

RIVERSIDE UNIFIED SCHOOL DISTRICT

DATE: August 21, 2019
TO: Riverside USD Independent Bond Oversight Committee ("IBOC")
FROM: Mays Kakish, Chief Financial Officer, Riverside USD

Since May 29, 2019, the date of the last meeting of the IBOC, representatives of the District have been asked by several members of the IBOC if members of the IBOC had personal liability for actions taken by the IBOC. The District referred the question to its legal counsel. Legal counsel has advised the District that members of the IBOC do not have liability for their fulfilling their responsibilities as currently outlined in the Bylaws of the IBOC, nor do members have liability for actions taken by the District's Board of Education in spending Measure O bond proceeds. Members of the IBOC do have responsibility under Government Code Section 1090 to avoid making a contract in which a member has a financial interests. If members violated this prohibition, they would have liability under the Government Code. Section 5.3(b) of the Bylaws prohibits such conflicts of interest.

The District is willing to add the members as "additional insured" persons under the District's liability insurance policies and as a consequence, the District would absorb all the costs and expenses of defending members from lawsuits filed against both the IBOC and its members. If members believe that would be helpful we can provide evidence of such insurance coverage at the IBOC's next meeting.