

- **Board of Directors**
Executive Committee

February 10, 2004 Board Meeting

8-6

Subject

Amend Administrative Code concerning attendance of directors at meetings and the establishment of the ethics Inquiry and Review Committee

Description

Changes to the Administrative Code are proposed regarding the attendance of directors at board and committee meetings, and the establishment of the Inquiry and Review Committee to investigate and make findings concerning ethics complaints. The proposed changes are shown in [Attachment 1](#).

Under these proposed changes, the Chair would notify a director's appointing authority if a director misses three consecutive board meetings without permission. Committee chairs would notify the Chair of the Board if a director misses three consecutive committee meetings without permission, and the Chair of the Board would have discretion concerning the appropriate action to be taken. The Inquiry and Review Committee, composed of directors, executive staff and the Ethics Officer, is established to investigate and make findings concerning ethics complaints against directors and employees.

These changes are proposed to implement recommendations made by the Ethics Subcommittee at its meeting on December 16, 2003. The Board elected three directors to serve on the Inquiry and Review Committee at the January board meeting. These changes codify the recommendations and formally establish the Inquiry and Review Committee.

Policy

Metropolitan Water District Act §§ 51-54: Appointment of Directors
Metropolitan Water District Act § 126.7: Ethics Investigations

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not subject to CEQA pursuant to Sections 15378(b)(2) and 15061(b)(3) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

Board Options/Fiscal Impacts

Option #1

Adopt the CEQA determination and the amendments to the Administrative Code as set forth in [Attachment 1](#).

Fiscal Impact: None

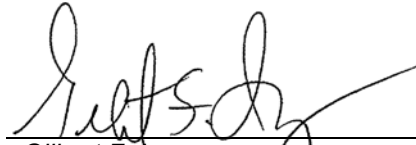
Option #2

Maintain the status quo.

Fiscal Impact: None

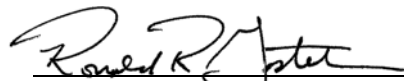
Staff Recommendation

Option #1



Gilbert F. Ivey
Executive Vice President

1/20/2004
Date



Ronald R. Gastelum
Chief Executive Officer

1/20/2004
Date

Attachment 1 – Proposed Code Changes

BLA #2771

DIVISION II. PROCEDURES PERTAINING TO BOARD, COMMITTEES AND DIRECTORS**Chapter 6. Directors****Article 4. Miscellaneous****§ 2622. Attendance at Board and Committee Meetings**

(a) The Chair of the Board shall notify a director's appointing body when that director is absent, without the permission or consent of the Board or Chair, from three consecutive Board meetings.

(b) The chair of a standing committee, special committee or subcommittee shall notify the Chair of the Board when a member of that committee is absent, without the permission or consent of the Board, Chair of the Board, or committee chair, from three consecutive committee meetings. At the Chair's discretion, the Chair may take appropriate action against the designated committee member, including removal of that director from the committee.

DIVISION II**Chapter 5****Article 2 - NOMINATING COMMITTEE****§ 2522. Duties and Functions.**

(a) The Nominating Committee shall nominate members for the offices of Chairman and Secretary of the Board, and non-officer members of the Executive Committee so as to provide, insofar as practical, adequate regional representation for the benefit of the entire District. The Nominating Committee shall also nominate members for the three director positions on the Ethics Inquiry and Review Committee. More than one member may be nominated for each of the offices.

(b) The Nominating Committee shall establish procedures for the fair and impartial election of members to the offices of Chairman and Secretary of the Board including, but not limited to, sponsorship of forums for communication of the views of the candidates to Board members. Nominations by the committee shall be made at the meeting of the Board at which an election is scheduled. Written notice of any proposed nomination shall be given by the committee to each director at least 20 days prior to the scheduled date of the election.

(c) Members of the Nominating Committee may be nominated by the committee. If a member is under consideration, he shall be so advised by the committee and shall immediately cease further participation in the committee's deliberations and action on that office.

DIVISION VII**Chapter 3****§ 7316. Inquiry and Review Committee**

A. The Inquiry and Review Committee is a committee that investigates ethics complaints against Metropolitan directors, officers and employees. The committee shall be composed of the Ethics Officer, three elected members of the Board, and three members appointed by the Chief Executive Officer. The elected directors shall serve staggered three-year terms, with the initial terms being for either one, two or three years. Members of the committee may be re-elected or re-appointed to their positions.

B. The Ethics Officer shall refer ethics complaints to the committee, and is a non-voting member of the committee.

C. Five of the six voting members of the committee, comprised of the directors and executive staff, shall vote on the findings of an investigation of a complaint according to the following rules:

1. For an allegation against a director, one of the director members shall be excused from participating in the investigation of that complaint.
2. For an allegation against an employee, one of the staff members shall be excused from participating in the investigation of that complaint.
3. Committee members shall take turns excusing themselves from participating in a complaint, except that members must excuse themselves, or may be removed by vote of the other committee members, from participating in the investigation of a complaint involving his or her conflict of interest, or the appearance of a conflict of interest or any impropriety. No committee member shall be involved in the investigation of a complaint that involves his or her area of responsibility.

D. The committee shall submit findings involving employees, along with any dissent, to the appropriate department head for action. The committee shall submit findings involving directors, along with any dissent, to the Executive Committee for action. A report on action to be taken in response to the findings must be submitted to the Ethics Office.

E. The Ethics Officer shall review and summarize all ethics complaints in a quarterly report to the Board of Directors. The General Counsel shall receive a copy of all findings, reports and actions concerning complaints.