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October 25, 2019

Mays Kakish
Chief Business Officer
Riverside Unified School District
3380 14th Street,
Riverside, CA 92501

Re: **Stater Brothers /Conflicts of Interest**

Dear Mays,

This letter will confirm advice I have provided regarding the ongoing qualification of the Chair of the COC to serve on the COC while concurrently being employed as a manager in the central corporate office of Stater Brothers.

As you know, the COC is an “independent” committee, meaning that it is free of external conflicts of interest. To effectuate this standard, the Education Code provides that employees of the District and vendors of the District cannot serve on the COC inasmuch as their employment with the District or their financial interests in bond contracts (vendors) might influence their opinions as COC members.

Oftentimes, civic minded volunteers who are willing to serve on bond oversight committees are employed in management positions at larger organizations either based within or operating within the boundaries of a school district. Those types of organizations frequently have incidental contacts with local school districts. Stater Brothers is an example of this. Based on your investigation you have confirmed that multiple District school sites have made site-based decisions to purchase snacks and the like from local Stater Brothers grocery stores. You have also confirmed that these types of purchases have not involved the expenditure of any bond funds. The purchases have been paid from local funds either provided to the school sites through General Fund appropriations or from funds raised by activities at a school site and spent under the complete discretion of a site administrator.

The legal question raised is whether these school site based decisions have involved any of Stater Brother managers at the corporate headquarters to the degree that any of the corporate managers would have a conflict of interest in overseeing the expenditure of District bond funds and therefore be disqualified from service on the COC. The test is not rigidly applied to mean, in this

case, all employees of Stater Bros are disqualified from service on the COC if one District site administrator uses District funds to purchases snacks from a local Stater Brothers store. That activity does not cause Slater Brothers to be characterized as a “vendor” to the District nor does it cause a Stater Brothers managerial employee, disconnected from the serial snack purchases by school sites, to be disqualified from serving on the COC.

This conclusion is consistent with advice we have provided to many districts who face similar incidental corporate contacts. For example we have concluded that an “in the field” electrician serving on a bond oversight committee, is not disqualified as a vendor, even though his employer, without the knowledge or participation of the field electrician, might bid on (but not been awarded) bond funded electrical contracts because the electrician is in no way part of the decision making process associated with the award of contracts.

The larger goal of the law is for members of an oversight committee not to be compromised in the exercise of their duties. I see no basis whatsoever for Mr. Frahm to be asked to resign from the COC because site administrators have shopped at a local Stater Brothers grocery store.

Very truly yours,

A handwritten signature in dark ink, appearing to read "David G. Casnocha". The signature is fluid and cursive, with a long horizontal stroke at the end.

David G. Casnocha

DGC/jpm