

Audit and Ethics Committee

Ethics Workshop
October 22, 2013

Can Anything Be Ethics?

Directors, officers, and employees must comply with laws regulating their conduct.

- Sec. 7102



Directors, officers, and employees shall not grant special treatment to any person beyond what is available to every other person in the same circumstances.

- Sec 7103

General principles and goals of ethics program.

- No investigation
- Periodic reports to board

Ethics or Human Resources?

Ethics Carve-Outs

Sec 7104: Misuse of Resources

- Trading authority for private gain
- Falsifying records

Sec 7105(a) Procurements

- Violating process for private gain

Sec 7107 Confidential Information

- Trading for private gain



Expansion of Existing Rules

Admin Code	Change	SB 60	Purpose
7105 Contracts	Annual report on adequacy of procurement procedures	Yes	Continuing reports on general and systemic procurement integrity.
7106 Procurements	Restrict contractor communications outside procurement process.	Yes	Increase procurement integrity.
7108 Soliciting Political contributions	<ol style="list-style-type: none"> 1. Official seal or logo ban. 2. Recusal from voting on matters involving known contributors. 	Yes	Enhance public confidence in independence from improper political influence.
7130 Gifts	Ban on gifts from persons with matters pending before official.	Yes	Enhance public confidence in independence of decision-makers

Nexus with state ethics requirements

MWD's ethics rules must be at least as stringent as state standards:

Admin Code	State Minimum	Recommended change
7105(b) Conflicts of Interest	PRA 87100	No change
7105(d) Contracts	Gov Code 1090	No change.
7108 Political contributions	PRA 84308	Recusal on matters involving known campaign contributors.
7122 Post-service employment	PRA 87406	No change.
7130 Gifts	PRA 89503	Ban on gifts from parties with certain matters pending.

Summary of Changes

Sec.	Topic	Change
7102	Responsibilities	Combine into values-based standards
7103	Fair and equal treatment	
7122	Recusal due to Bias	
7104	Misuse of Resources	Limited subset of violations to Ethics
7105	Contracts	EO Annual Report on Contracting
7106	Procurement integrity	Restrict contacts from contractors
7107	Confidential Information	Limited subset of violations to Ethics
7108	Political fundraising	Abstain from voting on matters involving known contributors
7111	EEO claims	Consolidate in one location
7130	Gifts	Ban gifts from sources with official matters pending before official

