



# MONTHLY REPORT TO BOARD OF DIRECTORS

Metropolitan Water District of Southern California  
Office of Ethics  
June 2015

## INVITATIONS FROM PARTIES SEEKING DECISIONS BY METROPOLITAN

From time to time, organizations or individuals with matters pending before Metropolitan or who hope to do business with Metropolitan approach individual directors about their issues with the District.

Neither state laws nor Metropolitan's internal regulations prohibit or regulate such communications. However, if the parties seeking them make payments on behalf of Metropolitan officials incidental to these meetings, the payments may be subject to the gift limits and reporting requirements set out in the Political Reform Act and incorporated in Metropolitan's Code of Conduct.

For instance, a vendor hoping to do business with Metropolitan might invite a director to tour its facilities and provide a meal during the event. If the facility is in a remote location, the vendor may offer to provide transportation there and back. What are the gift restriction implications under such a scenario?

Although there are a number of exceptions, the general rule is that, for purposes of government ethics laws and regulations, any time an official accepts or exercises control over anything of value without exchanging something for it of equal or greater value, he or she

has received a gift. Under state law, there is:

- A limit of \$460 on the value of gifts that a director may receive in a calendar year from a single source,
- A reporting requirement for gifts with a cumulative value of \$50 or more in the calendar year, and
- A disclosure and recusal requirement for matters financially affecting donors of gifts over \$460 within the 12 months prior to any action.

Fair Political Practices Commission (FPPC) rules allow public officials to receive "informational material" that includes "on-site demonstrations, tours, or inspections."

Therefore, transportation provided as part of a site inspection is not considered a gift. However, transportation to and from the site is generally considered a gift unless there is no commercially available transportation to the site.

Note: FPPC has issued an informal advice letter that the need to drive a long distance to reach the site does not justify applying the informational materials exception for a charter flight in lieu of driving.

In addition to the value of the air transportation to the site, any food, beverages or accommodations that are provided in connection with the tour are not treated as



informational material and are subject to the gift limitations.

If you receive an invitation from a party with pending Metropolitan business or who seeks a business relationship with Metropolitan and have questions about whether any expenses in connection with the invitation may be imputed as a gift to you, please feel free to contact the Ethics Office or General Counsel's Office. We work together to provide analysis and advice about these matters that can help you remain in compliance with applicable laws and regulations. You may also contact the FPPC directly for assistance or advice.

## **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 June 2015, the Office provided analysis and advice regarding:

- Former employees working for outside consultants.
- Travel for inspection purposes.
- Financial conflicts of interest avoidance.
- Gift reporting and limits applicable to travel payments.

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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	1	14
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>1</b>	<b>39</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)	1	19
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	1	25
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)		1	8
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>3</b>	<b>80</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>4</b>	<b>119</b>