



# MONTHLY REPORT TO BOARD OF DIRECTORS

Metropolitan Water District of Southern California  
Office of Ethics  
May 2015

## NEW DIRECTOR ORIENTATIONS

Metropolitan's Ethics Office strives to provide educational opportunities whenever and wherever possible. Our monthly articles are usually used to examine discrete subjects or developments in the world of government ethics. Another education outlet is the new director ethics orientation, a voluntary session with the Ethics Officer offered to all directors shortly after they have been appointed. The new directors' orientation covers the following:

- (1) **Statement of Values** – Metropolitan adheres to a set of overarching tenets – Integrity, Stewardship, Open Communication, Diversity, Leadership and Teamwork – embodied in a historical document, the Statement of Values. Created in 1995 and signed by Metropolitan's leaders at the time, it continues to provide an aspirational guide for all the members of Metropolitan's family.
- (2) **Senate Bill 60** – This statute is the enabling legislation for Metropolitan's Ethics Office, among other mandates. It sets out the Ethics Office's duties, standards of performance and areas of responsibility.
- (3) **Policy Principles and Investigation Guidelines** – In 2013, the Board of Directors approved a set of policy principles to guide the Ethics Office: clear rules and standards, defined areas of responsibility, accountability, and investigation procedures that balance effective fact-finding with a commitment to fairness and due process for the subject and protection for whistleblowers and other sources.
- (4) **Ethics Comparison Matrix** – SB 60 requires Metropolitan's Ethics Office to establish rules "consistent with the intent and spirit" of those of the Los Angeles City Ethics Commission, the Fair Political Practices Commission (FPPC), and the Metropolitan Transit Authority. Ethics Office staff has developed a matrix of all of Metropolitan's

ethics rules and parallel provisions from these three peer agencies. Its development helped clarify the district's progress toward this objective. It is also a tool for the office's policy development function.



- (5) **FPPC Informational Memorandum Regarding Government Code Section 84308** – One of the government ethics provisions unique to elected officials appointed to local or regional boards such as Metropolitan directors is Government Code section 84308. In some situations, this rule prohibits officers from soliciting, accepting, or directing campaign contributions of \$250 or more from parties or others involved in matters pending before a governing body. The rule sometimes requires disclosure and recusal from participating in official decisions affecting a contributor. The FPPC memorandum sets out all aspects of this provision and is provided to new directors for initial introduction to the rule. It also can serve as a reference guide when they consider whether a campaign contribution could affect their ability to act on particular Metropolitan matters.
- (6) **MWD Administrative Code Sections 6470-6474** – These sections of the Administrative Code set out the official duties of the Ethics Officer.
- (7) **MWD Administrative Code Sections 7100-7114** – These sections of the Administrative Code contain Metropolitan's internal ethics rules and are

applicable to directors, other Metropolitan officials, and its employees. During the orientation, the Ethics Officer reviews the individual provisions with special focus on section 7102, requiring directors, among others, to comply with all applicable laws and regulations in the course of undertaking their official duties, section 7105 and its subparts which contains the intricate rules regarding how and when conflicts arise as a result of directors' personal financial interests and holdings, sections 7106 and 7107 regarding prohibitions against private communications with staff members about pending contractor selection procedures and impermissible use of confidential information, section 7110's anti-retaliation and protection of whistleblowers provision, and section 7111's anti-discrimination and harassment provisions.

- (8) **MWD Administrative Code Sections 2610-2615** – These sections of the Administrative Code address Metropolitan's rules and requirements regarding Inspection Trips. The Ethics Office is not involved with the operations of the inspection trip program but has been active in assisting with reporting requirements and similar issues related to the program. During the orientation, the Ethics Officer reviews the most common issues and the questions we receive about the inspection trips.
- (9) **MWD Administrative Code Sections 6320-6332 and MWD Travel Guide** – Sections 6320-6332 address expense regulations and, along with the Travel Guide, provide the district's internal rules and practices for travel arrangements and reimbursements. Ethics issues often arise around payments by third parties for officials' travel to various conferences or other events. The Ethics Officer reviews the rules and the general ethics concerns that arise in relation to district-related travel.

Although the ethics orientation is only expressly offered to new directors, the Ethics Officer is available for sessions with all directors regarding any of the issues addressed in the training. Meetings can be scheduled at

the Metropolitan or any other location convenient to the director. Arrangements can be made through the Ethics Office's Intake and Administrative Liaison Edith Yamasaki at 213-217-5822 or via email, eyamasaki@mwdh2o.com.

## MONTHLY ADVICE AND REQUESTS FOR ASSISTANCE

The Ethics Office will provide advice, counseling, or other assistance to any director, officer, employee, or contractor regarding application or interpretation of Metropolitan's ethics rules or policies. Absent unusual circumstances, the Office gives its advice in writing.

The Office can provide advice only prospectively, i.e., about future activities. If it becomes apparent that a request for advice or other assistance concerns events that have already occurred, it might be necessary to review the matter as a potential violation.

In May 2015, the Office provided analysis and advice regarding:

- Economic disclosure (i.e., Form 700 requirements).
- Qualifications for employees serving on panels to score consulting proposals.
- Whether raffle prizes are reportable as gifts.
- Post-service employment restrictions (i.e., *revolving door* limitations).
- Concurrent outside employment policies.
- Gift reporting and limits applicable to travel payments.

Matters Addressed FY 2014/15

	Jul 2014	Aug 2014	Sept 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	June 2015	FY 14/15
<b><u>Ethics Complaints</u></b>													
Abuse of Authority	2			2(P)	3 2(P)	2	1				1		13
Campaign Contributions													
Conflict of Interest										1(P)			1
Economic Disclosure													
Gifts													
Misleading Associations													
Nepotism													
Outside Employment													
Outside Scope of Ethics Office	2	2	3	2	1	2	2	2	2	2(P) 1			21
Revolving Door													
Whistleblower Protection			1 1(P)	1(P)									3
<b>Total Complaints</b>	<b>4</b>	<b>2</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>1</b>		<b>38</b>
<b><u>Ethics Advice</u></b>													
Abuse of Authority			1(P)			1(P)		1					3
Campaign Contributions								1 1(P)					2
Conflicts of Interest	2	1(P)		1(P)	2 2(P)		1	1 1(P)		5	1 1(P)		18
Economic Disclosure								1 1(P)	12 1(P)	1			16
Gifts		2	3	1 1(P)	2	1(P)	1 1(P)	2	8	1	1		24
Misleading Associations													
Nepotism													
Outside Employment		1(P)	1				1(P)	1					4
Outside Scope of Ethics Office				2				1					3
Revolving Door								3	1	3(P)			7
Whistleblower Protection													
<b>Total Questions</b>	<b>2</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>2</b>	<b>4</b>	<b>14</b>	<b>22</b>	<b>10</b>	<b>3</b>		<b>77</b>
<b>Combined Total</b>	<b>6</b>	<b>6</b>	<b>10</b>	<b>10</b>	<b>12</b>	<b>6</b>	<b>7</b>	<b>16</b>	<b>24</b>	<b>14</b>	<b>4</b>		<b>115</b>