



## Measure B Citizen's Bond

A 2017—2018 GLENN COUNTY GRAND JURY REPORT

### ABSTRACT

The Willows Unified School District has successfully passed Measure B Citizen's bond after four failed attempts. With the passing of Measure B in 2016, an oversight committee was created and put into action; by-laws were created; and Phase I of the bond has been completed. See what's next for the schools of Willows Unified School District.

# Passage of school bond provides needed repairs and replacements to Willows schools

## Measure B Citizens Bond



### SUMMARY

Measure B Citizen's Bond request was made to the Willows community for improvement, replacement and maintenance for the Willows Unified School District.

### Acronyms:

- CBOC — Measure B Citizen's Bond Oversight Committee
- WUSD — Willows Unified School District
- DSA — Division of State Architect
- ADA — American Disability Act

### GLOSSARY

- Title 24—California Building Energy Efficiency Standards
- Proposition 51~Public School Facility Bonds (2016)

### EXHIBITS:

- A — Listing of all planned repairs and/or replacements
- B — Tax rate statement
- C — Resolution #2016-17-03 requesting an election for issuance of general obligation bonds for the district
- D — CBOC Bylaws
- E — January Minutes and Financial Statement

Exhibits can be located on pages 61 – 75 of this report.

## PURPOSE:

To ensure that the Citizens Bond Oversight Committee is following their by-laws and providing ongoing information to the Community regarding the completion of work stated in Resolution #2016-17-03 “RESOLUTION CALLING FOR AN ELECTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE DISTRICT AT AN ELECTION TO BE HELD NOVEMBER 8, 2016.”

## BACKGROUND

With the age and non-existence of major repairs on the school buildings and equipment, a Bond request was presented to the Community of Willows in 2008. The greatest opposition was the concern of Capital Appreciation Bonds or other bonds on which interest is compounded.

The School District held several meetings where the community was invited to express the need for improvements to the schools. The community wanted to be sure the Bond would be paid in full at term. Several community meetings were held with discussions of what work would be done and how the bonds would be repaid. After four tries, the request was presented to the community a fifth time in the reduced amount of \$8,000,000 and was passed in 2016.

## METHODOLOGY

1. Interviews with the Willows School District Superintendent and Bond Oversight Committee Chairman
2. Review of the following documents:
  - a. Resolution calling for Bond Issue
  - b. Oversight Committee structure
  - c. Text of Ballot Proposition,
  - d. Tax Rate Statement
  - e. By-Laws for the Oversight Committee
  - f. Minutes of January 30, 2018
  - g. Policies and Procedures

## DISCUSSION

The last time Willows Unified School District requested and passed a School Bond for school repairs and replacement was in 1972. The current administration plans to request a Bond issue every ten years to keep the school properties in good condition.

The infrastructure of schools and public buildings throughout our Country is in dire need of replacement and/or significant major repairs, and Willows Schools are no exception to this misfortune. With the passage of Measure B Citizen's Bond for Schools, Willows school properties will receive much needed repairs. Exhibit "A" is a full text of repairs/replacements that reiterates what will be accomplished with the funds. (See Exhibit A).

The Tax Rate Statement illustrates the cost and results of debt service for the Bonds. (See Exhibit B).

The Willows Unified School District developed Resolution #2016-17-03 requesting an election for issuance of general obligation bonds for the district. (See Exhibit C)

Upon success of the bond passage, a Citizen's Bond Oversight Committee (CBOC) was established. The Committee consists of a diversification of community members. The Bylaws for the Committee are specific in their purpose, duties, activities, membership qualifications, schedule of meetings and reports. According to the by-laws, committee members are limited to two-year and three-year terms. According to the March 14, 2017 CBOC minutes, the current chairperson has a term of three years, but in reviewing the Annual Report as presented on March 8, 2018 to the School Board Meeting, it is noted that the current chairperson states his term as two years. The bylaws state any member of the committee may serve three consecutive terms, which could amount to nine years of service. (See Exhibit D)

With the passage of the Bond, Willows Unified School District was able to present an application for matching funds under the new Proposition 51 that was passed by the State of California in 2016. Without the passage of Measure B Citizen's Bond for Schools, the District would not be eligible for Proposition 51 matching funds. Proposition 51 requires school districts to have matching funds available before they apply for State funds.

After the Bond was passed, plans for repairs and replacements (Exhibit A) were sent to the State Board of Education for approval. Upon approval by the State, the Division of State Architect (DSA) was contacted for approval of plans. DSA reviews construction projects under its jurisdiction for Title 24 compliance. The scope of DSA's review depends on the client who owns the facility and the scope of the project.

"The majority of DSA's plan review and construction oversight focuses on new construction and alteration projects for California school and community college districts. DSA's oversight for structural safety of school facilities is governed by the provisions of the Field Act contained in the California Education Code sections 17280, et seq. for K-12 and 81130, et seq. The Field Act imposes important requirements on California schools that are not present in other types of construction." <http://www.dgs.ca.gov/dsa/home.aspx>

As per minutes of the Citizen's Bond Committee on January 30, 2018, the first phase was completed. (See attached minutes and calculations of Revenue - Fund 21( Exhibit E).

When the Grand Jury interviewed the CBOC, they had yet to notify the public on the update to the facilities that the bond provided. It was reported that the projects are currently posted on the District website, yet at the time of the interview the Grand Jury investigative team could not locate information on the website showing the current completed planned repairs or dates of scheduled Measure B CBOC meetings. The investigating committee could not find any publications, news items or fliers that let the Community know about the progress of Measure B.

Soon after our interview with the Superintendent and CBOC Chairman, the school district made public the financial statement to the local newspaper.

The Superintendent and the Bond Committee Chair stated that a letter will be sent to all schools as “take home information” stating what has been completed and will be completed this year. This “letter” may not be received by other community members who do not have children in school or who do not have internet access. There are two local newspapers that could be used to give the community an up-date on the progress of Measure B.

Current repairs in Phase I have been completed as reported in the January minutes of the CBOC meeting:

*Murdock Elementary School (MES):*

- DSA approval for six portable replacement structures and one additional toilet room will begin this spring and is scheduled to be completed by the first day of school in the fall.
- Front windows have been replaced
- Cafeteria tables were installed

*Willows Intermediate School (WIS)*

- Cafeteria tables were installed.
- Toilet Room plans were DSA approved
- Landscaping in the front of the school has been completed (District Funds).

*Willows High School (WHS)*

- IT/Wiring upgrade was completed
- Gym/Bleachers/HVAC/Locker Room Upgrade plans have been approved by DSA.
- Work will begin this spring and scheduled to be completed before school starts.

At the time of the interview, it was stated that all classrooms are in full use and Bond funds will be used to update all ADA requirements, including flip door handles.

As of this report, several items listed in the Exhibit A have been completed and plans for the Murdock Elementary School replacement of portables have been approved by DSA. Removal of current portable buildings and construction of new ones will begin in the spring of 2018 with completion for use in the fall of this year. Other projects include replacement of windows, new cafeteria tables, IT wiring upgrade, paving of high school parking with ADA access, landscaping and toilet rooms with ADA approved access.

In our interview with the Superintendent and the Chairman of the Oversight Committee, it was stated that the website did not show the above Minutes or Review of Expenditures as of January 25, 2018.

The by-laws states in Section 3.1 that “The Committee shall review quarterly expenditures report produced by the District to ensure that (a) Bond Proceeds are expended only for the purpose set forth in the ballot measure: (b) no Bond Proceeds are used for any teacher or administration salaries or operating expenses of the district.” Between August 23, 2017 and January 30, 2018 no information regarding expenditures were reviewed by the Committee due to not having a meeting during that time.

Section 6.1 Meetings of the Committee, “The Committee shall establish a **schedule** for the date and time of **regular meetings** to be held periodically to include an annual organizational meeting to be held annually”. Meetings were held on March 14, 2017, April 12, 2017, April 25, 2017 and August 23, 2017. Notifications of meetings were posted on the website as per the Brown Act. No meetings were held in May, June, July, September, October, November or December 2017. The notice of the January 30, 2018 meeting was posted January 26, 2018 along with the minutes of August 23, 2017.

**FINDINGS and RECOMMENDATIONS**

Findings	Recommendations
<p><b>F1.</b> CBOC Meetings and Expenditure Reports have not been completed as per Bylaw requirements.</p>	<p><b>R1.</b> The Bylaws set by the Willows Unified School Board should be adhered to by the CBOC. Quarterly scheduled meetings to review the expenditures and progress should be held to comply with the Bylaws.</p>
<p><b>F2.</b> CBOC Bylaws may appear contradictory in Section 3.1 and Section 6.1</p>	<p><b>R2.</b> Clarify the Bylaws Sections 3.1 schedule of monthly meetings clarifying Section 6.1, schedule quarterly financial meeting, to coincide with the required quarterly review of expenditures as stated in Section 3.1.</p>
<p><b>F3.</b> The Community has not been advised of the ongoing improvements on a regular basis.</p>	<p><b>R3.</b> To insure the information regarding the Measure B Citizens Bond reaches the broader public, it is recommended to adopt any policies that accomplishes this goal such as using local newspapers, newsletters, sent to schools as take-home-information and the use of other available media.</p>
<p><b>F4.</b> The March 14, 2017 minute’s state that three members were drawn for a three-year term and the remaining members for two year terms. The CBOC annual report given to the School Board on March 8, 2018, the current chairperson states his term to be two-years when in actuality it is three years as per their March 14, 2017 minutes. The term for this person needs to be clarified.</p>	<p><b>R4.</b> It is recommended the CBOC review their meetings and reports to bring transparency and accuracy of all information given to the public</p>

**CONCLUSION:**

As the work continues on meeting the repairs/replacements as identified in Measure B Citizens Bond, the Bond Committee and the Willows Unified School District are required to let the voters and school community know the progress made and how the funds are being used. There is reason

to believe that if everyone is aware of the progress, the community will be more acceptable to the next bond request.

The 2017 – 2018 Grand Jury would like to thank the Oversight Committee to the Measure B Citizens bond for informing the public by publishing the financials and progress of the local school bond.

Due to this being an on-going project, future Grand Juries are requested to ensure that:

- Expenditures are in line with Exhibit A
- Information will be given to the community informing them of the commitment of Measure B Citizens Bond
- Citizens Committee is meeting and posting minutes as per their Bylaws.

## REQUEST FOR RESPONSES

*Pursuant to Penal Code section 933.05, the Glenn County Grand Jury requests a thorough and complete response statements from:*

### Elected Officials or Heads of Departments:

- Willows Unified School District Superintendent
- Citizen’s Bond Oversight Committee (CBOC)

### From the Governing Bodies:

- Willows School District Board of Directors

## DISCLAIMER:

Two members of the current Grand Jury have recused themselves from this interview due to being involved in the local school systems.

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

**Exhibit A: Willows Unified School District: Measure B, Ballot Proposition**

**EXHIBIT “A”**

**FULL TEXT BALLOT PROPOSITION OF THE  
WILLOWS SCHOOL DISTRICT BOND ELECTION  
FOR NOVEMBER 8, 2016**

**“To modernize Willows schools, upgrade safety systems, improve infrastructure and accessibility, replace portables with permanent classrooms, and make other repairs to outdated facilities, shall Willows Unified School District be authorized to issue \$8,000,000 in bonds at legal interest rates, using NO Capital Appreciation Bonds (CABs) and requiring a responsible duration and repayment cost, with a Citizens’ Oversight Committee and annual audits to ensure funds are ONLY spent improving LOCAL classrooms and facilities, and NOT for any other purpose?”**

Bond proceeds will be expended to modernize, replace, renovate, expand, construct, acquire, equip, furnish and otherwise improve the classrooms and school facilities of the District as specified below:

- Modernize classrooms at all school sites, including interior improvements and technology infrastructure upgrades
- Improve ADA access to classrooms, bathrooms and other facilities at all school sites
- Improve student safety by removing outdated, hazardous building materials, including asbestos at all school sites
- Repair and replace portables with permanent classrooms at Murdock
- Repair and replace windows and repair, replace, install and upgrade safety systems such as fire alarms, telephones, clocks and bells at Willows High and Murdock
- Repair or replace leaky roofs at Willows High
- Repair, replace and install HVAC in the Willows High gym
- If sufficient State Aid funding becomes available, make other repairs and improvements to all school sites
- Address unforeseen conditions and latent defects in materials revealed by these projects (e.g. dry rot, structural, etc.)
- Perform necessary site preparation/restoration in connection with construction and/or provide temporary housing to facilities completion of projects

**ACCOUNTABILITY SAFEGUARDS**

- NO Capital Appreciation Bonds (CABs) or other bonds on which interest is compounded.
- A responsible repayment ratio of NO MORE THAN 2.5:1, meaning each dollar of bonds sold will cost taxpayers NO MORE THAN \$2.50 TO PAY OFF, including interest.

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**Appendix A: Willows Unified School District: Measure B, Ballot Proposition –  
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- Bond may be sold competitive OR negotiated, as determined by what is MOST ADVANTAGEOUS in the market at the time of sale.
- The bonds shall bear interest at a rate not to exceed 8% per year.
- The bonds shall mature no later than 25 years from their date of issuance.
- The District shall appoint a Citizens' Oversight Committee for the bonds to ensure that all bond proceeds are spent in accordance with the foregoing Project List.
- Additional Sources of Funding. The District will use a portion of its own operating budget to meet some of the needs and actively work to gain as much State facilities funding as possible to further improve Willows schools.

**Exhibit B: Willows Unified School District: Measure B, Tax Rate Statement**

**Tax Rate Statement**

An election will be held in the Willows Unified School District (the "District") on November 8, 2016 to authorize the sale of \$8,000,000 in general obligation bonds. The following information is submitted in compliance with Sections 9400-9404 of the California Elections Code.

The best estimate of the tax rate that would be required to fund this bond issue during the first fiscal year after the sale of the first series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$0.045 per \$100 (\$45.00 per \$100,000) of assessed valuation in fiscal year 2017-18.

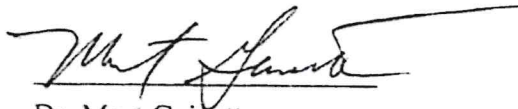
The best estimate of the tax rate that would be required to fund this bond issue during the first fiscal year after the sale of the only proposed series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$0.045 per \$100 (\$45.00 per \$100,000) of assessed valuation in fiscal year 2017-18.

The best estimate of the highest tax rate that would be required to fund this bond issue, based on estimated assessed valuations available at the time of filing this statement, is \$0.045 per \$100 (\$45.00 per \$100,000) of assessed valuation.

The best estimate of the total debt service, including the principal and interest, that would be required to be repaid if all the bonds are issued and sold is \$14,353,000.

These estimates are based on projections derived from information obtained from official sources. The actual tax rates, the years in which they will apply and the total debt service may vary depending on the timing of bond sales, the amount of bonds sold at each sale, actual increases in assessed valuations and actual interest rates at the time of each bond sale. The timing of the bond sales and the amount of bonds sold at any given time will be determined by the needs of the District. Actual assessed valuations will depend upon the amount and value of taxable property within the District as determined in the assessment and the equalization process. Actual interest rates will depend upon market conditions at the time of sale.

Dated: 8/11/16



Dr. Mort Geivett  
 Superintendent  
 Willows Unified School District

Exhibit C: School District Measure B Citizens Bond – Resolution #2016 -17 - 03  
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EXHIBIT “A”

WILLOWS UNIFIED SCHOOL DISTRICT  
Glenn County, State of California

RESOLUTION #2016-17-03

RESOLUTION CALLING FOR AN ELECTION AUTHORIZING THE ISSUANCE OF  
GENERAL OBLIGATION BONDS OF THE DISTRICT AT AN ELECTION TO BE  
HELD NOVEMBER 8, 2016

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WHEREAS, the Board of Education (the “Board”) of the Willows Unified School District (the “District”), within the County of Glenn, California (the “County”), is authorized to order elections within the District for the purpose of considering, *inter alia*, bond measures to meet the ongoing capital improvement needs of the District, pursuant to the Constitution of the State of California (the “State”) and the Education Code of the State (the “Education Code”); and

WHEREAS, Section 18 of Article XVI and Section 1 of Article XIII A of the Constitution of the State and Section 15266 *et seq.* of the Education Code (collectively, “Prop 39”) provide for a methodology by which the District may call for an election and, upon approval by 55% or more of the qualified voters voting on the bond measure, issue its general obligation bonds and cause the County to levy an *ad valorem* property tax to pay debt service on said bonds; and

WHEREAS, this Board has determined it to be in the best interests of the District to call such an election under Prop 39, as further described herein; and

WHEREAS, this Board has determined that the election to be conducted on November 8, 2016 (the “Election Date”) meets the consolidation requirements of the Education Code and any County or local measure or election may be consolidated with the Statewide general election then pending; and

WHEREAS, the Board wishes to specify the manner in which the District shall call a bond election on the Election Date and to demonstrate compliance with related requirements of the Constitution, the Education Code and the Elections Code of the State;

NOW, THEREFORE, be it hereby resolved, determined and ordered by the Board of Education of the Willows Unified School District as follows:

Section 1. Recitals. All of the foregoing recitals are true.

Section 2. Determination to Proceed under Prop 39. The provisions of Prop 39 shall control the administration of the election to consider the bond proposition of the District (the “Bond Proposition”), such that a favorable vote of no less than 55% of the qualified voters voting at the election shall constitute approval thereof, and the Board hereby declares its intention to meet the pertinent requirements of Prop 39.

**Exhibit C: School District Measure B Citizens Bond – Resolution #2016 -17 - 03**  
**Page 2**

Section 3. Bond Proposition. This Board does hereby order and request that the Glenn County Clerk-Recorder (herein called the “Clerk-Recorder”) call an election (in the performance of her duties and in the exercise of her power, alone, or with the assistance of such other officers of the County as she may request) to consider the proposition attached hereto as **Exhibit A** on November 8, 2016 (the “Bond Measure”), which constitutes the election order prescribed under California Education Code Section 15122 and Elections Code 13247.

The Clerk-Recorder is hereby requested to reprint **Exhibit A** in its entirety in the voter information pamphlet to be distributed to voters pursuant to Section 13307 of the Elections Code. As required under Elections Code Section 13247, the abbreviated form of the Bond Measure to appear on the ballot is attached hereto as **Exhibit B**. Pursuant to Section 18, Article XVI and Section 1, Article XIII A of the Constitution of the State, the foregoing Bond Measure shall become effective upon the favorable vote of no less than 55% of those qualified voters voting on the proposition.

Section 4. Consolidation of Bond Election: Services of County. Pursuant to Section 1258 of the Education Code, the Superintendent of the District is hereby authorized to contract with the Clerk-Recorder, who is hereby requested and authorized to perform such duties as may be required by law, necessary or useful, or customary and appropriate in the conduct of said Bond Election, including the consolidation of the Bond Election with the general election within the territory of the District being conducted on the Election Date.

The precincts, polling places for said precincts in the County, and persons appointed and designated to serve as election officers for said Bond Election will be those determined, designated, and appointed pursuant to state law by the Clerk-Recorder. The County is hereby requested to tally and canvass the returns of the election, in accordance with Section 10411 of the Elections Code. The District agrees to reimburse the County for all services related to the Bond Election, such services to include the publication of the Formal Notice and a Tax Rate Statement (described in Section 9401 of the Elections Code) pursuant to the terms of 5363 of the Education Code and Section 12112 of the Elections Code.

Section 5. Approval of Project List: Accountability Safeguards. The District has developed a list of certain capital projects which are a priority in order to meet the obligations of the District to provide education to the children of its residents, as more particularly identified on **Exhibit A** hereto, which is incorporated herein by this reference. **Exhibit A** is hereby certified by this Board as the Project List (the “Project List”) for funding, either in whole or in part, with the proceeds of the Bonds. This certification of the Project List shall not be interpreted by and does not constitute an official approval of any listed project for the California Environmental Quality Act (“CEQA”) or other purposes, but only as a statement of present intention and commitment of this Board. Notwithstanding the foregoing, only those acquisitions and other capital improvements included on the Project List may be funded, in whole or in part, with the proceeds of the Bonds. Additional moneys may be obtained for listed projects, in supplementation of the Bond proceeds, from any lawful source of moneys.

The Board hereby confirms that it has, in the development of the Project List appended hereto, evaluated and taken into consideration safety, class size reduction and information technology needs.

**Exhibit C: School District Measure B Citizens Bond – Resolution #2016 -17 - 03**  
**Page 3**

Section 6. Citizens' Oversight Committee. Pursuant to Section 15278 *et seq.* of the Education Code, within 60 days following the certification by this Board of the official results of the Bond Election by the County, this Board is required to appoint a Citizens Oversight Committee (the "Committee") to insure the District's compliance with the foregoing as well as all applicable restrictions, including those on Exhibit A hereto, and to perform the duties established under the Education Code for such committees. To assist the Committee in its statutory obligations, the District shall cause to be conducted an annual independent performance audit and an annual independent financial audit on the expenditure of Bond proceeds; the audits shall be performed under contract with appropriate persons or firms as shall be subsequently brought for approval before this Board. The financial audit may be consolidated with the annual audit of the District's financial statement and may be performed by the same accounting firm, without further approval by this Board.

The results of the annual audits performed hereunder shall be reported to the Board and to the Committee at least annually, and more often, if the Board shall so direct.

Section 7. No Administrators' or Teachers' Salaries to Be Paid from Bond Proceeds. In accordance with Prop 39, the Board hereby confirms that no administrators' or teachers' salaries shall be paid or reimbursed, in whole or in part, from Bond proceeds, nor shall such proceeds be used to pay any other operating expenses of the District. Notwithstanding the foregoing, costs of administering the Bond Election and costs of issuance of the Bonds shall be lawful charges against Bond proceeds.

Section 8. Other Terms of the Bonds. The maturity of any bonds issued pursuant to the Bond Measure and under Chapter 1.5, Part 10, Division 1, Title 1 of the Education Code (commencing with Section 15264), as amended, and Article XIII A of the California Constitution ("Article XIII A") shall not exceed twenty-five (25) years as to maturity and shall bear interest at a rate not to exceed 8% per annum. The maturity of any bonds issued pursuant to the Bond Measure and under Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, as amended, applicable provisions of the Education Code and Article XIII A shall not exceed the applicable legal limits as to maturity, and shall bear interest at a rate not to exceed 8% per annum.

Section 9. Approval of Election Consolidation: Delivery of Order of Election. The Clerk of the Board is hereby directed to deliver, no later than August 12, 2016, one certified copy of this Resolution to the Board of Supervisors of the County and one copy to the Clerk-Recorder, together with the Tax Rate Statement to be prepared by the District's Financial Advisor (appointed below) and executed by the Superintendent of the District.

Section 10. Ballot Arguments. The members of the Board, or any one member or group thereof, are hereby authorized, but not directed, to file a formal Argument in Favor of the Bond Measure given above, with the Clerk-Recorder within the time limits established for such arguments by the Clerk-Recorder.

Section 11. Retention of Consultants. The District hereby confirms the hiring of consultants to provide for special services in connection with the proposed issue(s) of Bonds which may be authorized at the Election, to wit, (i) the law firm of Dannis Woliver Kelley as Bond Counsel to the District ("Bond Counsel") and (ii) the financial advisory firm of Eastshore

**Exhibit C: School District Measure B Citizens Bond – Resolution #2016 -17 - 03**  
**Page 4**

Consulting LLC, as Financial Advisor to the District (the “Financial Advisor”), upon conditions as may be set forth in the respective fee agreements heretofore negotiated and executed on behalf of the District by the Superintendent.

Section 12. Reimbursement of Qualified Project Expenditures. The Board presently intends and reasonably expects to have tax-exempt obligations (the “Obligations”) issued on its behalf within 18 months of the date of the expenditure of moneys on the Projects outlined in the foregoing Project List or the date upon which a Project is placed in service or abandoned, whichever is later (but in no event more than 3 years after the date the original expenditure of such moneys is paid), and to allocate an amount not to exceed 10% of the proceeds thereof to the reimbursable expenditures in connection with the Project, as may be qualified under the provisions of Section 1.150-2 of the Treasury Regulations of the Internal Revenue Service (the “Reimbursable Expenditures”). All of the Reimbursable Expenditures covered by this Resolution were paid not earlier than 60 days prior to the date of this Resolution. The Board intends to allocate within 30 days after the date of issue of the Obligations the proceeds therefrom to reimburse the District for the Reimbursable Expenditures. With respect to the proceeds of the Obligations allocated to reimburse the District for prior expenditures, the Board hereby covenants not to employ an abusive device under Treasury Regulation Section 1.148-10, including using within one year of the reimbursement allocation, the funds corresponding to the proceeds of the Obligations in a manner that results in the creation of replacement proceeds, as defined in Treasury Regulation Section 1.148-1, of the Obligations or another issuer of tax-exempt obligations.

The above provision is made solely for the purpose of establishing compliance with the requirements of said Section 1.150-2 of the Treasury Regulations. This provision does not bind the District or the Board to make any expenditure, incur any indebtedness, or proceed with the financing, acquisition or construction of the Project.

Section 13. Ratification. All actions heretofore taken by the officers, or their respective designees, employees and agents of the Board and the District in connection with the financing of the facilities on the Project List are hereby ratified and confirmed. The officers and their designees, the employees and agents of the Board and the District are hereby authorized to take any and all actions in connection with the financing of said facilities and as may be necessary and consistent with the purposes of this Resolution.

Section 14. Authorization of Further Acts. The members of this Board, the Superintendent, any assistant thereto, and all other staff or officers of the District are hereby authorized and directed, individually and collectively, to do any and all things necessary or advisable in order to effectuate the purposes of this Resolution.

**Exhibit C: School District Measure B Citizens Bond – Resolution #2016 -17 - 03**  
**Page 5****ATTACHMENT A**  
**CITIZENS' BOND OVERSIGHT COMMITTEE**  
**ETHICS POLICY STATEMENT**

This Ethics Policy Statement provides general guidelines for Committee members to follow in carrying out their roles. Not all ethical issues that Committee members face are covered in this Statement. However, this Statement captures some of the critical areas that help define ethical and professional conduct for Committee members. The provisions of this Statement were developed from existing laws, rules, policies and procedures as well as from concepts that define generally accepted good business practices. Committee members are expected to strictly adhere to the provisions of this Ethics Policy.

**POLICY**

- **CONFLICT OF INTEREST.** A Committee member shall not make or influence a District decision related to: (1) any contract funded by Bond Proceeds or (2) any District construction project which will benefit the committee member's outside employment, business, or a personal finance or benefit an immediate family member, such as a spouse, child or parent.

- **OUTSIDE EMPLOYMENT.** A Committee member shall not use his or her authority over a particular matter to negotiate future employment with any person or organization that relates to: (1) any contract funded by Bond Proceeds, or (2) any District construction project. A Committee member shall not make or influence a District decision related to any construction project involving the interest of a person with whom the member has an agreement concerning current or future employment, or remuneration of any kind. For a period of two (2) years after leaving the Committee, a former Committee member may not represent any person or organization for compensation in connection with any matter pending before the District that, as a Committee member, he or she participated in personally and substantially. Specifically, for a period of two (2) years after leaving the Committee, a former Committee member and the companies and businesses for which the member works shall be prohibited from contracting with the District with respect to: (a) bidding on projects funded by Bond Proceeds; and (b) any District construction project.

- **COMMITMENT TO UPHOLD LAW.** A Committee member shall uphold the federal and California Constitutions, the laws and regulations of the United States and the State of California (particularly the Education Code) and all other applicable government entities, and the policies, procedures, rules and regulations of the Willows Unified School District.

- **COMMITMENT TO DISTRICT.** A Committee member shall place the interests of the District above any personal or business interest of the member.

**Exhibit D: School District Measure B Citizens Bond – Oversight Committee Bylaws,  
Page 1**

**WILLOWS UNIFIED SCHOOL DISTRICT  
CITIZENS' BOND OVERSIGHT COMMITTEE  
BYLAWS**

**SECTION 1. COMMITTEE ESTABLISHED.** Willows Unified School District (the "District") was successful at the election conducted on November 8, 2016, in obtaining authorization from the District's voters to issue up to \$8,000,000 aggregate principal amount of the District's general obligation bonds, pursuant to a 55% vote (the "Authorization"). The election was conducted under Proposition 39, being chaptered as the Strict Accountability in Local School Construction Bonds Act of 2000, at Section 15264 et seq. of the Education Code of the State ("Prop 39"). Pursuant to Section 15278 of the Education Code, the District is now obligated to establish the Committee in order to satisfy the accountability requirements of Prop 39. The Board of Education of the Willows Unified School District (the "Board") hereby establishes the Citizens' Bond Oversight Committee (the "Committee") which shall have the duties and rights set forth in these Bylaws.

**SECTION 2. PURPOSES.** The purposes of the Committee are set forth in Prop 39, and these Bylaws are specifically made subject to the applicable provisions of Prop 39 as to the duties and rights of the Committee. The Committee shall be deemed to be subject to the Ralph M. Brown Public Meetings Act of the State of California and shall conduct its meetings in accordance with the provisions thereof. The District shall provide necessary administrative support to the Committee as shall be consistent with the Committee's purposes, set forth in Prop 39.

The proceeds of general obligation bonds issued pursuant to the Authorization are hereinafter referred to as "Bond Proceeds."

**SECTION 3. DUTIES.** To carry out its stated purposes, the Committee shall perform the following duties:

- 3.1 **Review Expenditures.** The Committee shall review quarterly expenditure reports produced by the District to ensure that (a) Bond Proceeds are expended only for the purposes set forth in the ballot measure; (b) no Bond Proceeds are used for any teacher or administrative salaries or other operating expenses of the District.
- 3.2 **Annual Report.** The Committee shall present to the Board, in public session, an annual written report which shall include the following:
  - (a) A statement indicating whether the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution; and
  - (b) A summary of the Committee's proceedings and activities for the preceding year.



**Appendix D: School District Measure B Citizens Bond – Oversight Committee Bylaws, Page 2**

**SECTION 4. AUTHORIZED ACTIVITIES.**

- 4.1 In order to perform the duties set forth in Section 3.0, the Committee may engage in the following authorized activities:
- (a) Receive and review copies of the District’s annual independent performance audit and annual independent financial audit, required by Article XIII A of the California Constitution.
  - (b) Inspect school site facilities and grounds for which Bond Proceeds have been or will be expended, in accordance with any access procedure established by the Superintendent.
  - (c) Review copies of deferred maintenance proposal or plans developed by the District.
  - (d) Review the District’s efforts to maximize use of Bond Proceeds in ways designed to: (1) reduce costs of professional fees or site acquisition; (2) incorporate efficiencies in school site design; (3) encourage joint use of core facilities; or (4) involve cost-effective and efficient reusable facility plans.
- 4.2 Make requests for copies or inspection of District records in writing to the District’s Superintendent.

**SECTION 5. MEMBERSHIP.**

- 5.1 Number. The Committee shall consist of a minimum of 7 members appointed by the Board from a list of candidates submitting applications and based on criteria established by Prop 39, to wit:
- (1) at least one representative of the local business community;
  - (2) at least one person active in a senior citizens’ organization;
  - (3) at least one person active in a bona fide taxpayers’ organization;
  - (4) the parent or guardian of a child who is enrolled in the District;
  - (5) the parent or guardian of a child enrolled in the District and active in a parent-teacher organization, such as the Parent Teacher Association or School Site Council.
- 5.2 Qualification Standards.
- (a) To be a qualified person, he or she must be at least 18 years of age and reside within the District’s geographic boundary, in accordance with Government Code Section 1020.

**Appendix D: School District Exhibit D: Measure B Citizens Bond – Oversight Committee Bylaws, Page 3**

- (b) The Committee may not include any employee, official of the District or any vendor, contractor or consultant of the District.
- 5.3 Ethics: Conflicts of Interest. By accepting appointment to the Committee, each member agrees to comply with Articles 4 (commencing with Section 1090) and 4.7 (commencing with Section 1125) of Division 4 of Title 1 of the Government Code and the Political Reform Act (Gov. Code §§ 81000 et seq.). Additionally, each member shall comply with the Committee Ethics Policy attached as Attachment A to these Bylaws.
- 5.4 Term. Except as otherwise provided herein, each member shall serve a minimum term of two (2) years, beginning February, 2017. No member may serve more than three (3) consecutive terms. At the Committee’s first meeting, members shall draw lots to select a minimum majority for an initial two (2)-year term and the remaining members for an initial three (3)-year term.
- 5.5 Removal: Vacancy. The Board may remove any Committee member for cause, including failure to attend three consecutive Committee meetings or for failure to comply with the Committee Ethics Policy. Upon a member’s removal, his or her seat shall be declared vacant. The Board, in accordance with the established appointment process, shall fill any vacancies on the Committee.
- 5.6 Compensation. The Committee members shall not be compensated for their services.

**SECTION 6. MEETINGS OF THE COMMITTEE.**

- 6.1 Regular Meetings. The Committee shall establish a schedule for the date and time of regular meetings to be held periodically to include an annual organizational meeting to be held annually.
- 6.2 Location. All meetings shall be held at 823 West Laurel Street, located at Willows, California, or at some other location within the District freely accessible to the public, as may be designated by the Committee on the particular agenda.
- 6.3 Procedures. All meetings shall be open to the public in accordance with the Ralph M. Brown Act, Government Code Section 54950 et seq. Meetings shall be conducted according to such additional procedural rules as the Committee may adopt. A majority of the number of Committee members shall constitute a quorum for the transaction of any business except adjournment.

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Page 4**

**SECTION 7. DISTRICT SUPPORT.**

- 7.1 The District shall provide to the Committee necessary technical and administrative assistance as follows:
- (a) preparation of and posting of public notices as required by the Brown Act, ensuring that all notices to the public are provided in the same manner as notices regarding meetings of the Board;
  - (b) provision of a meeting room, including any necessary audio/visual equipment;
  - (c) preparation and copies of any documentary meeting materials, such as agendas and reports; and
  - (d) retention of all Committee records, and providing public access to such records on an Internet website maintained by the District.
- 7.2 District staff shall attend all Committee proceedings in order to report on the status of projects and the expenditures of Bond Proceeds.

**SECTION 8. REPORTS.** In addition to the Annual Report required in Section 3.2, the Committee shall report to the Board periodically in order to advise the Board on the activities of the Committee. Such report shall be in writing and shall summarize the proceedings and activities conducted by the Committee.

**SECTION 9. OFFICERS.** The Committee shall elect a chair and a vice-chair who shall act as chair only when the chair is absent, which positions shall continue for two (2) year terms. No person shall serve as Chair for more than two consecutive terms.

**SECTION 10. AMENDMENT OF BYLAWS.** Any amendment to these Bylaws shall be approved by a two-thirds vote of the entire Board.

**SECTION 11. TERMINATION.** The Committee shall automatically terminate and disband at the earlier of the date when (a) all Bond Proceeds are spent, or (b) all projects funded by Bond Proceeds are completed.

**Appendix D: School District Exhibit D: Measure B Citizens Bond – Oversight Committee Meeting, Page 1**

**WILLOWS UNIFIED SCHOOL DISTRICT**

**MEASURE B (CITIZENS’ BOND OVERSIGHT COMMITTEE MEETING)**

Tuesday, January 30, 2018 - 5:30 p.m.  
Willows Unified School District Office  
823 W. Laurel Street - Room 201  
Willows, CA 95988

**MINUTES**

Members Present: Jim Lambert, Sylvia Hoenike, David McDonald, Jamie Millen, Janet Perez, and Michelle Thomas

Members Absent: Dennis Asbury and Natalie Wolder

District Staff Present: Mort Ceil, Debby Beymer, and Julie Soth

1. Call to Order - Jim Lambert called the meeting to order at 5:35 p.m.
2. Approve Agenda
3. Approve Minutes of August 23, 2017 - Jamie Millen moved seconded by Sylvia Hoenike to approved the minutes of August 23, 2017.  
AYES: Lambert, Hoenike, McDonald, Millen, Perez, Thomas  
NOES: None  
ABSENT: Asbury, Wolder  
MOTION PASSED: 6-0-2
4. Public Comments None
5. Committee Member Reports
  - o Jim Lambert reported that he and Dr. Geivett met with members of the Grand Jury on January 29, 2018 to discuss the bond and answer questions.
6. Projects Update for Phase I
  - o Murdock Elementary School (MES)
    - Dr. Geivett went over the site plans for the MES portable replacement and addition of toilet room. They have been DSA approved, and work will begin this spring and scheduled to be completed by the first day of school.
    - Front windows have been replaced
    - Cafeteria tables were installed.
  - o Willows Intermediate School (WIS)
    - Cafeteria tables were installed.
    - Toilet Room plan, were DSA approved (along with MES plans)
    - Landscaping in the front of the school has been completed (District Funds).
  - o Willows High School (WHIS)
    - o IT Wiring upgrade was completed

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MINUTES - Measure B CBO," Meeting ' January 30. 2018

- Gym Bleachers,HV AC Locker Room Upgrade plans have been approved by DSA. Work will begin this spring and scheduled to be completed before school starts
- 7. Budget — Debby Beymer, Director of Business Services, distributed and went over the expenditures for Measure B to date. Total revenue available is \$7,871,314.93. Total expenditures to date is \$2,247,612.60. Total remaining bond funds is \$5,623,702,33.
- 8. Report to WUSD Board — CBOC members will present the annual report to the WUSD Board at its March 8, 2018 meeting. Jim Lambert will take the lead in writing it up. with the help of Janet Perez.
- 9. Informing the Public About Projects — Several ideas were discussed on how to notify the voters as to what projects the bond money will fund. Ideas included a mailing, newspaper ad. story in the papers, social media. and sending home information with students. Projects are currently posted on the District website,
- 10. Future Agenda items — David McDonald requested that " Public Outreach" be added to the next agenda.
- 11. Adjournment and Next Meeting The meeting was adjourned at 6:35 p.m., The next meeting will be held on May 16, 2018 at 5:30 p.m.

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