

Data Review Subcommittee (Subject to Brown Act)

http://www.wccusd-bond-oversight.com

For Measurers D (2002), J (2006), D (2010) and E (2012)

Agenda, August 11, 2015 at 6:00 - 7:30 PM, Meeting No. 5

Facilities Operations Center, 1400 Marina Way South, Richmond, CA

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Mission: "Our task is to review the areas of Mr. Clay's documents that directly concern Bond Expenditures and Bond Program Management." ¹

Meeting Number: 5

Call to Order by Chair Ricco

Pledge of Allegiance

Roll Call Members

- Ivette Ricco, Chair
- Peter Chau
- Anton Jungherr
- Kelvin Love
- Tom Panas
- Maureen Toms
- Orlandus Waters

Agenda Review and Adoption

Public Comments for Items Not on the Agenda

Public comments on agenda items shall be at the time of consideration of those items.

Approval of Minutes, July 14, 2015 (meeting # 4) * (See attachment 1)

Report/Action Board of Education Subcommittee on Clay Investigation

¹ Chair Ricco's May 18, 2015 memo to CBOC Ad-Hoc Data Review Subcommittee.

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For Measurers D (2002), J (2006), D (2010) and E (2012)

Agenda, August 11, 2015 at 6:00 - 7:30 PM, Meeting No. 5

Facilities Operations Center, 1400 Marina Way South, Richmond, CA

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30 **Review and Take Action on CBOC Recommended Response to West Contra**
31 **Costa Unified School District Bond Program & Citizens' Bond Oversight**
32 **Committee, A Case Study in Stymied Oversight, a Report by the 2014-2015**
33 **Contra Costa Grand Jury, Report 1514, June 11, 2015 * (See attachment 2)**
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35 **Approve Amendments to Board Policy 7214.2 Citizens' Bond Oversight**
36 **Committee to Implement Grand Jury Recommendations * (See attachment 3)**
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38 **Meeting Schedule 2015**– (all meetings are held on Tuesdays at the Facilities
39 Operation Center at 6:00 PM)

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- September 8, 2015

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- October 13, 2015

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- November 10, 2015

43 **Next Meeting** – Tuesday, September 8, 2015 at 6:00 PM

44 **Good of the Order**

45 **Adjournment**

46

47 **Prepared by:** Anton Jungherr, Secretary
48 Data Review Subcommittee

49

50 **Approved by:** Ivette Ricco, Chair
51 Data Review Subcommittee

52 *Backup document attached.

53

54 **Distribution:** Subcommittee Members, Hanson (post to CBOC Website),
55 Bonnett, LeBlanc

WCCUSD CBOC

8/7/2015 12:33 AM

Data Review Subcommittee (Subject to Brown Act)

<http://www.wccusd-bond-oversight.com>

For Measurers D (2002), J (2006), D (2010) and E (2012)

Agenda, August 11, 2015 at 6:00 - 7:30 PM, Meeting No. 5

Facilities Operations Center, 1400 Marina Way South, Richmond, CA

ATTACHMENT 1

ATTACHMENT 1

Data Review Subcommittee (Subject to Brown Act)

http://www.wccusd-bond-oversight.com

For Measurers D (2002), J (2006), D (2010) and E (2012)

Minutes, July 14, 2015 at 6:00 - 7:30 PM, Meeting No. 4

Facilities Operations Center, 1400 Marina Way South, Richmond, CA

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Mission: “Our task is to review the areas of Mr. Clay’s documents that directly concern Bond Expenditures and Bond Program Management.”¹

Meeting Number: 4

Call to Order by Chair Ricco at 6:07 pm

Pledge of Allegiance

Roll Call Members

- Ivette Ricco, Chair - present
- Peter Chau - absent
- Anton Jungherr - present
- Kelvin Love - absent
- Tom Panas - present
- Maureen Toms - present
- Orlandus Waters - absent

Agenda Review and Adoption - approved

Public Comments for Items Not on the Agenda - none

Approval of Minutes, June 9, 2015 (meeting # 3) - approved

Chair’s Report - distributed

Review and take Action on Additional Questions that the CBOC Request be Included in the Forensic Audit Scope of Services – distributed, no additional questions were added to the previous list.

¹ Chair Ricco’s May 18, 2015 memo to CBOC Ad-Hoc Data Review Subcommittee.

Data Review Subcommittee (Subject to Brown Act)

<http://www.wccusd-bond-oversight.com>

For Measurers D (2002), J (2006), D (2010) and E (2012)

Minutes, July 14, 2015 at 6:00 - 7:30 PM, Meeting No. 4

Facilities Operations Center, 1400 Marina Way South, Richmond, CA

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29 **Review and Take Action on Status Report on Resolution 15-1 Dennis Clay**
30 **Allegations** - it was agreed to request the District to post the Dennis Clay
31 Executive Summary and 2015 Update on the District's website.

32

33 **Review and Take Action on West Contra Costa Unified School District Bond**
34 **Program & Citizens' Bond Oversight Committee, A Case Study in Stymied**
35 **Oversight, a Report by the 2014-2015 Contra Costa Grand Jury, Report 1514,**
36 **June 11, 2015** – this matter was discussed.

37

38 **Meeting Schedule 2015**– (all meetings are held on Tuesdays at the Facilities
39 Operation Center at 6:00 PM)

- 40 • August 11, 2015
- 41 • September 8, 2015
- 42 • October 13, 2015
- 43 • November 10, 2015

44 **Next Meeting** – Tuesday, August 11, 2015 at 6:00 PM

45 **Good of the Order** - none

46 **Adjournment** at 7:03 pm

47

48 **Prepared by:** Anton Jungherr, Secretary
49 Data Review Subcommittee

50

51 **Approved by:** Ivette Ricco, Chair
52 Data Review Subcommittee

53

54 **Distribution:** Subcommittee Members, Hanson (post to CBOC Website)

WCCUSD CBOC

8/7/2015 12:33 AM

Data Review Subcommittee (Subject to Brown Act)

<http://www.wccusd-bond-oversight.com>

For Measurers D (2002), J (2006), D (2010) and E (2012)

Agenda, August 11, 2015 at 6:00 - 7:30 PM, Meeting No. 5

Facilities Operations Center, 1400 Marina Way South, Richmond, CA

ATTACHMENT 2

ATTACHMENT 2

Grand Jury

Contra Costa County

725 Court Street
P.O. Box 431
Martinez, CA 94553-0091



June 11, 2015

RECEIVED
JUN 15 2015
SUPERINTENDENT

WCCUSD School Board
1108 Bissell Avenue
Richmond, CA 94547

Dear Sir/Madam:

Attached is a copy of Grand Jury Report No. 1514, "West Contra Costa Unified School District: Bond Program & Citizens' Bond Oversight Committee" by the 2014-2015 Contra Costa Grand Jury.

In accordance with California Penal Code Section 933.05, this report is being provided to you at least two working days before it is released publicly.

Section 933.5(a) of the California Government Code requires that (the responding person or entity shall report one of the following actions) in respect to each finding:

- (1) The respondent agrees with the finding.
- (2) The respondent disagrees with the finding.
- (3) The respondent partially disagrees with the finding.

In the cases of both (2) and (3) above, the respondent shall specify the portion of the finding that is disputed, and shall include an explanation of the reasons thereof.

In addition, Section 933.05(b) requires that the respondent reply to each recommendation by stating one of the following actions:

1. The recommendation has been implemented, with a summary describing the implemented action.
2. The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
3. The recommendation requires further analysis. This response should explain the scope and parameters of the analysis or study, and a time frame for the matter to be prepared for discussion. This time frame shall not exceed six months from the date of the publication of the Grand Jury Report.

4. The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation thereof.

Please be aware that Section 933.05 specifies that no officer, agency, department or governing body of a public agency shall disclose any contents of the report prior to its public release. Please ensure that your response to the above noted Grand Jury report includes the mandated items. We will expect your response, using the form described by the quoted Government Code, no later than **September 11, 2015**.

Please send a copy of your response in hard copy to the Grand Jury, as well as a copy by e-mail in Word to clope2@contracosta.courts.ca.gov.

Sincerely,

Sherry Rufini, F eperson
2014-2015 Contra Costa County Civil Grand Jury

Enclosure

**A REPORT BY
THE 2014-2015 CONTRA COSTA COUNTY GRAND JURY
725 Court Street
Martinez, California 94553**

Report 1514

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT:
Bond Program & Citizens' Bond Oversight Committee
A Case Study in Stymied Oversight.**

APPROVED BY THE GRAND JURY:

Date: June 11, 2015

Sherry Rufini
SHERRY RUFINI
GRAND JURY FOREPERSON

ACCEPTED FOR FILING:

Date: June 11, 2015

John T. Laettner
JOHN T. LAETTNER
JUDGE OF THE SUPERIOR COURT

Contra Costa County Grand Jury Report 1514

**WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT:
Bond Program & Citizens' Bond Oversight Committee
A Case Study in Stymied Oversight**

TO: West Contra Costa Unified School District Board of Education

SUMMARY

Proposition 39, officially titled the "Smaller Classes, Safer Schools and Financial Accountability Act," was approved by California voters in 2000. At the time, California was experiencing unprecedented economic and population growth.

The effect of the proposition was to reduce the voter approval rate required for school districts to issue general obligation bonds from 66 2/3% to 55%. Proposition 39 limits the use of bond proceeds to school facilities projects listed or described in the language of the ballot measure approved by the voters. The type of school facilities projects the proposition covers are "the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities."

Because of the lower voter approval requirement, Proposition 39 contains a safeguard by ensuring public oversight and accountability concerning the expenditure of facilities bond revenues. Within 60 days following voter approval of a bond, the district board is required to appoint "an independent citizens' oversight committee." The purpose of this committee is to inform the public concerning the expenditure of bond revenues. To fulfill this responsibility, the oversight committee is expressly required "to actively review and report on the proper expenditure of taxpayers' money for school construction" and to verify that the funds are being spent only for authorized purposes." The oversight committee must promptly alert the public to any waste or improper expenditure of bond funds.

Upon examination, it appears that the Board of Education of the West Contra Costa Unified School District (WCCUSD) has failed to create a truly independent and effective bond oversight committee. The system appears to have been hampered by lack of essential cooperation from the WCCUSD School District, conflicts of interest may have existed, and the School District may have imprudently spent millions of taxpayer dollars. This may have been much more than was necessary had adequate planning and budget controls been in place. For example:

- Property owners in WCCUSD pay 291% of the state average in school bond assessments on their property tax bills.
- The cost per square foot of school construction is three times the state average.
- Twenty-nine percent of the \$1.1 billion (nearly \$300 million) spent through June 2015 went for non-construction costs – program management and architect's fees.
- WCCUSD is running out of money well before all of its scheduled projects are completed.

WCCUSD's Citizens' Bond Oversight Committee (the "CBOC") needs to be given more independence and needs to receive reliable and timely information from the school district if it is to perform its job successfully as watchdogs of the remainder of the \$1.63 billion bond revenues.

METHODOLOGY

(See Appendix A)

BACKGROUND

West Contra Costa Unified School District (WCCUSD), which was known as Richmond Unified School District until 1990 serves approximately 29,000 students from kindergarten through grade 12 as well as adult learners. This school district covers the cities of El Cerrito, Hercules, Pinole, Richmond, and San Pablo and the unincorporated areas of East Richmond Heights, El Sobrante, Kensington, and Bay View (which includes Montalvin Manor, North Richmond, and Tara Hills). WCCUSD is the 30th largest local education agency in California.

WCCUSD has 37 elementary schools, six middle schools, six high schools, one high school/community college (grades 9-12), four alternative high school programs (grades 9-12), two adult education campuses and one special education/early intervention campus.

In addition, WCCUSD also has five charter schools under its jurisdiction as of 2014. (See Appendix B for list of schools & enrollment)

BILLION DOLLAR BOND PROGRAM

In recent years, school districts have increased the use of general obligation school bonds as a source of revenue. In contrast to parcel taxes and other types of bonds, which require 66 2/3% voter approval, general obligation bonds used for the purpose of constructing and improving school facilities require only 55% voter approval. The 55% voter approval rate for these bonds was the result of Proposition 39, which was passed in 2000.



DeAnza High School

WCCUSD's bond program began with passage of Measure E on June 2, 1998 and is the third largest school district bond program in California. Totaling \$1,630,000,000, it includes the following six bonds, two of which were authorized before the passage of Proposition 39:

Series	Date Approved	Principal Amount Approved
Bond E:	6/2/98	\$ 40,000,000 (2/3 vote required)
Bond M:	11/7/00	150,000,000 (2/3 vote required)
Bond D:	3/5/02	300,000,000 (55% vote required)
Bond J:	11/8/05	400,000,000 (55% vote required)
Bond D:	6/8/10	380,000,000 (55% vote required)
Bond E:	11/6/12	<u>360,000,000</u> (55% vote required)
TOTAL		\$ 1,630,000,000

Collectively, these bond measures furnish the financial resources to support WCCUSD's school construction program.

DISCUSSION

OVERVIEW OF CITIZENS' BOND OVERSIGHT COMMITTEES (CBOC)

The California Education Code requires that a CBOC consist of a minimum of seven members, which shall include the following five mandated categories:

One member active in a business organization representing the business community located within the district;

One member active in a senior citizens' organization;

One member active in a bona fide taxpayer's organization;

One member who is the parent or guardian of a child enrolled in the district; and

One member who is both a parent or guardian of a child enrolled in the district and active in a parent-teacher organization.

The remaining two members are "at large" community positions. Members of CBOC serve without compensation.

CBOC provides after-the-fact review and analysis of how a school district is managing its bond construction program. CBOC does not have the authority to approve how bond funds will be spent nor to select or participate in the negotiation or awarding of any construction contracts. The school district has the sole power to make all of these financial decisions related to how the bond funds are to be spent.

(See Appendix C for WCCUSD's CBOC member lists)

PUBLICATION OF CBOC DOCUMENTS

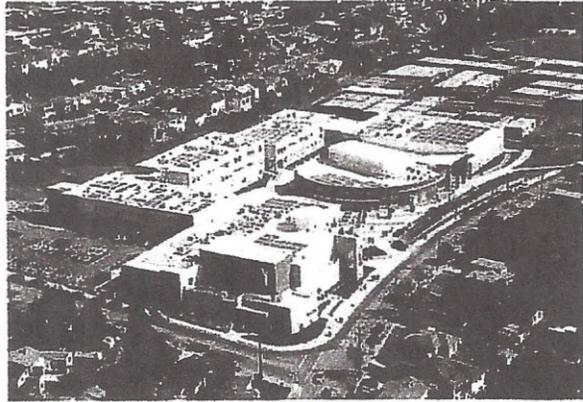
The Education Code requires that certain documents relating to a CBOC be made available to the public. Every CBOC is required to post its committee meeting's minutes, any reports it issues, and any documents it receives. The Education Code also requires a CBOC to conduct its meetings in accordance with the Brown Act. This means that meetings must be open to the public and that adequate notice be given of these meetings. The Brown Act further requires that an agenda must be posted at least 72 hours prior to regular meetings. The agenda must contain a brief general description of each item to be discussed.

(See Appendix D for Brown Act Summary)

REVIEW OF BOND EXPENDITURES



Health Clinic, Kennedy High School



El Cerrito High School

The Education Code requires that a CBOC “actively review and report on the proper expenditure of taxpayers’ money for school construction.”

Section 15278(b) of the Education Code states that a CBOC shall perform “oversight” on two specific matters:

- “Ensuring that bond revenues are expended only for the purposes described in the California Constitution”; and
- “Ensuring that . . . no funds are used for any teachers or administrative salaries or other school operating expenses.”

This section does not expressly limit oversight to these two matters and also gives a guideline as to activities which may advance the purpose of the CBOC.

The intent of the state legislature when enacting the *Strict Accountability in Local School Construction Bonds Act of 2000* is expressly stated in section 15264 of the California Education Code as follows:

“It is the intent of the Legislature that all of the following are realized:

- (a) Vigorous efforts are undertaken to ensure that the expenditure of bond measures, including those authorized pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution, are in strict conformity with the law.
- (b) Taxpayers directly participate in the oversight of bond expenditures.
- (c) The members of the oversight committees appointed pursuant to this chapter promptly alert the public to any waste or improper expenditure of school construction bond money.

- (d) That unauthorized expenditures of school construction bond revenues are vigorously investigated, prosecuted, and that the courts act swiftly to restrain any improper expenditures.”

CBOC also has the power to request and review other financial information to determine if bond funds are being spent in a prudent and cost-effective manner by the school district. The Education Code states that it is the intent of the legislature that oversight committees “promptly alert the public to any waste, as well as the improper expenditure of school construction bond money”.

CBOC REPORTS

The Education Code requires a CBOC to issue a report of its activities and findings at least once a year. The report reviews and analyzes a school district’s management of its bond construction program.

OBSTACLES FOR WCCUSD’s CBOC

While the WCCUSD Board of Education and the Superintendent intended to create attractive, safe schools that were magnets for student, parent, and community involvement, the design of the bond program was flawed. Here is a brief overview of internal and external factors affecting WCCUSD’s bond program:

- The size of WCCUSD’s bond program is very large and as a result required well-designed and well-executed financial controls to be successful.
- In contrast, the execution of the program fell below acceptable financial standards because of substandard budget controls and financial discipline. Budgets and school plans were not carefully reviewed to determine whether they reflected the most efficient design as opposed to the more lavish; change orders were routinely approved without reference to the approved budget but instead on the basis of community wishes or desires for “nice to have” rather than “need to have” facilities.
- Audit reports were incomplete or incorporated inaccurate data, leading to a construction program that appeared out of control through 2014.
- The bond program problems were a reflection of the broader failures in responsible financial management for a construction program of this size.

The ability of the WCCUSD CBOC to provide oversight of the bond program has been hampered by its own administrative structure and by the poor quality of information supplied to it by WCCUSD staff and Board of Education. These factors have compromised the effectiveness of the CBOC. The CBOC also faced delays and lack of cooperation from WCCUSD, which have impaired its ability to properly oversee this billion-dollar bond program.

CBOC SIZE

While state law requires a CBOC to consist of at least seven members in mandated categories, WCCUSD's Board of Trustees ("Board of Education" or the "Board") expanded its CBOC to 19. WCCUSD's CBOC currently includes the following additional members:

- Five members who were recommended respectively by the city council for the following five cities: El Cerrito, Hercules, Pinole, Richmond, and San Pablo
- Two members residing in unincorporated areas of the district recommended respectively by the two county supervisors who have districts that overlap with WCCUSD
- Five members recommended respectively by each member of the Board of Education
- One member representing the Contra Costa Building and Construction Trades Council
- One member of Public Employees Union Local 1 (who is not a district employee)

CBOC appears to be prone to administrative inefficiencies because of the large number of board members. This has led to problems in securing quorums for meetings. The CBOC has experienced high turnover in the past decade. For example, a total of 30 individuals served as CBOC members during 2013 -2014, indicating that turnover was a problem. Some of the high turnover on the CBOC could have been the result of committee members feeling frustrated that under these circumstances their impact on the bond program would be marginal at best. Other members dropped out of CBOC to pursue other interests.

CONFLICT OF INTEREST CONCERNS

The Education Code requires appointment of an independent CBOC; however, the school district's governing body has sole authority to approve nominations. This veto power coupled with certain un-mandated positions authorized by the Board may have created an inherent conflict of interest.

The categories below are troublesome:

- Members recommended by each member of the Board of Trustees.

Since CBOC should operate "independently," allowing each member of the Board an appointment results in a conflict of interest since each Trustee is free to appoint a CBOC member who supports the viewpoint of that particular trustee.

- One member representing the Contra Costa Building and Construction Trades Council.

While the Contra Costa Building and Construction Trades Council has construction industry expertise that may be valuable to the CBOC, the Council is a trade organization that has a primary interest in promoting jobs, benefits and training for its members. That interest could at times be in conflict with the interests of WCCUSD taxpayers seeking careful and prudent oversight of WCCUSD's bond funds.

DELAYS BY SCHOOL DISTRICT

WCCUSD has not always provided financial reports to CBOC in a timely manner or in a well-organized format, allowing very little time for any thoughtful analysis.

In one recent example, CBOC received a box of records from WCCUSD only one day prior to a WCCUSD school board meeting. These records related to a proposal to approve doubling – to \$7.5 million dollars – the fees paid to an architect. Although CBOC's Chair objected to this short notice and requested that this agenda item be postponed so that CBOC would have the opportunity to carefully review all the documents submitted, the Board denied this request and voted to approve the \$7.5 million contract that same day.

In another example, the CBOC Audit Subcommittee Chair complained during a joint CBOC/WCCUSD public school board meeting on July 10, 2013, about WCCUSD's response to a request his subcommittee had made for information based on a performance audit. Although the information should have been readily available, five months had passed and the CBOC had yet to receive any of it. The minutes of the meeting reflected that the CBOC Chairperson also complained that "there was a lack of responsiveness and communication between the Committee and the District . . ."

In December 2014, the Chair of CBOC requested specific bond construction management contracts with Seville Group Inc. from WCCUSD's staff. Seville Group Inc. (SGI) is the longstanding program management company for the WCCUSD's bond construction program and has been paid over \$86,000,000 since 2002. As of the CBOC meeting held on April 29, 2015, WCCUSD's staff still had not provided this contract information to CBOC. When the school district staff engineer was asked about this request again, he responded that he had recently complied with this request. A member of the Audit Subcommittee was quick to contradict this statement, pointing out that the documents delivered to CBOC had missing pages and noting the documents and pages that had been submitted to them were out of order.

WCCUSD STAFF DID NOT PROVIDE REQUIRED FINANCIAL REPORTS TO CBOC

All expenditures of the school bond construction program are summarized in monthly Construction Asset Management Program (CAMP) reports, which provide detailed financial and non-financial information about bond-funded projects. WCCUSD stopped providing these reports to CBOC in early 2013. According to an independent audit, WCCUSD staff did not resume providing these reports until January 2015, which meant that CBOC operated without this vital information for almost two full years. Additionally, WCCUSD has not provided an updated Master Plan covering all the school projects completed, in-progress, or planned and budgeted by the school construction program since 2007, despite repeated requests by CBOC.

These kinds of delays and the lack of professional cooperation make it extremely difficult for CBOC to conduct any meaningful analysis. CBOC meets only once per month, making delays by the school district detrimental to the performance of its duties as a watchdog over school bond expenditures.

INACCURATE REPORTS & RECORDS PROVIDED BY SCHOOL DISTRICT STAFF

A CBOC without timely, accurate, and comprehensive financial information lacks the ability to provide meaningful oversight of the construction program it is charged with monitoring.

The perceived ineffectiveness of the WCCUSD CBOC has been a subject of increasing public discussion in the West County area over the past year. Reports began appearing in the media about change-order-driven cost overruns that pushed the total cost of individual school construction projects significantly above the engineers' original estimates. The public in general, as well as parents who had children in the district, began to realize that some badly-needed school projects would not be undertaken given the current construction program funding limits, even though the projects had been promised at the time bonds were approved. Alleged waste and excessive costs in the management of the construction program became a topic of news and media articles. At the October 22, 2014 CBOC meeting, CBOC again was unable to effectively perform its critical duties as an oversight body because WCCUSD had not given it accurate reports and data. Several times, a member of CBOC tried to make a point about some financial aspect of the construction program, only to be told by a member of WCCUSD staff that the point was off the mark because the financial data upon which it was based was inaccurate. It appeared that little effort had been made to provide the CBOC members with sound data. In addition, malfunctioning, incompatible, and/or outdated software also caused problems in furnishing accurate data to the CBOC; however, it was clear from their questions that the CBOC members were trying to get a clear picture of the financial impact of change-order-related project cost overruns for the current period and for prior years.

At the February 23, 2015 public CBOC meeting, a CBOC member was interrupted in the middle of his presentation to be told that the numbers in a bond fund summary expenditure report that he was discussing actually contained a mixed combination of bond funds and funds from other sources. At the same meeting, a scheduled report on the status of remaining bond funds was provided by the bond manager's representative over the speakerphone while he was driving out of the area in his car. When a CBOC member asked a specific question about the report, the bond manager's representative said he was unable to answer this question because he was driving and did not have the report in front of him.

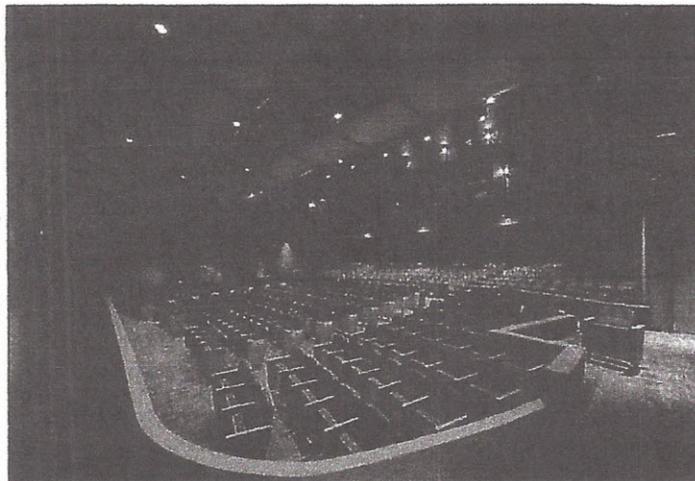
At an April 2015 public CBOC meeting, one CBOC member said he no longer had confidence in the financial reports being provided to him, especially with regard to change orders. He said he mistrusted the way WCCUSD was using a system to code the attributed cause for the overruns, and also suspected that these codes were being changed by staff somewhere in the process to provide a distorted picture of what actually occurred.

In April of 2015, a WCCUSD School District employee went public with detailed documentation showing that WCCUSD reports purportedly disclosing the financial status of school construction greatly understated actual spending. These reports allegedly misinformed CBOC members and others.

CHANGE ORDERS

"Change orders" are requests to do additional construction work that were not included in the original contract. There have been a large number of change orders for WCCUSD's construction program.

The per-pupil cost of change orders is reported to be the highest in the state. The change order total as a percent of project cost for the district is twice the state average. A performance audit conducted on the bond construction program in 2015 found that "70 percent of the overall cost of change orders was due to construction owner requested change orders." The auditor recommended that WCCUSD continue its efforts to keep owner generated change orders during construction to a minimum by performing a thorough review of the plans and drawings during the preconstruction phase.



DeAnza High School

The lack of proper attention to change orders was also reflected in the faulty and inaccurate reports on change orders that WCCUSD provided to the CBOC. A review of these reports showed that many project cost overrun totals were not timely recorded in documents that were supposed to track bond fund expenditures. Instead, WCCUSD staff often waited until each project was completed before recording all cost overrun expenses in project financial reports.

WCCUSD has provided CBOC with only charge order information for specific projects. On the recently completed Ohlone Elementary School project, change orders processed to date total \$2.6 million on a \$16 million project, or 16.25% of the total. This is a very high rate for new construction. If this percentage were typical of the entire \$1.1 billion spent to date, it would suggest total change orders of \$176,000,000.

In this case, WCCUSD records disclosed that unprocessed change orders (ones not entered into the accounting records) total close to \$2 million. Instead of WCCUSD staff estimating a reasonable cost figure for change orders, a figure that should have been readily available, a zero cost was entered. This practice resulted in inaccurate, understated project costs compared to budget being included in School District financial reports provided to the CBOC.

At the April 30, 2015 public CBOC meeting, CBOC Audit Subcommittee members expressed shock during a presentation by school district staff that revealed that change order costs were routinely omitted from the financial reports provided to the CBOC. The Chair of the CBOC Change Order Investigative Subcommittee attempted to commend one of the large project construction firms after observing that the change orders for this firm showed "zero" change order cost in the project report. The School District staff engineer had to point out that the numbers shown on the report given to the CBOC members had not been updated, and that this particular contractor, contrary to what the report showed, did in fact have substantial change orders. He confirmed that these numbers had not been posted into the accounting software. When asked the dollar amount of the change orders, the school district engineer responded that he did not have those figures yet. He also confirmed the fact that this construction firm had already commenced construction work on the unrecorded change orders. One CBOC member then threw his hands up in the air and expressed outrage at the fact that they were consistently being provided "inaccurate" numbers by the school district.

As expressed at their April 30 public CBOC meeting, members of CBOC have realized that the bond program has had hundreds of change orders that were not being accounted for in a timely fashion.

According to one report noted by a CBOC member at a public CBOC meeting, there were over 400 proposed change orders in the approval queue as of March 5, 2015. One CBOC member commented at the same meeting, "I find it hard to believe that the school district still does not understand "change orders" after 16 years. We never had any reference point to even talk about change orders prior to February of 2015 of this

year!" For example, one elementary school had up to 126 change orders costing \$ 2.6 million. Of this total, 76 change orders valued at nearly \$1.6 million were attributed to design errors.

CBOC members demanded an immediate meeting with district staff in order to receive current and correct financial reports on the bond program, the status of accounts, and cash flow for the program.

CBOCs are required by law to produce both performance and financial audits. Records showed that two consultants who had prepared the CBOC's "Performance Audits" in recent years had apparently missed the discrepancies in the change order data.

Only with accurate financial information will CBOC be able to perform its important mission, as required by the Education Code and promised in Proposition 39.

As noted above, in April 2015, hundreds of pages of documents were produced by a WCCUSD School District employee who went public, which show numerous inaccuracies in financial reports generated as part of WCCUSD's school construction program. In response to this, a special closed session School Board meeting was immediately held with all the Board Trustee members. On April 29, 2015, WCCUSD Board President Todd Groves announced, "As a board, we are committed to pursuing an independent forensic examination of the issues raised in the complaint and we have set forth a process to do so."

FAILURE TO PUBLISH CBOC AGENDAS

CBOC's Chairperson made numerous requests to WCCUSD staff, asking staff to post CBOC Audit Subcommittee agendas to WCCUSD's website. CBOC believed that the public should be informed of items that were to be discussed at these meetings, and therefore wanted their agendas readily available on the school website.

The WCCUSD staff representative to CBOC denied these requests and responded that he felt it wasn't necessary. CBOC then referred this request directly in writing to the School Board at the end of 2013 and included applicable Brown Act citations as well as an Internet link to an Attorney General's opinion supporting its position that CBOC Audit Subcommittee agendas should comply with Brown Act noticing requirements. Despite all these measures, no action was taken. It wasn't until a CBOC officer filed a formal complaint with the Contra Costa County District Attorney's office and almost one year later that WCCUSD agreed to post these agendas on its website. Despite agreeing to post CBOC agendas, WCCUSD controlled access to CBOC website content. For example, the CBOC Chairperson complained that WCCUSD amended the CBOC agenda for the May 2014 meeting without her consent.

PRIOR GRAND JURY REPORT ISSUED IN 2012

The Grand Jury looked at CBOCs throughout Contra Costa County three years ago in report number 1208, issued on May 10, 2012. That Grand Jury report included a recommendation for School Boards to "provide oversight committees with complete, detailed, and comprehensive financial data relating to the expenditure of bond revenues, showing the amount of funds originally budgeted and allocated for each project, amounts expended to date and amounts committed to each project, percentage of completion of each project, and all approved or anticipated change orders."

The WCCUSD School District's response to the Grand Jury was that this recommendation "Had already been implemented." The current Grand Jury has found that this is not the case. Members of the CBOC have not received and are still not receiving the comprehensive and accurate data they need in order to provide proper oversight to the bond program, including change order totals.

The report also contained a finding that: "Districts do not consistently provide timely, adequate and independent training or resource materials for members of their bond oversight committees that explain their role, duties, and functions, or provide training in the skills needed to analyze the kinds of financial data that bond oversight committee members are asked to review." The Grand Jury report had recommended that all new members receive training and that six specific training pamphlets and manuals be provided to all CBOC members. There is no evidence that the district has responded effectively to this finding either. Current and former CBOC members stated that the school district has provided them little or no training. None of them recalled receiving any training pamphlets or manuals.

SCHOOL BOARD FAILS TO FOLLOW SOME OF ITS OWN POLICIES

The School Board has not followed some of its own policies with respect to its CBOC, nor has it complied with certain provisions of the Education Code. Some examples of policy violations are noted below.

CBOC Member Applications

Board Policy 7214.2 states that "applicants should submit written applications to the Superintendent and CBOC chair," but this is not being followed. No applications are being taken and no information is being communicated to the CBOC chair prior to the appointment of new members.

Required Joint Meetings with CBOC

School Board Policy 7214.2 states that, "The Committee and Board shall hold joint meetings during the first quarter (January-March) and the third quarter (July-September) of each year." This has not always been done.

It appears that during the first quarter of 2013, no meetings were held. The first meeting of the year was not held until July 2013.

Mandated CBOC Member Category

Section 15282 (a) (2) of the California Education Code states that one of the legally mandated member categories on CBOC will be one member who is active in a senior citizen's organization.

A WCCUSD staff person had recommended an individual to represent the "Senior Citizen Organization" category on CBOC, which the School Board later approved. When a concerned citizen inquired and asked for a copy of the application that had been submitted, they were told that none had been provided. When the citizen had asked "which" Senior Citizen organization this person represented, the school district replied in a written memo, "none".

This appears to be a violation of the California Education Code section 15282(a)(2).

CLOSING REMARKS

With six school bond measures appearing on the property tax bills of residents, a seventh school bond - Measure H - was on the ballots of WCCUSD voters in 2014. Passage of Measure H would have authorized WCCUSD to issue an additional \$270 million of general obligation bonds. This debt would have increased property taxes in the district by approximately \$36 per year per \$100,000 of assessed valuation and would not have been paid off until 2055.

This bond measure was defeated at a time when public concern about the management of the building program appeared to be growing. There were various reports in the press that there was not going to be enough money to build or modernize many of the schools – as many as twelve – which had been promised. Furthermore, statutory limits on district indebtedness as a percentage of real estate assessed valuation prevent the district from selling all of the bonds which have already been approved. With the defeat of Measure H and the election of two new school board trustees in November 2014, it became clear that unqualified public support for the district and its construction program was no longer the case. The two new school board trustees have made it clear that prudent financial planning and construction priority planning are to be essential features of the program in the future. They have blocked almost half a million dollars' worth of change orders to eight school construction projects and refused to approve \$2.3 million in charges from Seville Group Inc. (SGI) – the bond management construction firm for the school district bond construction program - on the grounds that they had not been provided adequate information about the reasons for these expenditures.

There are now some signs of change in the course of the WCCUSD's school bond construction program; however, these changes follow years of poor fiscal controls and a lack of cooperation with a CBOC whose task it was to monitor and report on the expenditure of public funds.

FINDINGS

F1. The WCCUSD school board appoints CBOC members who oversee it, which may make CBOC members feel beholden to WCCUSD board members, which may result in an inherent conflict of interest.

F2. CBOC membership is currently set at 19, which makes it difficult to reach a quorum or to get business done with so many voices to be heard at meetings.

F3. The School Board had added a discretionary category for a member of the Public Employees Union Local 1 on CBOC.

F4. WCCUSD did not agree to post CBOC's meeting materials on its website when requested to do so by CBOC.

F5. WCCUSD has complete control over CBOC's website.

F6. WCCUSD has denied CBOC's requests for access to CBOC's website and rejected CBOC's suggestions.

F7. WCCUSD has not always timely furnished financial reports to CBOC, allowing CBOC very little time for any thoughtful analysis.

F8. Financial reports provided by WCCUSD to CBOC are not always accurate and complete.

F9. WCCUSD and the School Board were not in compliance with law in refusing to support CBOC's requests for public posting of CBOC agendas and minutes on WCCUSD's website.

F10. WCCUSD has not consistently provided timely, adequate and independent training for new CBOC members. Recommended training manuals and pamphlets have not been furnished to CBOC members.

F11. CBOC had lacked a member who was active in a senior citizen's organization.

F12. The School Board has not always required an application before approving CBOC members.

RECOMMENDATIONS

R1. The School Board should eliminate the following six member positions from CBOC at the expiration of their terms, to eliminate any concerns about conflicts of interest.

- Five members, one recommended by each member of the Board of Education
- One member representing the Contra Costa Building and Construction Trades Council.

R2. The School Board should change the School Board discretionary category of "Public Employees Union Local 1" to that of an "at large" position from the general community in order to allow for a greater pool of qualified candidates to apply.

R3. The School Board should create an independent selection committee to select new nominees for CBOC, comprised of the CBOC Chair and a designated appointee from CBOC, two members from the Board of Education, and School Superintendent or designee, for a committee of five. Selection should be based on merit and be a transparent process to ensure public confidence in this vital selection process.

R4. WCCUSD should provide CBOC members with complete, detailed and comprehensive financial data relating to the expenditure of bond revenues and items put to vote on the board agenda at least 7 days in advance of the board meetings, in order to permit meaningful and effective review and oversight.

R5. WCCUSD should allow CBOC full access to the CBOC website.

R6. WCCUSD should not change or add items to CBOC's website without the permission of the CBOC chair.

R7. WCCUSD should provide CBOC with accurate, understandable and timely financial and non-financial reports concerning bond funded projects as well as other relevant information requested on the bond construction program at least monthly.

R8. WCCUSD should provide CBOC with a comprehensive master plan for the school construction projects within the next three months and as requested by CBOC.

R9. WCCUSD should provide timely and comprehensive training to all new CBOC members on a timely basis. The following training materials, at a minimum, should be provided to all new CBOC members within one week of their appointment:

- (a) California League of Bond Oversight Committee recommended Best Practices
- (b) San Diego County Taxpayers Association "Oversight Committee Best Practices" Guide
- (c) California Coalition for Adequate School Housing "Proposition 39 - Best Practices Handbook"
- (d) Little Hoover Commission 2009 Report "Bond Spending: Expanding and

Enhancing Oversight"

(e) California League of Cities "A Guide to The Ralph M. Brown Act"

(f) State Controller's Office 2011 Audit Report on the Los Angeles Community College District's bond construction program

R10. The School Board should follow all of its policies.

R11. The School Board should ensure that the CBOC contains a member from each category required by California Education Code Section 15282.

REQUIRED RESPONSES

	<u>Findings</u>	<u>Recommendations</u>
WCCUSD School Board of Education	1-12	1-11

APPENDIX A

METHODOLOGY

Information in this report was obtained from the following:

- Interviews of past and present CBOC members, past and present WCCUSD School Board members ("Trustees"), WCCUSD School District Staff
- On-line internet documents, newspaper articles, internet posts on CBOC and WCCUSD websites
- Written testimony to the Hoover Commission
- Complaint filed with the local Contra Costa District Attorney's office
- Relevant California Education and Penal codes
- Proposition 39
- WCCUSD School Board policies
- Minutes/Agendas of meetings of CBOC, Minutes/Agendas of meetings of the School Board (WCCUSD) - 2013, 2014, 2015
- CBOC Monthly Financial Reports - 2015
- Items Requiring Board Attention memos - 2015
- Bond Program Project Status reports - 2015
- CBOC 2014 Annual Report
- WCCUSD CBOC - Audit Subcommittee Performance Audit Reports - 2014
- California League of Bond Oversight Committees' (CalBOC) - Newsletters "CalBOC Review" - 2015
- Documents submitted at CBOC and School Board meetings 2014, 2015
- WCCUSD audited financial statements for 2012, 2013, and 2014 years
- WCCUSD adopted budgets for 2012-13, 2013-14, and 2014-15
- CBOC membership lists for 2007-2015 years
- List of WCCUSD enrollment figures for 2012-13, 2013-14 and 2014-15 years
- Annual reports issued by CBOC for 2011, 2012, and 2013 years
- Memos/correspondence between WCCUSD and CBOC and public, 2013, 2014, 2015
- Statement of Economic Interests – CA. Form 700 filed by School Board members 2009-2014 years
- Proposition 39 – Best Practices Handbook
- Senate Bill 1473 on School Facilities Bond Proceeds: Performance Audits, Government Auditing Standards
- 2011 Revision Handbook, Senate Bill 584 – School Facilities
- Financial and Performance Audits (2013-2014)
- Responses filed by school district to performance audits 2013-2014 years
- California Legislative summaries
- WCCUSD Contract Documents for Request for Proposals

- WCCUSD Responses to Request for Proposal Independent Bond Performance Audit Services
- Correspondence from WCCUSD's law firm on various bond construction program issues, 2014, 2015
- Independent Auditor's Report – issued by Crow Horwath
- Settlement and General Release Contract by WCCUSD and former district staff
- Correspondence from U.S. Securities and Exchange Commission with WCCUSD
- WCCUSD Agreement for Special Contract Services, School Bond Transparency in San Diego County Manual
- Chapter 294 Laws of 2010
- "Independent financial and performance audits shall be conducted in accordance with Government Auditing Standards" - issued by Comptroller General of the United States
- Chapter 167 Laws of 2013 Education Audits Appeals Panel
- Summary of CalBOC Legislative History
- May 2014, Vavrinek, Trine, Day & Co.
- LLP Response to Request for Proposal Independent Bond Performance Audit Services, March 20, 2014
- Selection of Performance Auditor fiscal year 2014-2015 memos
- Scope of Services Memo for the 2013-2014 Performance Audit
- Performance Audit Scope, fiscal year 2013-2014
- Measure J (2005) and D (2010) Performance Audit – 2013
- CBOC Annual Report 2013
- U.S. Securities and Exchange Commission subpoena – July 2014
- Letter Contra Costa County Superintendent of Schools, dated September 2014 for Charles Ramsey legal representation for SEC investigation
- Education Code section 15280
- Civil Grand Jury Report 1208
- No on Measure H Bond Measure- June 2014
- Performance audit standards SB 584 – August 2014 (Chapter 167 Laws of 2014)
- Citizens' Bond Oversight Committee Board Policy 7214.2
- CBOC Education Code 15278-15282
- Education Code 15284-15288 Bond Accountability
- Chau Fair Political Practices Commission Complaint – October 2014
- Kronenberg Fair Political Practices Commission Complaint – October 2014
- Performance audit professional services staffing plan for the bond program and program management – June 2008, 2010, 2011, 2012, & 2013
- School Construction Summary – December 2013
- Design and Construction Costs and Budgets for 2011, 2012, 2013
- CBOC Performance Audit reports for 2007, 2008, 2009, 2010, 2011, 2012, 2013, and 2014.
- SGI contracts with the school district from 2001 to present
- Change order requests from contractors, architects-2014, 2015

- California Government Code Sections 54950 – 54960.5 (Brown Act)
- Documents given to Vavrinek, Trine, Day & Company LLP (VTD) for the fiscal year 2014 Performance Audit and "Agreed Upon Procedures"
- 2014 Capital Management Plan (CAMP) reports
- Construction and Architect Contracts - 2014
- July 2014 Key Performance Indicators Summary (KPI) report on expenditures given to CBOC
- July 2014 Bonds KPI Summary Report
- 2014 Project Budget reports
- 2014 Active Project Budgets
- 2014 Actual Costs by Measure reports
- 2014 School District internal tracking of Board budget authorizations
- 2014 Historical Program Budgets
- 2014 Total Bond Program Budgets
- 2014 Project Ledger Reconciliation reports
- 2014 Project Reconciliation Details reports
- 2014 Project Ledger Summary reports
- 2015 Project Ledger Summary Reconciliation reports
- Costs by Bond Measure Report - 2014

MEETINGS ATTENDED:

Attendance at CBOC meetings of three different school districts in Contra Costa Counties:

Attended five WCCUSD-CBOC meetings

Attendance at CBOC meeting of San Ramon Valley Unified School District

Attendance at CBOC meeting of Acalanes Union School District.

Attendance at WCCUSD School Board meeting

Attendance of California League of Bond Oversight Committees (CalBOC) Annual Statewide Conference - May 2015

West Contra Costa Unified School District
Enrollment as of January 2015

SCHOOL	REGULAR EDUCATION									SPECIAL ED			TOTAL
	TK	K	1	2	3	4	5	6	1-6	Pre-Schl	TK-6	TOTAL SP.ED	
ELEMENTARY:													
BAYVIEW	21	89	114	104	104	89	82	81	574	0	0	0	684
CHAVEZ	22	62	80	92	96	99	84	62	513	0	18	18	615
COLLINS	0	49	46	48	61	47	51	52	305	16	22	38	392
CORONADO	24	45	68	74	65	56	54	44	361	0	0	0	430
DOVER	24	96	125	123	95	99	119	87	648	0	0	0	768
DOWNER	21	86	82	96	95	99	87	66	525	15	18	33	665
ELLERHORST	0	38	49	49	44	57	51	54	304	0	32	32	374
FAIRMONT	0	74	75	84	82	75	76	74	466	8	33	41	581
FORD	24	68	75	82	58	66	56	54	391	7	0	7	490
GRANT	23	71	77	84	83	66	76	39	425	0	41	41	560
HANNA RANCH	0	71	76	88	80	77	85	0	406	0	0	0	477
HARDING	20	39	38	50	37	45	59	40	269	0	45	45	373
HIGHLAND	0	71	68	64	73	62	63	48	378	0	25	25	474
KENSINGTON	0	65	71	71	71	86	93	54	446	0	7	7	518
KING	0	72	75	67	62	62	55	46	367	8	25	33	472
LAKE	21	45	50	67	69	72	58	48	364	0	1	1	431
LINCOLN	0	66	83	68	73	66	51	58	399	0	0	0	465
LUPINE HILLS	23	61	50	63	53	68	55	0	289	0	41	41	414
MADERA	0	74	64	74	73	86	70	70	437	0	8	8	519
MIRA VISTA K-5	0	46	50	50	48	58	60	0	266	7	39	46	358
MONTALVIN	22	62	72	68	49	57	51	52	349	8	1	9	442
MURPHY	0	72	73	71	71	59	59	49	382	0	45	45	499
NYSTROM	21	90	80	79	75	63	59	50	406	0	0	0	517

APPENDIX B

OHLONE	0	52	64	51	50	57	64	0	286	0	18	18	356
OLINDA	24	40	49	43	47	38	54	28	259	0	0	0	323
PERES	20	61	76	79	79	73	74	62	443	14	7	21	545
RIVERSIDE	0	47	60	65	66	63	58	50	362	7	11	18	427
SHANNON	23	42	52	44	41	42	35	40	254	7	24	31	350
SHELDON	23	39	52	56	60	60	48	48	324	0	10	10	396
STEGE	24	46	44	50	40	37	41	47	259	0	0	0	329
STEWART K-5	0	51	43	47	48	56	61	0	255	0	0	0	306
TARA HILLS	0	63	47	61	91	83	79	78	439	9	44	53	555
VALLEY VIEW	0	26	61	44	48	43	44	35	275	0	22	22	323
VERDE	0	51	48	60	48	46	38	32	272	0	0	0	323
WASHINGTON	0	65	74	72	74	64	61	40	385	0	27	27	477
WILSON	0	70	70	60	71	73	73	42	389	0	39	39	498
OTHER SCHOOLS:													
HARBOUR WAY	0	0	0	0	0	0	1	0	1	0	0	0	1
HOME TEACH-EL	0	1	1	1	0	1	0	0	3	0	1	1	5
VISTA ELM IND STDY	0	0	0	0	1	0	0	0	1	0	0	0	1
CAMERON/KNOLLS										281		281	281
CAMERON/SDC										23		23	23
INFANT/LIFT										61		61	61
TOTAL ELEMENTARY	380	2,166	2,382	2,449	2,381	2,350	2,285	1,630	13,477	471	604	1,075	17,098
									13,477				17,098
SCHOOL		6	7	8	9	10	11	12	7-8		9-12	SP.ED	TOTAL
MIDDLE SCHOOLS:													
HARBOUR WAY		1	2	6	0	0	0	0	8		0	0	9
HELMS		0	486	506	0	0	0	0	992		0	39	1,031
HERCULES MIDDLE		179	228	206	0	0	0	0	434		0	29	642
JUAN CRESPI		0	272	291	0	0	0	0	563		0	32	595

KOREMATSU	0	257	247	0	0	0	0	504	0	36	540
LOVONYA DeJEAN	0	290	286	0	0	0	0	576	0	39	615
MIRA VISTA 6-8	59	57	61	0	0	0	0	118	0	6	183
PINOLE JR	0	265	274	0	0	0	0	539	0	39	578
STEWART	57	55	55	0	0	0	0	110	0	0	167
HIGH SCHOOLS:											
DE ANZA	0	0	0	341	294	294	220	0	1,149	89	1,238
EL CERRITO	0	0	0	342	330	309	278	0	1,259	92	1,351
HERCULES HIGH	0	0	0	201	262	220	205	0	889	45	934
KENNEDY	0	0	0	243	229	176	154	0	802	53	855
MIDDLE COLLEGE	0	0	0	74	67	64	62	0	267	0	267
PINOLE VALLEY	0	0	0	308	270	286	278	0	1,142	60	1,202
RICHMOND (Inc Apps)	0	0	0	368	386	346	312	0	1,412	68	1,480
CONTINUATION ED:											
GATEWAY	0	0	0	0	5	14	79	0	98	1	99
GOMPERS	0	0	0	3	11	54	66	0	136	1	137
NORTH CAMPUS	0	0	0	5	13	64	104	0	186	0	186
OTHER SCHOOLS:											
HOME TCH SEC	2	2	2	6	6	12	19	4	43	11	60
TRANSITION	0	0	0	0	0	0	0	0	0	130	130
VISTA HIGH	0	10	8	12	41	58	72	18	183	2	203
TOTAL SECONDARY	298	1,924	1,942	1,903	1,914	1,897	1,852	3,866	7,566	772	12,502

SUMMARY	
TRANSTION	
KINDERGARTEN	380
KINDERGARTEN	2,166
GRADES 1 - 6	13,477

GRADES 6 MIDDLE	298
GRADES 7 - 8	3,866
GRADES 9 - 12	7,566
<u>SPECIAL EDUCATION</u>	
Preschool	471
TK- 13	1,376
TOTAL SP ED	1,847
TOTAL	<u>29,600</u>

West Contra Costa Unified School District
 Citizens' Bond Oversight Committee for Measure D (2002), J (2006), D (2010), and E (2012); Membership by Categories

4/22/15

No. ¹	Category ²	Recommended By	Member Name	Office	Dates Board Approved	Current Term End Date	First Second or Third Term?
1	Business Organization *	Business Organization	Tom Waller		9/19/12, 8/13/14	9/18/16	Second
2	Senior Citizen Organization *	Senior Citizen Organization	Antonio Medrano		3/4/15	11/4/15	First
3	Taxpayers' Organization *	Taxpayers' Organization	Tashia Flucas		12/11/13	12/10/15	First
4	Parent or Guardian *	Superintendent	Kelvin Love		11/6/13	11/5/15	First
5	Parent/Guardian & PTA ⁴	PTA	Marianne Harrison		1/8/14	1/7/16	First
6	El Cerrito	City Council	Orlandus Waters	Vice Chair	4/13/13, 4/22/15	4/21/17	Second
7	Hercules	City Council	Christine Kelley		2/11/15	3/10/16	First
8	Pinole	City Council	Maureen Toms		1/8/14	1/7/16	First
9	Richmond	City Council	Margaret Browne		9/17/14	9/16/16	First
10	San Pablo	City Council	Charlene Harlan-Ogbeide		11/12/14	11/11/16	First
11	Unincorporated Area	Supervisor Glover	Vacant (Since 4/9/15)				
12	Unincorporated Area	Supervisor Gioia	Peter Chau	Secretary	4/23/14	4/22/16	First
13	Board of Trustees WCCUSD	Trustee Kronenberg	Vacant (Since 4/2015)				
14	Board of Trustees WCCUSD	Trustee Groves	Ivette Ricco	Chair	6/2/10, 6/13/12, 6/11/14	6/1/16	Third
15	Board of Trustees WCCUSD	Trustee Cuevas	Vacant (since 1/2015)				
16	Board of Trustees WCCUSD	Trustee Block	Anton Jungherr		2/11/15	2/10/17	First
17	Board of Trustees WCCUSD	Trustee Enos	Stephen Purser		1/8/14	1/7/16	First
18	Building Trades	Building Trades Council	Dennis Hicks		8/12/13	8/11/15	First
19	Public Employees Union	PEU Local 1	Madeleine Jen Kin		2/11/15	2/10/17	First

* Required positions under Proposition 39 [Education Code section 15282 (a)]

Superintendent's Designee: Lisa LeBlanc
 Board Liaison: Liz Block

Description	Number
Authorized Positions	19
Filled Positions	16
Vacant Positions	3
Quorum Requirement	9

¹ Position numbers were assigned by the CBOC for reference purposes only

² Proposition 39, CBOC was established by the Board of Education on April 9, 2003. All appointments are made by the Board of Education. Terms are for two (2) years with a maximum of three consecutive terms.

West Contra Costa Unified School District
 Citizens' Bond Oversight Committee for Measures M, D, J, D (2010), and E (2012): Membership by Categories

Updated 7/22/14

No. ¹	Category ²	Recommended By	Member Name	Office	Dates Board Approved	Current Term End Date	First or Second Term?
1	Business Organization *	Business Organization	Tom Waller		9/19/12	9/18/14	First
2	Senior Citizen Organization *	Senior Citizen Organization	James Oakley		11/6/13	11/5/15	First
3	Taxpayers' Organization *	Taxpayers' Organization	Tashia Flucas		12/11/13	12/10/15	First
4	Parent or Guardian *	Superintendent	Kelvin Love		11/6/13	11/5/15	First
5	Parent/Guardian & PTA*	PTA	Marianne Harrison		1/8/14	1/7/16	First
6	El Cerrito	City Council	Orlandus Waters	Vice Chair	4/13/13	4/12/15	First
7	Hercules	City Council	Bill Kelly		3/12/14	3/11/16	First
8	Pinole	City Council	Maureen Toms		1/8/14	1/7/16	First
9	Richmond	City Council	Vacant (since 10/2013)				
10	San Pablo	City Council	Vacant (since 12/2013)				
11	Unincorporated Area	Supervisor Glover	Norma Martinez-Rubin		4/10/13	4/9/15	First
12	Unincorporated Area	Supervisor Gioia	Peter Chau		3/26/14	3/25/16	First
13	Board of Trustees WCCUSD	Trustee Kronenberg	Tim Warner		3/21/12, 3/12/14	3/20/16	Second
14	Board of Trustees WCCUSD	Trustee Groves	Ivette Ricco	Chair	6/2/10, 6/13/12, 6/12/14	6/11/16	Third
15	Board of Trustees WCCUSD	Trustee Merriweather	Charles Cowens	Secretary	1/5/11, 12/12/12	1/4/15	Second
16	Board of Trustees WCCUSD	Trustee Ramsey	Ken Jett		2/13/13	2/12/15	First
17	Board of Trustees WCCUSD	Trustee Enos	Stephen Purser		1/8/14	1/7/16	First
18	Building Trades	Building Trades Council	Dennis Hicks		8/12/13	8/11/15	First
19	Public Employees Union	PEU Local 1	Vacant (since 6/2014)				

Superintendent's Designee:
Board Member Liaison: Charles Ramsey

* Required positions under Proposition 39 [Education Code section 15282 (a)]

¹ Position numbers were assigned by the CBOC for reference purposes only

² CBOC was established by the Board of Education on April 9, 2003. All appointments are made by the Board of Education. Terms are currently for two (2) years with a maximum of two consecutive terms.

West Contra Costa Unified School District
 Citizens' Bond Oversight Committee for Measures M, D, J, D (2010), and E (2012): Membership by Categories

Updated 3/14/14

No. ¹	Category ²	Recommended By	Member Name	Office	Dates Board Approved	Current Term End Date	First or Second Term?
1	Business Organization *	Business Organization	Tom Waller		9/19/12	9/18/14	First
2	Senior Citizen Organization *	Senior Citizen Organization	James Oakley		11/6/13	11/5/15	First
3	Taxpayers' Organization *	Taxpayers' Organization	Tashia Flucas		12/11/13	12/10/15	First
4	Parent or Guardian *	Superintendent	Kelvin Love		11/6/13	11/5/15	First
5	Parent/Guardian & PTA *	PTA	Marianne Harrison		1/8/14	1/7/16	First
6	El Cerrito	City Council	Orlandus Waters	Vice Chair	4/13/13	4/12/15	First
7	Hercules	City Council	Bill Kelly		3/12/14	3/11/14	First
8	Pinole	City Council	Maureen Toms		1/8/14	1/7/16	First
9	Richmond	City Council	Vacant (since 10/2013)				
10	San Pablo	City Council	Vacant (since 12/2013)				
11	Unincorporated Area	Supervisor Glover	Norma Martinez-Rubin		4/10/13	4/9/15	First
12	Unincorporated Area	Supervisor Gioia	Peter Chau		1/8/14	1/7/16	First
13	Board of Trustees WCCUSD	Trustee Kronenberg	Tim Warner		3/21/12, 3/12/14	3/20/14	Second
14	Board of Trustees WCCUSD	Trustee Groves	Ivette Ricco	Chair	6/2/10, 6/13/12	6/1/14	Second
15	Board of Trustees WCCUSD	Trustee Merriweather	Charles Cowens	Secretary	1/5/11, 12/12/12	1/4/15	Second
16	Board of Trustees WCCUSD	Trustee Ramsey	Ken Jett		2/13/13	2/12/15	First
17	Board of Trustees WCCUSD	Trustee Enos	Stephen Purser		1/8/14	1/7/16	First
18	Building Trades	Building Trades Council	Dennis Hicks		8/12/13	8/11/15	First
19	Public Employees Union	PEU Local 1	Julio Arroyo		10/19/11, 11/6/13	10/18/15	Second

Superintendent's Designee: Bill Fay
 Board Member Liaison: Charles Ramsey

* Required positions under Proposition 39 [Education Code section 15282 (a)]

¹ Position numbers were assigned by the CBOC for reference purposes only

² CBOC was established by the Board of Education on April 9, 2003. All appointments are made by the Board of Education. Terms are currently for two (2) years with a maximum of two consecutive terms.

West Contra Costa Unified School District
 Citizens' Bond Oversight Committee for Measures M, D, J, D (2010), and E (2012): Membership by Categories

Updated 4/11/13

No. ¹	Category ²	Recommended By	Member Name	Officer?	Date Board Approved	Current Term Start Date	Current Term End Date	First or Second Term?
1	Business Organization *	Business Organization	Tom Waller		9/19/12	9/12	9/18/14	First
2	Senior Citizen Organization *	Senior Citizen Organization	Joe Fisher		9/21/11	9/11	9/20/13	First
3	Taxpayers' Organization *	Taxpayers' Organization	Kris Hunt		3/21/12	3/12	3/20/14	First
4	Parent or Guardian *	Superintendent	Vacant					
5	Parent/Guardian & PTA*	PTA	Vacant					
6	El Cerrito	City Council	Orlandus Waters		4/13/13	4/13	4/12/15	First
7	Hercules	City Council	Gerard Boulanger		11/2/11	11/11	11/1/13	First
8	Pinole	City Council	Tim Baauelos		3/21/12	3/12	3/20/14	Second
9	Richmond	City Council	Vacant					
10	San Pablo	City Council	Paul Morris		2/6/13	2/13	2/5/15	First
11	Unincorporated Area	Supervisor Glover	Norma Martinez-Rubin		4/10/13	4/13	4/9/15	First
12	Unincorporated Area	Supervisor Gioia	Wayne Ellis		9/5/12	9/12	9/4/14	Second
13	Board of Trustees WCCUSD	Trustee Kronenberg	Tim Warner		3/21/12	3/12	3/20/14	First
14	Board of Trustees WCCUSD	Trustee Groves	Ivette Ricco	Chair	6/13/12	6/12	6/12/14	Second
15	Board of Trustees WCCUSD	Trustee Merriweather	Charles Cowens	Secretary	12/12/12	1/13	12/11/14	Second
16	Board of Trustees WCCUSD	Trustee Ramsey	Ken Jett		2/13/13	2/13	2/12/15	First
17	Board of Trustees WCCUSD	Trustee Enos	Kristin Rosekrans		3/21/12	3/12	3/20/14	First
18	Building Trades	Building Trades Council	Vacant					
19	Public Employees Union	PEU Local 1	Julio Arroyo		10/19/11	10/11	10/18/13	First

* Required positions under Proposition 39 [Education Code section 15282 (a)]

Notes on terms: Term start date is the actual month the CBOC member begins to attend meetings. Only after the Board of Education approves the appointment, the end of the term is no longer than 24 consecutive months.

¹ Position numbers were assigned by the CBOC for reference purposes only

² CBOC was established by the Board of Education on April 9, 2003. All appointments are made by the Board of Education. Terms are for two (2) years with a maximum of two consecutive terms.

APPENDIX D

BRIEF SUMMARY OF THE BROWN ACT

In brief, the "Brown Act" requires all local government business be conducted at open and public meetings, except in certain very limited situations. The Brown Act is based upon State policy that the people must be informed so they can keep control over activities and actions of their government.

It was authored by Assembly member Ralph M. Brown and passed in 1953, and guarantees the public's right to attend and participate in meetings of local legislative bodies.

The Brown Act was enacted in response to mounting public concerns over informal, undisclosed meetings held by local elected officials. City councils, county boards, and other local government bodies were avoiding public scrutiny by holding secret meetings and workshops.

The Brown Act (CA Government Code Sections 54950-54960.5) applies to all public agencies in California. It is designed to assure open meetings and public deliberations by all government agencies in California. The statute itself makes this purpose clear in its opening section as follows:

"54950. In enacting this chapter, the Legislature finds and declares that the public commissions, boards and councils and the other public agencies in this State exist to aid in the conduct of the people's business. It is the intent of the law that their actions be taken openly and that their deliberations be conducted openly.

The requirements of the Brown Act are straightforward. They can be summarized as follows:

1. A public agency must post notice of regular meetings at least three days before the meeting date.
2. The notice must include an agenda of items to be discussed or voted on at the meeting. The description of each item on the agenda should be brief but must be sufficient to inform a reasonable person of the subject to be considered.
3. Any votes taken by the agency must be taken in public session. With limited exceptions the agency may not conduct meetings in private session. Prohibited private sessions also include "serial" meetings—i.e., meetings of smaller groups that taken together include a majority of the agency members.
4. The public must be allowed time at each meeting to address the Board on matters included in the agenda and on other matters within the agency's jurisdiction.

5. Any documents delivered to a majority of the board members at or before the meeting must be made available to the public "without delay."

As can be seen from this brief summary of the Act, the objective of the Act is to encourage informed public participation in the major policy decisions of public agencies. Such public participation should promote better public acceptance and understanding of agency decisions. We believe that failure to follow the Act leads to the opposite—public misunderstanding and distrust in government agencies.

(The full text of the Brown Act may be found in California Government Code Sections 54950 – 54960.5.)

WCCUSD CBOC

8/7/2015 12:33 AM

Data Review Subcommittee (Subject to Brown Act)

<http://www.wccusd-bond-oversight.com>

For Measurers D (2002), J (2006), D (2010) and E (2012)

Agenda, August 11, 2015 at 6:00 - 7:30 PM, Meeting No. 5

Facilities Operations Center, 1400 Marina Way South, Richmond, CA

ATTACHMENT 3

Proposed Amendments to BP 7214.2
Citizens' Bond Oversight Committee

Background:

On June 11, 2015, the Contra Costa County Grand Jury issued their Report No. 1514, "West Contra Costa Unified School District: Bond Program & Citizens' Bond Oversight Committee." The District received this report on June 15, 2015 and subsequently forwarded it to the CBOC.

The District is required by law to respond by September 11, 2015 to the Grand Jury on the action taken on each finding and each recommendation. See attached Exhibit A for Grand Jury Findings and Recommendations.

Proposed Amendments to Board Policy 7214.2 Citizens' Bond Oversight Committee:

It is proposed that the CBOC recommend the following amendments to the Citizens' Bond Oversight Committee Board Policy 7214.2 to implement various Grand Jury recommendations:

Grand Jury Recommendation ¹	Proposed Board Policy Amendment ²
R1. Eliminate the five member positions nominated by the Board of Education.	Eliminate these positions upon expiration of the terms or the resignations of the members currently appointed to these positions.
R1. Eliminate the Contra Costa Building and Construction Trades Council member position.	Eliminate the position upon expiration of the term or the resignation of the member currently appointed to this position.
R2. Eliminate the Public Employees Union Local 1 member position.	Eliminate the position upon expiration of the term or the resignation of the member currently appointed to this position.
R2. Add a General Community member position.	Added to Policy General Community member, providing for appointment on

¹ See attached Exhibit A for the recommendation text. What is shown here is a summary of the Grand Jury Recommendations.

² See attached Exhibit B for proposed amendments language.

WCCUSD CBOC
Proposed Amendments to BP 7214.2
Citizens' Bond Oversight Committee

8/7/2015 12:25 AM

Grand Jury Recommendation ¹	Proposed Board Policy Amendment ²
	approval of this Policy change. Total members would be 13, now 19.
R3. Create an independent Selection Committee to interview CBOC applicants and make recommendations to the Board of Education for appointment.	Added to Policy an independent Selection Committee comprised of two members of the CBOC selected by the CBOC and the two members of the Board Facilities Subcommittee. Selection based on merit. Requirement to serve on a CBOC Subcommittee.
R4. Provide CBOC members with financial data prior to vote by the Board of Education.	This recommendation should be rejected as approval of bond expenditures by the CBOC is outside the authority of the CBOC.
R5. Allow CBOC full access to the CBOC website.	Added to Policy.
R6. District not change or add items to CBOC's website without the permission of the CBOC Chair.	Added to Policy.
R7. Provide CBOC with financial reports, data, and support as needed.	Added to Policy provisions for independent Legal Counsel, program effectiveness and results annual performance audits, separate annual financial audits, clerical support, and funds to publicize its annual report.
R8. Provide CBOC with master plan	The District has approved the preparation of this plan by a consulting firm with a report due in April 2016.
R9. Provide training to all new CBOC members.	This should be a responsibility of the CBOC; therefore, no Board Policy amendment is required.
R10. The School Board should follow all of its policies.	n/a
R11. The School Board should ensure that the CBOC contains a member for each category required by California Education Code Section 15282.	n/a

Legal Review by Adam Ferber: It is recommended that CBOC Independent Legal Counsel Adam Ferber review the proposed amendments to Board Policy 7214.2 prior to CBOC action on August 26, 2015.

Timeline: The following timeline is proposed for consideration of the proposed amendments to Board Policy 7214.2:

Date	Action
August 11, 2015	CBOC Data Review Subcommittee takes action on this matter at its scheduled meeting.
August 26, 2015	CBOC takes action on this matter at its scheduled meeting.
September 8, 2015	CBOC requests the Board Facilities Subcommittee to take action on this matter at its scheduled meeting.
September 30, 2015	CBOC request that this matter be on the agenda for action at this scheduled joint CBOC/Board meeting.

Data Review Subcommittee Recommendations to the CBOC:

1. That the CBOC approve the attached amendments to Board Policy 7214.2 and recommend their approval by the Board of Education. See attached Exhibit B.
2. That the CBOC recommend to the Board that the Board Policy 7214.2 amendments, as approved by CBOC, be placed on the September 8, 2015 Board Facilities Subcommittee agenda for action.
3. That the CBOC recommend to the Board that the Board Policy 7214.2 amendments be placed on the September 30, 2015 joint CBOC/Board of Education agenda.
4. That a copy of the CBOC approved amendments to Board Policy 7214.2 is sent to the Contra Costa County Grand Jury.

Prepared by: Anton Jungherr, August 3, 2015

Disclaimer: The author of this document is a member of the WCCUSD Citizens' Bond Oversight Committee (CBOC). However, the views expressed in this document are those of the author Anton Jungherr and not of the CBOC.

Exhibits: A. Findings/Recommendations, B. Proposed Amendments BP 7214.2

**WCCUSD CBOC
CBOC Recommended Response by WCCUSD
To Grand Jury Report**

EXHIBIT A

EXHIBIT A

FINDINGS

- F1. The WCCUSD school board appoints CBOC members who oversee it, which may make CBOC members feel beholden to WCCUSD board members, which may result in an inherent conflict of interest.
- F2. CBOC membership is currently set at 19, which makes it difficult to reach a quorum or to get business done with so many voices to be heard at meetings.
- F3. The School Board had added a discretionary category for a member of the Public Employees Union Local 1 on CBOC.
- F4. WCCUSD did not agree to post CBOC's meeting materials on its website when requested to do so by CBOC.
- F5. WCCUSD has complete control over CBOC's website.
- F6. WCCUSD has denied CBOC's requests for access to CBOC's website and rejected CBOC's suggestions.
- F7. WCCUSD has not always timely furnished financial reports to CBOC, allowing CBOC very little time for any thoughtful analysis.
- F8. Financial reports provided by WCCUSD to CBOC are not always accurate and complete.
- F9. WCCUSD and the School Board were not in compliance with law in refusing to support CBOC's requests for public posting of CBOC agendas and minutes on WCCUSD's website.
- F10. WCCUSD has not consistently provided timely, adequate and independent training for new CBOC members. Recommended training manuals and pamphlets have not been furnished to CBOC members.
- F11. CBOC had lacked a member who was active in a senior citizen's organization.
- F12. The School Board has not always required an application before approving CBOC members.

RECOMMENDATIONS

R1. The School Board should eliminate the following six member positions from CBOC at the expiration of their terms, to eliminate any concerns about conflicts of interest.

- Five members, one recommended by each member of the Board of Education
- One member representing the Contra Costa Building and Construction Trades Council.

R2. The School Board should change the School Board discretionary category of "Public Employees Union Local 1" to that of an "at large" position from the general community in order to allow for a greater pool of qualified candidates to apply.

R3. The School Board should create an independent selection committee to select new nominees for CBOC, comprised of the CBOC Chair and a designated appointee from CBOC, two members from the Board of Education, and School Superintendent or designee, for a committee of five. Selection should be based on merit and be a transparent process to ensure public confidence in this vital selection process.

R4. WCCUSD should provide CBOC members with complete, detailed and comprehensive financial data relating to the expenditure of bond revenues and items put to vote on the board agenda at least 7 days in advance of the board meetings, in order to permit meaningful and effective review and oversight.

R5. WCCUSD should allow CBOC full access to the CBOC website.

R6. WCCUSD should not change or add items to CBOC's website without the permission of the CBOC chair.

R7. WCCUSD should provide CBOC with accurate, understandable and timely financial and non-financial reports concerning bond funded projects as well as other relevant information requested on the bond construction program at least monthly.

R8. WCCUSD should provide CBOC with a comprehensive master plan for the school construction projects within the next three months and as requested by CBOC.

R9. WCCUSD should provide timely and comprehensive training to all new CBOC members on a timely basis. The following training materials, at a minimum, should be provided to all new CBOC members within one week of their appointment:

- (a) California League of Bond Oversight Committee recommended Best Practices
- (b) San Diego County Taxpayers Association "Oversight Committee Best Practices" Guide
- (c) California Coalition for Adequate School Housing "Proposition 39 - Best Practices Handbook"
- (d) Little Hoover Commission 2009 Report "Bond Spending: Expanding and

Enhancing Oversight"

(e) California League of Cities "A Guide to The Ralph M. Brown Act"

(f) State Controller's Office 2011 Audit Report on the Los Angeles Community College District's bond construction program

R10. The School Board should follow all of its policies.

R11. The School Board should ensure that the CBOC contains a member from each category required by California Education Code Section 15282.

REQUIRED RESPONSES

	<u>Findings</u>	<u>Recommendations</u>
WCCUSD School Board of Education	1-12	1-11

**WCCUSD CBOC
CBOC Recommended Response by WCCUSD
To Grand Jury Report**

EXHIBIT B

EXHIBIT B

1 **Citizens' Bond Oversight Committee (CBOC)**

2
3 Proposition 39, approved by California voters in the General Election of
4 November 7, 2000 provides that the Governing Board of a school district
5 may pursue the authorization and issuance of general obligation bonds
6 passed by a vote of 55 percent or more of the electorate.

7
8 As a result of the passage of Proposition 39, language was added to the
9 Education Code requiring school districts passing a bond designated as a
10 Proposition 39 bond to establish a Citizens' Oversight Committee
11 ("Committee" or "CBOC") to actively review and report on uses of bond
12 proceeds to ensure that they are spent only on school facilities
13 improvements allowed under each bond measure and not for any other
14 purpose. The Committee shall be established within sixty (60) days of the
15 date that the Board enters the election results in its minutes. A school
16 district may also establish a voluntary bond oversight committee for a
17 general obligation bond adopted by a two-thirds (2/3) vote of the
18 electorate.

19
20 **1. Committee's Purpose**

21
22 The purpose of the Committee is to inform the public concerning the
23 expenditure and uses of bond revenues. The Committee's legal charge is to
24 actively review and report on the expenditure of taxpayer's money for
25 school construction. The Committee shall convene to provide oversight of
26 the following:

27
28 a. That bond revenues from bonds adopted by a 55 percent vote of the
29 electorate are expended only for the purpose described in Article 13A,
30 section 1, subdivision (b)(3) of the California Constitution including the
31 construction, reconstruction, rehabilitation or replacement of school
32 facilities, including for a Proposition 39 bond measure the furnishing and
33 equipping of school facilities, or the acquisition or lease of real property
34 for school facilities; and

35
36 b. That, for bonds adopted by a 55 percent vote of the electorate, as
37 prohibited by Article 13A, section 1, subdivision (b) (3) (A) of the
38 California Constitution, no funds are used for any teacher and
39 administrative salaries or other school operating expenses, except for
40 salaries of bond facilities project administrators paid pursuant to the

**West Contra Costa USD Board Policy (BP) 7214.2 - Citizens' Bond Oversight Committee
Proposed amendments August 2, 2015**

41
42 c. November 2001 and February 2003 resolutions validated by the
43 Judgment of Validation in the Superior Court of California, Contra Costa
44 County Action No. N03-02 16; and

45
46 d. That, for bonds adopted by a two-thirds (2/3) vote of the electorate,
47 funds are used only for the purposes described in Article 13A, section 1,
48 subdivision (b)(2) of the California Constitution including the acquisition
49 or improvement of real property.

50
51 **2. Committee's Duties**

52
53 The Committee may engage in the following activities in furtherance of its
54 purpose:

55
56 a. Receiving and reviewing copies of the annual performance audits
57 required by Article 13A, section 1, subdivision (b) (3) (C) of the
58 California Constitution. The scope of the annual performance audit
59 report shall include program effectiveness and results and compliance as
60 defined in Government Auditing Standards.

61
62 (1)The Auditor shall deliver directly to the Audit Subcommittee a draft
63 copy of each audit report at the same time as delivery is made to the
64 district.

65
66 (2)The Auditor shall deliver directly to the Committee progress reports at the
67 same time at these reports are issued to the district. The Committee shall
68 participate with the district in a yearly review of the Auditor's performance.

69
70 b. Receiving and reviewing the annual financial audits required by Article 13A,
71 section 1, subdivisions (b) (3) (D) of the California Constitution. The annual
72 financial audit report shall be conducted in accordance with Government
73 Auditing Standards and shall be a separate report from the District's annual
74 comprehensive report as required.

75
76 (1) The Auditor shall deliver directly to the Audit Subcommittee a draft copy of
77 each audit report at the same time as delivery is made to the district.

78
79 (2) The Auditor shall deliver directly to the Committee progress reports at the
80 same time at these reports are issued to the district.

81

**West Contra Costa USD Board Policy (BP) 7214.2 - Citizens' Bond Oversight Committee
Proposed amendments August 2, 2015**

82 (3) The Committee shall participate with the district in a yearly review of the
83 Auditor's performance.

84
85 c. Inspecting school facilities and grounds to ensure that Bond revenues are
86 expended in compliance with the requirements of Article 13A, section 1,

87
88 subdivision (b) (3) of the California Constitution.

89
90 d. Receiving and reviewing copies of any deferred maintenance proposals or
91 plans developed by the district, including any reports required by Education
92 Code section 17584.1.

93
94 e. Reviewing efforts by the district to maximize Bond revenues by
95 implementing cost-saving measures including, but not limited, to the
96 following:

97
98 (1) Mechanisms designed to reduce the costs of professional fees;

99
100 (2) Mechanisms designed to reduce the cost of site preparation;

101
102 (3) Recommendations regarding the joint use of core facilities;

103
104 (4) Mechanisms designed to reduce costs by incorporating efficiencies in
105 school site design;

106
107 (5) Recommendations regarding the use of cost-effective and efficient reusable
108 facility plans.

109
110 **3. Committee Operations**

111
112 The Committee's legal charge is to review Bond expenditures and to inform the
113 public about the uses of Bond proceeds.

114
115 The Committee shall have the authority to:

116
117 a. Inspect a job site or construction project in coordination with the district
118 Superintendent or designee. Visits to job sites require that the Committee
119 member(s) be accompanied by a representative of the district and require that
120 all safety measures in effect at the job site be followed.

121
122 b. Contact district staff, district contractors or consultants, including without
123 limitation, accountants, auditors, architects, financial advisors and legal

**West Contra Costa USD Board Policy (BP) 7214.2 - Citizens' Bond Oversight Committee
Proposed amendments August 2, 2015**

counsel in coordination with district Superintendent or designee.

c. Require the District to provide the CBOC with accurate, understandable and timely financial and non-financial reports concerning bond funded projects as well as other relevant information requested on the bond construction program. Financial reports, as requested by the CBOC, shall be provided monthly in formats determined by the CBOC.

d. Control access to the CBOC website. The District shall not add, edit or delete any document from the CBOC website with the permission of the CBOC Chair. The CBOC shall have the authority to place any CBOC document, as determined by the CBOC Chair, on the CBOC website.

The Committee shall not have the authority to:

a. Participate in the bond sale and issuance process or make decisions

concerning the timing, terms or structure of a bond issuance, except that the Committee may review the district's plans for any bond sale and may review bond issuance documents upon the conclusion of a bond sale if desired;

b. Determine how bond funds shall be spent;

c. Select contractors or consultants for bond projects or participate in the negotiation or bid process for such contractors and consultants;

d. Require the district to prepare reports or conduct audits more frequently than those required by law.

The Committee shall not be entitled to legal representation by district legal counselor at district expense, ~~unless permitted by the Board.~~ The Committee shall be provided independent Legal Counsel.

The Superintendent or his/her designee shall attend Committee meetings. Members of the Board shall attend as necessary or desirable.

Upon completion of all Bond projects, the Committee shall prepare a final written report summarizing its activities and conclusions.

The Board shall, without expending Bond funds:

a. Provide the Committee with any necessary technical assistance;

West Contra Costa USD Board Policy (BP) 7214.2 - Citizens' Bond Oversight Committee
Proposed amendments August 2, 2015

- 166 b. Provide administrative assistance in furtherance of the Committee's
167 purpose including the equivalent of a full time clerical position(s); and
168
169 c. Provide the Committee with sufficient resources to publicize the Committee's
170 conclusions, including the publication of its annual report.

171
172 The Associate Superintendent of Operations will serve as a resource to the
173 Committee. He/she shall assign such other district staff and professional service
174 providers as needed to assist the Committee in carrying out its duties.

175
176 The Committee and Board shall hold joint meetings during the first quarter
177 (January through March) and third quarter (July through September) of each
178 year.

179
180 The Committee shall make reports to the Board of Education at each regular
181 Board meeting. This report shall be placed on the Board's agenda. All
182 recommendations approved by the Committee shall be presented to the Board of

183
184 Education. The Board shall respond to the Committee's recommendation(s)
185 within sixty (60) days after receipt of the recommendation(s).

186
187 The CBOC shall establish a set of bylaws and operational rules to manage the
188 operation of the committee. These bylaws and operational rules shall be
189 in compliance with Board Policy and all applicable laws.

190
191 **4. Financial Operations**

192
193 The Board of Education shall adopt an annual Facilities Program Budget.

194
195 a. District staff shall identify the budget by fund and account code on each
196 Board action memo that recommends the expenditure of funds for facility
197 projects.

198
199 b. The Facility Program Budget shall be formally amended by the Board of
200 Education during the calendar year, as needed, for new and revised projects and
201 change orders.

202
203 **5. Committee Selection and Composition**

204
205 The Committee shall be comprised of individuals who either live or work
206 within the boundaries of the District. The Superintendent or designee shall
207 solicit applications for membership on the Committee, ~~and, in the event the~~

**West Contra Costa USD Board Policy (BP) 7214.2 - Citizens' Bond Oversight Committee
Proposed amendments August 2, 2015**

208 ~~number of applicants exceeds the number of spaces available~~ an independent
209 Selection Committee (comprised of two members of the CBOC selected by the
210 CBOC; and the two members of Board of Education Facilities Subcommittee),
211 shall conduct interviews of interested citizens and make recommendations to
212 the Board for appointments. Selection shall be based on merit and be a
213 transparent process to ensure public confidence in this vital selection process.

214
215 Applicants shall submit a written application form to the Superintendent and
216 CBOC Chair delineating the applicant's qualifications to serve on the CBOC
217 and one of the CBOC Subcommittees. On this form, applicants shall
218 acknowledge their commitment to faithfully attend the meetings of the CBOC
219 and the assigned Subcommittee and to serve the best interests of the
220 community.

221
222 The Board shall have the authority at its sole discretion to select and appoint
223 the Committee. While the Committee must consist of at least seven members,
224 the Board intends the Committee to consist ~~of between 15 and 21~~ 13
225 members. ~~However, the Board shall determine the final size of the~~
226 ~~Committee.~~

227
228 As required by law, Committee membership shall include the following categories:

- 229
230
- 231 a. One member shall, at the time of appointment, be active in a business
232 organization representing the business community of the district;
 - 233
234 b. One member shall, at the time of appointment, be active in a senior
235 citizens' organization, which may be a local, regional, statewide or national
236 organization;
 - 237
238 c. One member shall, at the time of appointment, be active in a bona fide
239 taxpayers' organization, which may be a local, regional, statewide or national
240 organization;
 - 241
242 d. One member shall, at the time of appointment, be the parent or guardian of
243 at least one child currently enrolled in a school of the district;
 - 244
245 e. One member shall, at the time of appointment, be a parent or guardian of at
246 least one child currently enrolled in a school of the district and be an active
247 member in a district parent-teacher organization, such as the PTA or school
248 site council.
- 249

**West Contra Costa USD Board Policy (BP) 7214.2 - Citizens' Bond Oversight Committee
Proposed amendments August 2, 2015**

f. Committee membership shall also include ~~but not be limited to, at the discretion of the Board,~~ the following community members:

(1) One member shall be recommended by each City Council from the cities of EI Cerrito, Hercules, Pinole, Richmond and San Pablo;

(2) Two members shall reside in unincorporated areas of the district and shall be recommended by the County Supervisors of each respective unincorporated area;

(3) One member shall be recommended by each member of the Board of Trustees; These five positions will be eliminated upon the expiration of the terms or the resignation(s) of the members currently appointed to these positions.

(4) One member shall, at the time of appointment, represent the Contra Costa Building and Construction Trades Council.

This position will be eliminated upon the expiration of the term or the resignation of the member currently appointed to this position.

~~(4)~~ (5) One member shall, at the time of appointment, be a member of Public Employees Union Local 1 (without being a district employee).

This position will be eliminated upon the expiration of the term or the resignation of the member currently appointed to this position.

(6) One member from the general community in order to allow for a greater pool of qualified candidates to apply. Appointment to this position shall be made upon approval of this Policy change.

Pursuant to Education Code Section 15282(b), no employee or official of the district shall be appointed to the Committee. Additionally, no vendor, contractor, or consultant of the district shall be appointed to the Committee. If, while serving on the Committee, a member becomes an official or

employee of the district or becomes a vendor, contractor or consultant of the district, their membership on the Committee shall cease immediately.

Members of the Citizens' Oversight Committee may serve for no more than three consecutive terms of two years each. Committee members who wish to be appointed for a second or third two-year term shall reapply to the Board for consideration. (Education Code 15282) Committee members shall receive no remuneration for their participation on the Committee.

**West Contra Costa USD Board Policy (BP) 7214.2 - Citizens' Bond Oversight Committee
Proposed amendments August 2, 2015**

292 A Committee member who no longer serves as a representative of the
293 designated group she/he was appointed to represent (e.g., ceases to be active
294 within a taxpayers' organization, or ceases to have a child enrolled in the
295 district) shall be allowed to complete his/her term. However, that Committee
296 member shall not be entitled to serve a subsequent term as a representative of
297 the designated group.

298
299 Within sixty (60) days of being notified of a Committee vacancy, the Board
300 will appoint a new member to complete the term of the vacancy following
301 the process used to select the original Committee members, provided an
302 eligible and willing candidate is available and ready to serve.

303
304 Committee members shall be subject to prohibitions regarding
305 incompatibility of office pursuant to Government Code 1125-1129 and
306 financial interest in contracts pursuant to Government Code 1090- 1098.

307
308 The Committee shall establish an attendance policy and procedures for the
309 removal from the Committee for a violation of this policy.

310
311 The Committee will determine when a seat on the Committee becomes
312 vacant and a new Committee member will be named by the Board if one or
313 more of the following events occur:

- 314
315 a. The Committee member submits a written resignation;
316
317 b. The Committee member fails to meet the participation requirements
318 above

319
320 An individual who replaces such a member shall serve until the completion
321 of the original member's term. Thereafter, the member must apply for an
322 additional term if she/he wishes to remain on the Committee. A member who
323
324 is replaced may appeal to the Board for the Board to reappoint that person to
325 the Committee.

326
327 **Legal Reference**

328
329 **EDUCATION CODE**

330
331 15278-15288
332

**West Contra Costa USD Board Policy (BP) 7214.2 - Citizens' Bond Oversight Committee
Proposed amendments August 2, 2015**

333 CALIFORNIA CONSTITUTION

334

335 Article, XITIA, Section 1 (b)

336 Article XVI, Section 18 (b)

337 Policy WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

338

339 Adopted: August 2008 Richmond, California

340 Revised: January 9, 2008,

341 Revised: November 16, 2011

342

343 Revised: May 14, 2014

344

345 Revised: _____ 2015

346

Subj: **Grand Jury Report**
Date: 8/3/2015 10:57:03 A.M. Pacific Daylight Time
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See attached report for you review and discussion at our next CBOC Data Review SC.

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