

Bylaws
The Independent Citizens' Bond Oversight Committee
Grossmont Healthcare District PROP "G"

I. Membership — Appointment, Qualifications, and Term of Office

A. Membership on the Independent Citizens' Bond Oversight Committee (herein known as "ICBOC" or "Committee")

1. The Committee shall consist of eleven (11) members to serve for a term of two (2) years and for no more than three (3) consecutive terms, not to exceed six (6) years in total. All members shall be appointed by the Grossmont Healthcare District (herein known as "GHD" or "District") board of directors.
2. Five of those members first appointed shall serve an initial one (1) year term to enable the staggering of terms. The ICBOC members shall draw straws to determine which shall have one-year initial terms and which shall have two-year initial terms. Those having one-year initial terms shall be eligible for two (2) full two-year terms to follow. The initial term of each originally appointed member shall commence July 1, 2007, and end June 30, 2008 for those with one-year terms and June 30, 2009 for those with two year terms.
3. Members shall serve without compensation.
4. All members shall be residents of the District.
5. The Committee shall be comprised of at least:

At-Large Positions (3):

One (1) individual from each of the following three (3) categories with extensive experience in:

- Project management – The chief executive officer or person in a similar senior-level decision making position, of a major private sector employer with demonstrated experience in leading a large organization.
- Large-scale construction operations – A professional with demonstrated experience of ten years or more in the management of large-scale construction projects.
- Finance – A professional in the field of municipal/public finance and/or budgeting with a minimum of ten years in a relevant and senior decision making position in the public or private sector.

Designated Positions (6):

One (1) individual nominated by current members of each of the following:

- Sharp Grossmont Hospital Executive Management
- Grossmont Healthcare District Board (Designee)
- Professional staff of Sharp Grossmont Hospital (e.g. doctors, nurses and other professionals such as therapists and technicians)
- Sharp Grossmont Hospital Auxiliary or Foundation
- San Diego County Labor Council
- San Diego County Taxpayers Association

Of the above, the membership shall also include:

- One member active in a taxpayers' organization
 - One member active in a senior citizens' organization
 - One member active in a business organization
 - One nurse or physician
6. Excluding the hospital professional staff indicated above under "Designated Positions," no employee, official, vendor, contractor, or consultant of the District or the Operating Hospital (the "Hospital") entity shall be appointed to the Committee, including individuals who transact business on a regular basis with the District or Hospital.
7. At the discretion of the District Board, Alternates to the ICBOC may be appointed. Alternate members are non-voting participants in the processes of the ICBOC, but may enter into discussions with the regular ICBOC members during meetings without the need to complete a public comment card. Alternate members shall receive a copy of ICBOC agenda packets and other related materials.

The District Board will provide due consideration to the service of Alternate members when vacancies occur on the ICBOC, subject to an application being submitted for regular membership. Such consideration is also subject to the applicant being qualified and/or nominated within the category in #5 above that corresponds with the vacancy.

- B. The Grossmont Healthcare District Board will provide for appointing or reappointing the members of the ICBOC through the following process:
1. The District will solicit nominations and applications through press releases and appropriate District newsletters as it relates to proposed new members, and a written statement of intent to continue as a member as it relates to an existing member(s) who is qualified to serve an additional term.
 2. The District CEO and the ICBOC Chairman will review the applications received and make recommendations to the full GHD Board.
 3. The Board will review the recommendations and in a duly noticed public session of the Board will make a final decision regarding appointments.

C. General Qualifications

1. Employees and Employee Representatives:

No current employee of the District may be appointed as a member of the ICBOC. Any GHD employee representative to the Committee may participate in the Committee's deliberations but may not cast a vote as an ICBOC member or otherwise participate in any similar form of formal decision making.

2. Interested Vendors:

No vendor, contractor, or consultant of the District, or individuals who transact business on a regular basis with the District shall be appointed to the ICBOC.

3. Elected Officials:

Elected officials are eligible to be members of the ICBOC if they do not engage in any activity outside of their ICBOC membership that is incompatible or in conflict with duties or responsibilities related to the ICBOC. (Pursuant to Government Code 1126)

D. Term(s)

1. Members of the ICBOC shall serve, without compensation, for an initial term as to be determined in Section I.A.2. above and for not more than three consecutive terms, not to exceed six years in total. Members may, however, continue to serve until replaced. The Board will ensure staggered terms within the Committee and for continuity of information shared within the membership.
2. Any ICBOC member wishing to serve an additional term within the limitations noted herein may request re-appointment by directing a letter of intent to the GHD Board, via the CEO, within 60 days prior to the expiration of their current term.

E. Removal from Membership; Vacancy

Members of the ICBOC may be removed by the GHD Board for cause including the member's failure to attend without prior notice two (2) consecutive Committee meetings, or a total of three (3) meetings in one calendar year, or for failure to comply with the ICBOC's ethics policy statement (please see Exhibit "A" attached). Upon a member's removal, his or her seat shall be declared vacant. The seat shall also be declared vacant due to the death, disability or resignation of a member.

F. Process for Replacement

If mid-term vacancies occur, as described in Sub-Section E above, the process for replacement shall generally follow the same process as for regular appointments. The District CEO with the concurrence of the GHD Board, may adjust the processes as may be reasonably necessary for the particular circumstances. The District Board will make every effort to fill any vacancies as soon as possible.

II. Authority

A. ICBOC Role and Responsibility

1. In accordance with GHD Board-adopted Resolutions 03-06 and 04-06, the role of the Independent Citizens' Bond Oversight Committee shall be to represent, advocate and promote the interests of the District taxpayers and to inform the public concerning the District's expenditure of revenues received from the sale of general obligation bonds authorized by the voters on June 6, 2006. In particular, the Committee will provide oversight ensuring that:

- a. Proceeds from bonds are expended only for costs incurred in connection with expansion, improvement, acquisition and construction of medical related facilities as enumerated in Proposition G, and the costs of the issuance of the bonds pursuant to Government Code Section 53410; and,
 - b. No proceeds from the issuance of bonds are to be used for any administrative salaries or other District and/or Hospital operating expenses not incurred in connection with such bond issuance.
2. To carry out its role, the Independent Citizens' Bond Oversight Committee may:
- a. Receive and review the independent third-party review conducted by the District at the request of the Committee. Such review shall be for the purpose of ensuring that the proceeds from the sale of bonds are used for the projects specified in Proposition G only, and not for administrator salaries or other operating expenses. Upon completion of the review, the Committee shall promptly communicate its conclusions to the GHD Board,
 - b. Receive and review copies of the annual independent financial audit of the bond revenues and expenditures. As noted in District Resolution 04-06, this includes the engagement of independent auditors as an expense of the bond-funded program to conduct separate fiscal audits of all bond-funded activities,
 - c. As further delineated in Resolution 04-06:
 - i. The ICBOC shall have prior review of any proposed changes of the approved expenditures in excess of \$250,000. Such reviews shall be conducted in a timely manner and not cause delays in the project.

In instances where the proposed change of the approved expenditures exceeding \$250,000 involves pending or potential litigation, and/or negotiations between the District and a contractor or vendor that include closed session direction provided by the GHD Board, the ICBOC review shall take place at the time the information is appropriate to be disclosed in public. In such cases, reasonable efforts will be made to conduct the ICBOC review prior to the proposed change being executed by the involved parties.
 - ii. Assure that best practices are consistently observed and that bond revenues are used in the most efficient and cost effective manner possible.
 - iii. Review and comment upon the financial status of the project and take special note of budgetary variances or changed circumstances at each meeting.
 - iv. Participate in the on-going refinement of the project scope, setting of priorities and benchmarking of progress as it may relate to project execution.
 - v. Review and comment upon proposed debt financing and the process proposed for the issuance of bonded indebtedness.

- vi. Prepare and distribute an annual report to the community summarizing the accomplishments of the year, related issues affecting the project, financial status and progress toward completion of the approved project. This report shall be published and sent to all publications and other forms of media within the District, elected officials within the District and interested parties. Committee members may append minority reports should there be dissenting views.
 - d. Receive and review copies of deferred maintenance proposals or plans developed by the District and/or the Hospital; and,
 - e. Review efforts by the District to maximize proceeds from the issuance of bonds by implementing various cost saving measures,
 - f. Take additional steps it deems necessary, consistent with its authority, to accomplish its oversight responsibility.
- B. Legal Capacity of the ICBOC
1. The ICBOC is the citizens' advisory committee established pursuant to the adoption by the GHD Board of Directors of Resolutions 03-06 and 04-06, and the passage of Proposition G on June 6, 2006.
- C. Non-Authority to Direct Staff
1. Neither the ICBOC as a whole nor individual Committee members shall have the authority to direct District or Hospital staff.
- D. Selection of Chair
1. The GHD Board shall designate the initial Chair for the ICBOC from the members of the ICBOC.
 2. Thereafter, the chair for the ICBOC will be selected annually at the May meeting or no later than June 30, or as vacancies may occur. The chair shall serve at the pleasure of the Committee.
- E. Selection of Vice Chair
1. The ICBOC shall designate the initial Vice Chair for the ICBOC.
 2. Thereafter, the Vice Chair for the ICBOC will be selected annually at the May meeting or no later than June 30, or as vacancies may occur. The Vice Chair shall serve at the pleasure of the Committee.
- F. Other ICBOC Offices
1. Other ICBOC offices may be created by a majority vote of the ICBOC in carrying out its duties.

2. As with the Chair, Vice-chair, all offices of the ICBOC may only be filled from current members of the ICBOC.

III. Procedures for ICBOC Meetings and Support

A. District Staffing Support of the Committee

1. Reasonable staffing shall be provided by the District to the ICBOC without charge to the bond funds.
2. The management-level staff person for the ICBOC will report to the GHD Board.
3. Staffing levels are within the discretion of the GHD Board, but the ICBOC may make recommendations regarding their respective staffing needs.
4. The GHD Board may seek input from individual Committee members regarding the evaluation of staff members' work as related to ICBOC activities.
5. District staff shall support specific requests from the ICBOC as necessary to comply with public meeting laws.

B. Meetings Schedule and Subcommittees

1. The ICBOC shall meet at least bi-monthly (every other month) for the first two (2) years at a regular date, time and location publicized to the general public in accordance with the open meeting laws of the State of California. Thereafter, the ICBOC shall meet at least quarterly at a regular date, time and location publicized to the general public in accordance with the open meeting laws of the State of California.
2. The ICBOC may establish subcommittees in categories it deems appropriate to conduct its work and meet its responsibilities. At minimum, the following subcommittees will be established: Construction, Communications, Finance, and Audit. At its discretion, the ICBOC may consolidate subcommittees (such as Finance/Audit) on an as-needed basis to more efficiently conduct its work.

No subcommittee may be comprised of more than 40% of the number of duly appointed regular ICBOC members. Alternates may participate in and attend subcommittee meetings, but may not vote. Any other participants or third parties involved with or consulting a subcommittee requires advisement to and concurrence of the ICBOC Chair and District CEO in advance. The ICBOC Chair and District CEO or the CEO's designee are ex-officio, non-voting participants in all subcommittees.

Subcommittees will appoint a chair and keep a record of their work so as to report to the full ICBOC at the next scheduled meeting of the full Committee. All meetings will use an agenda and will be noticed to the full ICBOC at least 72 hours in advance. Every effort will be made to have a standing meeting date for each subcommittee.

C. Legal Counsel

The Chair of the ICBOC may utilize the District's legal counsel as necessary through the District CEO at the sole expense of the District. The ICBOC does not have a separate legal capacity from the District and the Committee may not retain other legal counsel. The ICBOC may request a separate legal opinion with approval of the GHD Board, and such consent will not be unreason-ably withheld. In any such instance, the GHD Board will seek a recommendation from the General Counsel of the District as to the selection of an appropriate legal counsel.

D. Defense and Indemnity

Directors and Officers liability coverage shall be provided for the members of the ICBOC, in the amount of \$5 million.

In addition to Directors and Officers liability coverage and accordance with and subject to the terms of the Tort Claims Act (Government Code Sections 810-996-4) the District shall defend and indemnify volunteers acting within the course and scope of their volunteer duties. In the event of litigation naming the ICBOC, or the individual members, the District Board shall as required by law provide counsel for the ICBOC, and shall promptly determine whether to provide counsel for individual members.

IV. Conduct of Meetings

A. Quorum

A quorum shall consist of no less than fifty (50) percent of the roll of members of the ICBOC at the time of the meeting. In no case shall less than four (4) members constitute a quorum. Regardless of attendance, a minimum of four (4) votes must be cast on the prevailing side of any motion for the ICBOC to take action.

B. Public Meetings

1. The ICBOC is subject to the open meeting laws of the State of California.
2. Notices and agendas regarding the ICBOC shall be posted in the same locations as the notices and agendas regarding the GHD Board meetings.
3. The District will provide each member of the Committee with a current copy of the open meeting laws of the State of California (Ralph M. Brown Act).

C. Reports

At least once a year the Committee shall issue a report on the result of its activities. Minutes from its proceedings, all documents received, and reports issued are a matter of public record. All minutes, documents received by, and reports issued by the ICBOC shall be made available on an Internet website maintained by the District.

D. Except as otherwise provided herein or in applicable law, the ICBOC shall conduct meetings in accordance with Parliamentary Procedure, based on the principles of Robert's Rules of Order, as applicable to small committees.

V. Amendment

These Bylaws may be amended by (i) a two-thirds majority vote of the Committee if ratified by a majority vote of the District Board, or (ii) a two-thirds majority vote of the District Board.