Measure L – Program Schedule

[illegible]





Thank You

Please add tab: FINANCIAL REPORT

**Project Budget**  
BERRYESSA UNION SCHOOL DISTRICT  
MEASURE L BOND  
2017-2018 Second Quarter Report  
07/01/2017-12/31/2017  
Cost Control Summary

SUMMARY				
Description	Adopted Budget 1/21/2015 (1)	2017-2018 Operating Budget 12/31/2017	Total Expended to Date 12/31/2017	Balance
<b>HARD CONSTRUCTION COSTS</b>				
Construction	50,671,230	17,265,487	2,187,411	15,078,076
Construction Contingency	4,839,623	2,135,531	36,250	2,099,281
<b>Sub-Total Hard Costs</b>	<b>55,510,853</b>	<b>19,401,018</b>	<b>2,223,661</b>	<b>17,177,357</b>
Furniture, Fixtures & Equipment		3,025,040	1,354,639	1,670,401
<b>Total Hard Costs</b>	<b>55,510,853</b>	<b>22,426,058</b>	<b>3,578,300</b>	<b>18,847,758</b>
<b>SOFT CONSTRUCTION COSTS</b>				
<b>Architectural &amp; Engineering</b>				
Architectural & Engineering	4,886,579	1,957,630	537,698	1,419,932
Architectural & Engineering Reimbursable	222,090	125,539	3,031	122,508
<b>Specialty Consultants</b>				
Engineering Studies / Surveys	65,000	4,900	26,800	(21,900)
Kitchen Consultant (Included in Aes)	50,000			-
Geotechnical Study/Inspection/Report	52,000			-
Hazardous Material Consulting	-			-
CEQA (Included in Testing)	31,000			-
Energy Consultant	-			-
Technology Consultant	80,000			-
<b>Construction Management</b>				
Construction Management	2,873,822	1,233,341	264,127	969,214
Reimbursable	131,237	66,979		66,979
<b>Plan Check &amp; Permit Fees</b>				
Assessment Fees (DSA Included)	393,496	148,348	109,040	39,308
CDE Fee	-			-
Other Permit & Plan Check Fees	50,000	7,231		7,231
Utilities Fee	150,000			-
<b>Document Reproduction</b>				
Plan Document Reproduction & Printing	80,000	18,411	3,098	15,313
Advertisement	12,000	6,368	564	5,804
<b>Testing &amp; Inspection</b>				
DSA Project Inspector (IOR)	830,195	371,807	11,608	360,199
Material Testing & Inspection (CEQA Included)	166,469	13,243	1,613	11,631
Geotechnical Inspection	70,750		11,970	(11,970)
Hazardous Material Inspection/Abatement	-	2,255	29,360	(27,105)
<b>Other Expenses</b>				
State Funding Consultant	-			-
Community Relations Consultant	-			-
Planning	-	32,081		32,081
Miscellaneous	50,000	6,000		6,000
Soft Cost Contingency	319,046	2,111,431		2,111,431
Solar Contingency				-
Kitchen Contingency				-
<b>Sub-Total Softs Costs</b>	<b>10,513,684</b>	<b>6,105,564</b>	<b>998,908</b>	<b>5,106,656</b>
<b>OTHER PROJECT COSTS</b>				
District Staff Costs	-	-		-
Interim Housing	-			-
Moving (Pack/Unpacking/Movers,Storage)	1,060,000	439,804	118,183	321,621
Furniture, Fixtures & Equipment	5,684,000			-
Equipment and Non-Capital Equipment(Technology)	-	2,059,042	36,502	2,022,540
Other Costs Planning	27,500			-
Other Operating/Misc Expense	-		2,130	(2,130)
<b>Sub-Total Other Project Costs</b>	<b>6,771,500</b>	<b>2,498,846</b>	<b>156,815</b>	<b>2,342,031</b>

**Project Budget**  
BERRYESSA UNION SCHOOL DISTRICT  
MEASURE L BOND  
2017-2018 Second Quarter Report  
07/01/2017-12/31/2017  
Cost Control Summary

SUMMARY				
Description	Adopted Budget	2017-2018 Operating Budget	Total Expended to Date	Balance
<b>PROGRAM COSTS</b>				
<b>Administration</b>				
District Staff Cost/Program Management Costs	1,375,000	596,033	147,448	448,585
Legal Fees	125,000	40,000	-	40,000
<b>Special Consultants</b>				-
Mater Plan Costs	150,000			-
Hazardous Material Consulting	40,000			-
Geotechnical Report	50,000			-
Roofing Consultant	-			-
Design Guidelines, Standard Specifications	30,000			-
<b>Program Support Costs</b>				-
Printing, Supplies & Reimbursables	65,000	18,630	396	18,234
Office Equipment/Equip Maintenance	25,000	7,695	2,149	5,546
Interim Housing	125,000			-
Seminars/Training	10,000	3,000	15	2,985
Audit Expense	5,000	14,750		14,750
<b>Public Relations and Contractor Outreach</b>				-
Public Relations/Communications	75,000			-
Public Bid Advertising	15,000			-
<b>Bond Costs</b>				-
Bond Counsel Advisor	170,000			-
Bond Underwriter	470,000			-
Other Issuance Costs	30,000			-
Disclosure Counsel	40,000			-
Financial Advisor	90,000			-
Election Costs	60,000	-		-
Other Operating Expenses	-			-
<b>Program Contingency</b>				-
Program Cost Contingency	88,500	1,066,814		1,066,814
<b>Total Program Costs</b>	<b>3,038,500</b>	<b>1,746,922</b>	<b>150,008</b>	<b>1,596,914</b>
<b>Overall Bond Reserve</b>	<b>1,165,463</b>	<b>3,339,005</b>		<b>3,339,005</b>
	<b>77,000,000</b>	<b>36,116,395</b>	<b>4,884,032</b>	<b>31,232,363</b>

Berryessa Union School District Bond Measure L – 2014 through 2017

**3. Percentage of Total**

Description	Proposed Budget	Current Budget	Budget Variances	Expenses as of 12/31/2017	Balance	Percentage of Total Cost
Brooktree Elementary School	\$ 2,775,715	\$ 2,616,486	\$ (159,229)	\$ 407,245	\$ 2,209,241	3.40%
Cherrywood Elementary School	\$ 2,641,308	\$ 2,577,237	\$ (64,071)	\$ 529,240	\$ 2,047,997	3.35%
Laneview Elementary School	\$ 2,625,057	\$ 2,559,963	\$ (65,094)	\$ 1,041,546	\$ 1,518,417	3.32%
Majestic Way Elementary	\$ 2,576,170	\$ 2,395,729	\$ (180,441)	\$ 1,268,539	\$ 1,127,191	3.11%
Noble Elementary School	\$ 2,739,415	\$ 2,320,885	\$ (418,530)	\$ 2,239,884	\$ 81,001	3.01%
Northwood Elementary School	\$ 3,016,300	\$ 2,530,109	\$ (486,191)	\$ 2,430,107	\$ 100,002	3.29%
Ruskin Elementary School	\$ 2,697,784	\$ 2,624,896	\$ (72,888)	\$ 957,865	\$ 1,667,031	3.41%
Summerdale Elementary School	\$ 2,976,998	\$ 2,906,652	\$ (70,346)	\$ 2,906,652	\$ -	3.77%
Toyon Elementary School	\$ 2,731,914	\$ 2,519,419	\$ (212,495)	\$ 461,838	\$ 2,057,581	3.27%
Vinci Park Elementary School	\$ 2,801,993	\$ 2,850,596	\$ 48,603	\$ 1,938,832	\$ 911,764	3.70%
Morrill Middle School	\$ 4,849,363	\$ 4,331,365	\$ (517,998)	\$ 747,337	\$ 3,584,028	5.63%
Piedmont Middle School	\$ 4,214,915	\$ 4,679,917	\$ 465,002	\$ 1,167,889	\$ 3,512,028	6.08%
Sierramont Middle School	\$ 5,949,291	\$ 5,431,060	\$ (518,231)	\$ 5,406,060	\$ 25,000	7.05%
Energy Conservation Project	\$ 10,836,279	\$ 10,836,279	\$ -	\$ 9,652,759	\$ 1,183,520	14.07%
Central Kitchen	\$ 5,971,020	\$ 5,971,020	\$ -	\$ 5,893,900	\$ 77,120	7.75%
District Office- Main	\$ 2,154,423	\$ 2,154,423	\$ -	\$ 115,887	\$ 2,038,536	2.80%
Technology - Wireless/Infrastructure	\$ 2,349,611	\$ 3,004,429	\$ 654,818	\$ 2,916,663	\$ 87,766	3.90%
Technology - Classroom	\$ 3,191,980	\$ 2,992,143	\$ (199,837)	\$ 968,785	\$ 2,023,358	3.89%
District - Wide	\$ 5,696,500	\$ 5,934,393	\$ 237,893	\$ 3,864,528	\$ 2,069,865	7.71%
Program	\$ 3,038,500	\$ 3,038,500	\$ -	\$ 1,440,839	\$ 1,597,661	3.95%
Bond Contingency	\$ 1,165,464	\$ 2,724,499	\$ 1,559,035	\$ -	\$ 2,724,499	3.54%
<b>Total Program Cost</b>	<b>\$ 77,000,000</b>	<b>\$ 77,000,000</b>	<b>\$ -</b>	<b>\$ 46,356,395</b>	<b>\$ 30,643,606</b>	<b>100%</b>
Interest***		\$ 653,095	\$ 653,095		\$ 653,095	
<b>Total Program Cost with Interest</b>	<b>\$ 77,000,000</b>	<b>\$ 77,653,095</b>	<b>\$ 653,095</b>	<b>\$ 46,356,395</b>	<b>\$ 31,296,701</b>	

Please add tab: AUDIT REPORT

**MEASURE "L" GENERAL OBLIGATION  
BOND BUILDING FUND OF  
BERRYESSA UNION SCHOOL DISTRICT  
AUDIT REPORT  
For the Fiscal Year Ended  
June 30, 2017**

**MEASURE "L" GENERAL OBLIGATION BOND BUILDING FUND OF  
BERRYESSA UNION SCHOOL DISTRICT**

*For the Fiscal Year Ended June 30, 2017*

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## ***Financial Section***

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## **MEASURE "L" GENERAL OBLIGATION BOND BUILDING FUND OF BERRYESSA UNION SCHOOL DISTRICT**

### *Introduction and Citizens' Oversight Committee Member Listing June 30, 2017*

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Berryessa Union School District (the District) consists of three middle schools and ten elementary schools supported by a District Office and an operations center. The District serves over 7,700 students.

On November 4, 2014, the voters of the Berryessa Union School District approved by more than 55% Measure "L", authorizing the issuance and sale of \$77.0 million of general obligation bonds. The bonds were authorized to repair, upgrade, acquire, construct, and equip certain District property and facilities and to pay costs of issuance of the bonds.

The passage of Proposition 39 in November, 2000, amended the California Constitution to include accountability provisions. Specifically, the District must conduct an annual independent performance audit to ensure that funds have been expended only on the specific projects listed as well as an annual, independent financial audit of the proceeds from the sale of the bonds until all of the proceeds have been expended for facilities projects.

Upon passage of Proposition 39, an accompanying piece of legislation, AB1908 (Chapter 44, Statutes of 2000), was also enacted, which amended the Education Code to establish additional procedures which must be followed if a District seeks approval of a bond Proposition pursuant to the 55% majority authorized in Proposition 39 including formation, composition and purpose of the Citizens' Bond Oversight Committee, and authorization for injunctive relief against the improper expenditure of bond revenues.

The Citizens' Bond Oversight Committee was comprised of the following members as of June 30, 2017.

Name	Title	Representation
Martin Michaels	Chair	Senior Citizen Group Representative
Amy Chen	Vice-Chair	At-Large Community Member
Susan Fowle	Member	At-Large Community Member
Frank Cancilla	Member	Business Representative
Adrienne O'Leary	Member	Parent/ Guardian of Child in District
Vacant	Member	Taxpayer Organization Member
Vacant	Member	Parent/ Guardian of Child in District - Active in Parent Teacher Organization



## INDEPENDENT AUDITORS' REPORT

The Board of Trustees and the  
Citizens' Bond Oversight Committee  
Berryessa Union School District  
San Jose, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the Measure "L" General Obligation Bond Building Fund of Berryessa Union School District, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

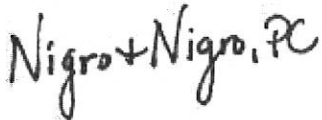
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure "L" General Obligation Bond Building Fund of Berryessa Union School District, as of June 30, 2017, and the changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1, the financial statements present only the Measure "L" General Obligation Bond Building Fund and do not purport to, and do not, present fairly the financial position of the Berryessa Union School District, as of June 30, 2017, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Nigro+Nigro, PC". The signature is written in a cursive, flowing style.

Murrieta, California  
December 14, 2017

**MEASURE "L" GENERAL OBLIGATION BOND BUILDING FUND OF  
BERRYESSA UNION SCHOOL DISTRICT**

*Balance Sheet*

*June 30, 2017*

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	<u>Measure "L"</u>
<b>ASSETS</b>	
Cash	\$ 40,263,992
Accounts receivable	<u>102,712</u>
<b>Total Assets</b>	<u><u>\$ 40,366,704</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities</b>	
Accounts payable	\$ 4,296,919
Due to other funds	<u>53,788</u>
<b>Total Liabilities</b>	4,350,707
 <b>Fund Balance</b>	
Restricted for capital projects	<u>36,015,997</u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 40,366,704</u></u>

**MEASURE "L" GENERAL OBLIGATION BOND BUILDING FUND OF  
BERRYESSA UNION SCHOOL DISTRICT**

*Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2017*

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	<b>Measure "L"</b>
<b>REVENUES</b>	
Interest earnings	\$ 184,326
Other local revenue	1,000
	<hr/>
Total Revenues	185,326
	<hr/>
<b>EXPENDITURES</b>	
Current:	
Plant Services:	
Classified salaries	145,060
Benefits	34,383
Materials and supplies	458,554
Services and other operating expenditures	659,748
Capital Outlay	24,865,748
Debt Service:	
Issuance costs	389,450
	<hr/>
Total Expenditures	26,552,943
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,367,617)
	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>	
Proceeds from general obligation bonds	37,000,000
Premiums on general obligation bonds	224,250
	<hr/>
Total Other Financing Sources (Uses)	37,224,250
	<hr/>
Net Change in Fund Balance	10,856,633
	<hr/>
Fund Balance, July 1, 2016	25,159,364
	<hr/>
Fund Balance, June 30, 2017	\$ 36,015,997
	<hr/>

## **MEASURE "L" GENERAL OBLIGATION BOND BUILDING FUND OF BERRYESSA UNION SCHOOL DISTRICT**

*Notes to Financial Statements*

*June 30, 2017*

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### **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Reporting Entity**

On November 4, 2014, the District voters authorized \$77.0 million in General Obligation Bonds (Measure "L") for the purpose of financing the modernization and construction of school facilities within the District. The measure required a minimum 55% vote for passage. In response, an advisory committee to the District's Governing Board and Superintendent, the Citizens' Bond Oversight Committee, was established. The Committee's oversight goals include ensuring compliance with conditions of Measure "L".

The Bond proceeds are accounted for in the District's Building Fund (21.0), where they are expended for the approved projects. The statements presented are for the individual Measure "L" General Obligation Bond Building Fund and are not intended to be a complete presentation of the District's financial position or results of operations.

#### **B. Basis of Accounting**

The Measure "L" General Obligation Bond Building Fund is a governmental fund reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing from capital leases are reported as other financing sources.

#### **C. Budgets and Budgetary Accounting**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds. By state law, the District's governing board must adopt a budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

These budgets are revised by the District's governing board during the year to give consideration to unanticipated income and expenditures.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

#### **D. Encumbrances**

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30.

## MEASURE "L" GENERAL OBLIGATION BOND BUILDING FUND OF BERRYESSA UNION SCHOOL DISTRICT

*Notes to Financial Statements*

*June 30, 2017*

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

#### E. Fund Balances

The fund balance for governmental funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

**Nonspendable:** Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.

**Restricted:** Fund balance is reported as restricted when the constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provision or by enabling legislation.

**Committed:** The District's highest decision-making level of authority rests with the District's Board. Fund balance is reported as committed when the Board passes a resolution that places specified constraints on how resources may be used. The Board can modify or rescind a commitment of resources through passage of a new resolution.

**Assigned:** Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

**Unassigned:** Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

#### F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

### NOTE 2 – CASH

#### Pooled Funds

In accordance with Education Code Section 41001, the District maintains all of its cash from the bond proceeds in the County Treasury. The County pools and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited annually to participating funds. Any investment losses are proportionately shared by all funds in the pool.



## **MEASURE "L" GENERAL OBLIGATION BOND BUILDING FUND OF BERRYESSA UNION SCHOOL DISTRICT**

### *Notes to Financial Statements*

*June 30, 2017*

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#### **NOTE 2 – CASH (continued)**

##### **Pooled Funds (continued)**

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

In accordance with applicable state laws, the County Treasurer may invest in derivative securities with the State of California. However, at June 30, 2017, the County Treasurer has represented that the Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.

#### **NOTE 3 – ACCOUNTS RECEIVABLE**

The total accounts receivable at June 30, 2017, in the amount of \$102,712 represents amounts due from the Santa Clara County Treasurer for interest earnings for the quarter ended June 30, 2017.

#### **NOTE 4 – MEASURE "L" GENERAL OBLIGATION BONDS**

##### **Series A**

On March 12, 2015, the District issued \$40,000,000 of Series A Election of 2014 General Obligation Bonds. The bonds are general obligations of the District. The County is obligated to levy ad valorem taxes upon all property within the District for the payment of interest on and principal of the bonds. The County records the collection of taxes and payments of bond principal and interest in a separate fund, which is not reported here. The bonds were issued to repair, upgrade, acquire, construct, and equip certain District property and facilities and to pay costs of issuance of the bonds.

The bonds were issued as: Current Interest Serial Bonds of \$22,750,000 with stated interest rates ranging between 3.125% and 5.0% and fully maturing on August 1, 2039, Current Interest Term Bonds of \$4,700,000, \$4,900,000, and \$7,650,000 each with stated interest rates of 3.5% due August 1, 2038, 2041, and 2044, respectively. At June 30, 2017, the outstanding principal balance of the bonds was \$39,000,000.

##### **Series B**

On May 1, 2017, the District issued \$37,000,000 of Series B Election of 2014 General Obligation Bonds. The bonds are general obligations of the District. The County is obligated to levy ad valorem taxes upon all property within the District for the payment of interest on and principal of the bonds. The County records the collection of taxes and payments of bond principal and interest in a separate fund, which is not reported here. The bonds were issued to repair, upgrade, acquire, construct, and equip certain District property and facilities and to pay costs of issuance of the bonds.

The bonds were issued as: Current Interest Serial Bonds of \$17,750,000 with stated interest rates ranging between 3.125% and 5.0% and fully maturing on August 1, 2036, Current Interest Term Bonds of \$7,480,000 and \$11,770,000 with stated interest rates of 5.0% and 4.0%, respectively, due August 1, 2040 and 2044, respectively. At June 30, 2017, the outstanding principal balance of the bonds was \$37,000,000.

**MEASURE "L" GENERAL OBLIGATION BOND BUILDING FUND OF  
BERRYESSA UNION SCHOOL DISTRICT**

*Notes to Financial Statements*

*June 30, 2017*

**NOTE 4 – MEASURE "L" GENERAL OBLIGATION BONDS (continued)**

The outstanding Measure "L" general obligation bonds are as follows:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance, July 1, 2016	Additions	Deductions	Balance, June 30, 2017
2014A	2/26/2014	8/1/2044	3.125%-5.0%	\$ 40,000,000	\$ 40,000,000	\$ -	\$ 1,000,000	\$ 39,000,000
2014B	5/1/2017	8/1/2044	3.125%-5.0%	37,000,000	-	37,000,000	-	37,000,000
					<u>\$ 40,000,000</u>	<u>\$ 37,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 76,000,000</u>

The requirements to amortize outstanding general obligation bonds are as follows:

Fiscal Year	Principal	Interest	Total
2017-2018	\$ 1,350,000	\$ 2,726,725	\$ 4,076,725
2018-2019	1,485,000	3,015,763	4,500,763
2019-2020	1,470,000	2,986,363	4,456,363
2020-2021	335,000	2,950,263	3,285,263
2021-2022	535,000	2,930,188	3,465,188
2022-2027	5,590,000	13,996,313	19,586,313
2027-2032	10,670,000	11,971,963	22,641,963
2032-2037	15,665,000	9,290,981	24,955,981
2037-2042	22,025,000	5,510,850	27,535,850
2042-2045	16,875,000	980,825	17,855,825
Total	<u>\$ 76,000,000</u>	<u>\$ 56,360,231</u>	<u>\$ 132,360,231</u>

**NOTE 5 – INTERFUND TRANSACTIONS**

**Balances Due To/From Other Funds**

Balances due to/from other funds at June 30, 2017, consisted of the following:

Building Fund due to Special Reserve Fund for Capital Outlay Projects for lighting project expenditure reimbursements	\$ 53,694
Building Fund due to General Fund for print shop charges	94
	<u>\$ 53,788</u>

**NOTE 6 – CONSTRUCTION COMMITMENTS**

At June 30, 2017, the District had commitments with respect to unfinished capital projects of approximately \$5.3 million to be paid from local funds.

**MEASURE "L" GENERAL OBLIGATION BOND BUILDING FUND OF  
BERRYESSA UNION SCHOOL DISTRICT**

*Notes to Financial Statements*

*June 30, 2017*

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**NOTE 7 – OVERSIGHT COMMITTEE**

Education Code Section 15282(a) states that the Citizens' Oversight Committee must consist of at least seven members and must be comprised of the following members: one member shall be active in a business organization representing the business community located within the district, one member shall be active in a senior citizens' organization, one member shall be active in a bona fide taxpayers' organization, one member shall be the parent or guardian of a child enrolled in the district, and one 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 Parent Teacher Association or school site council. The Citizens' Oversight Committee currently has only five members and no one from a bona fide taxpayers' organization and a member who is both a parent/guardian of a child enrolled in the District and active in a parent-teacher organization.

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***Other Independent Auditors' Reports***

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

The Board of Trustees and the  
Citizens' Bond Oversight Committee  
Berryessa Union School District  
San Jose, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure "L" General Obligation Bond Building Fund of Berryessa Union School District as of and for the year ended June 30, 2017, and the related notes to the financial statements, and have issued our report thereon dated December 14, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Berryessa Union School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Berryessa Union School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Berryessa Union School District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Berryessa Union School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Nigro+Nigro, PC". The signature is written in a cursive, flowing style.

Murrieta, California  
December 14, 2017



## INDEPENDENT AUDITORS' REPORT ON PERFORMANCE

The Board of Trustees and the  
Citizens' Bond Oversight Committee  
Berryessa Union School District  
San Jose, California

We have examined the Berryessa Union School District's (the "District") compliance with the performance requirements for the Proposition 39 Measure "L" General Obligation Bond for the fiscal year ended June 30, 2017, under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution and Proposition 39 as they apply to the Bonds and the net proceeds thereof. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

### Objectives

The objectives of the examination of compliance applicable to the District are to determine with reasonable assurance that:

- The expenditures charged to the Berryessa Union School District Building Fund (21.0) are documented.
- Expenditures charged to the Building Fund have been made in accordance with the bond project list approved by the voters through the approval of Measure "L".
- Any discrepancies or weaknesses in internal controls are noted and recommendations for improvement are provided.
- The District Board and the Citizens' Bond Oversight Committee are provided with a performance audit report as required under the requirements of the California Constitution and Proposition 39.

### Scope of the Audit

The scope of our performance audit covered the fiscal period from July 1, 2016 to June 30, 2017. The expenditures tested included all object and project codes associated with the bond projects. Expenditures incurred subsequent to June 30, 2017, were not reviewed or included within the scope of our audit or in this report.

### **Procedures Performed**

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2017, for the Measure "L" General Obligation Building Fund. Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for expenditures to ensure compliance with the requirements of Proposition 39 and Measure "L" with regards to the approved bond projects list. We performed the following procedures:

To meet our objectives, audit tests were performed and included, but were not limited to the following:

- We verified that bond funds were deposited in the District's name and invested in accordance with applicable legal requirements.
- We tested approximately \$14.9 million (56.0%) in bond fund invoices paid, which is a combination of 2016-17 expenditures and payments on liabilities accrued as of June 30, 2017, and paid in 2017-18. This includes testing payments for validity, allowability, and accuracy. Expenditures sampled in our test included payments made to subcontractors and other vendors.
- We reviewed the approved project listing as set out in the Measure "L" election documents.
- We selected a sample of expenditures for the fiscal year ended June 30, 2017, and reviewed supporting documentation to ensure that such funds were properly expended on the authorized bond projects.
- We visited construction sites at Summerdale Elementary, Northwood Elementary, and Piedmont Middle Schools to ensure that expenditures made corresponded with the actual work performed at the site.
- We verified that funds from the Building Fund (21.0) were expended for the construction, reconstruction, acquisition, furnishing and equipping of District facilities constituting the authorized bond projects, and we verified that funds held in the Building Fund (21.0) were not used for salaries of school administrators or other operating expenses of the District.
- We reviewed a sample of projects to ensure that proper bidding procedures were followed pursuant to Public Contract Code Section 20111.
- We verified that the District did not exceed change order limitations in excess of 10% pursuant to Public Contract Code.

Our audit of compliance made for the purpose set forth in the preceding paragraph would not necessarily disclose all instances of noncompliance.

In our opinion, the District complied with the compliance requirements for the Measure "L" General Obligation Bond proceeds listed and tested above.

This report is intended for the information of the Board of Trustees, management and the Citizens' Bond Oversight Committee; however, this report is a matter of public record.



Murrieta, California  
December 14, 2017



Please add tab: BYLAWS

**BERRYESSA UNION SCHOOL DISTRICT  
INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE  
BYLAWS**

**Section 1. Committee Established.** The Berryessa Union School District (the "District") was successful at the election conducted on November 4, 2014 (the "Election") in obtaining authorization from the District's voters to issue up to \$77,000,000 aggregate principal amount of the District's school facilities bond ("Measure L"). 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, the District is now obligated to establish an Independent Citizens' Bond Oversight Committee in order to satisfy the accountability requirements of Prop 39. The Board of Trustees of the Berryessa Union School District (the "Board") hereby establishes the 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.

**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 Election are hereinafter referred to as "bond proceeds." The Committee shall confine itself specifically to bond proceeds generated under Measure L. 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 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.

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 majority 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 L; and (b) no bond proceeds were used for teacher or administrative salaries or other operating expenses in compliance with Attorney General Opinion 04-110, issued on November 9, 2004.

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/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:

- (i) Review and approval of contracts,
- (ii) Review and approval of change orders,
- (iii) Expenditures of bond funds,
- (iv) Handling of all legal matters,
- (v) Approval of project plans and schedules,
- (vi) Approval of all deferred maintenance plans, and
- (vii) Approval of the sale of bonds.

3.5 Measure L Projects Only. In recognition of the fact that the Committee is charged with reviewing 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, redevelopment tax increment, certificates of participation, lease/revenue bonds, the general fund or the sale of surplus property without bond proceeds shall be outside the authority of the Committee.

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

(f) The approval of an annual budget for the Committee that is sufficient to carry out the activities set forth in Prop 39 and included herein.

(g) 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.**

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

(a) 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, and review the Audits.

(b) 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.

(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.

(e) 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.

#### **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 Prop 39, to wit:

- 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 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.

5.2 Qualification Standards.

- (a) To be a qualified person, he or she must be at least 18 years of age.
- (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.

(a) 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 Bylaws.

(b) 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:

(i) 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

(ii) 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 his or her 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.

5.4 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 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. Members whose terms have expired may continue to serve on the Committee until a successor has been appointed. Terms commence on the date or number is appointed to the Committee by the Board of Trustees.

5.5 Appointment. Members of the Committee shall be appointed by the Board through the following process: (a) the District will advertise in the local newspapers, on its website, and in other customary forums, as well as solicit appropriate local groups for applications; (b) the Superintendent will review the applications; and (c) the Superintendent will make recommendations to the Board.

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. The Board shall seek to fill vacancies within 90 days of the date of occurrence of a vacancy.

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; (c) the Committee shall not 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 Measure L funded projects.

## **Section 6. Meetings of the Committee.**

6.1 Regular Meetings. The Committee shall meet at least once a year, but shall not meet more frequently than quarterly.

6.2 Location. All meetings shall be held within the boundaries of the Berryessa Union School District, located in Santa Clara County, California.

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 *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 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. Such 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. Thereafter, the Committee shall elect 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.** 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 L 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 Berryessa Union School District.
- **COMMITMENT TO DISTRICT.** A Committee member shall place the interests of the District above any personal or business interest of the member.



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