



ETHICS OFFICE MONTHLY REPORT

TO BOARD OF DIRECTORS

Metropolitan Water District of Southern California

April 2016

POLITICAL CAMPAIGNS

Many Metropolitan directors are also elected officials or run for office while serving on Metropolitan's board. There are a number of state laws and internal ethics-related rules to keep in mind while running for office during your tenure as a Metropolitan director.

State law prohibits directors from soliciting campaign contributions from other directors or from Metropolitan employees. The exception is when solicitations are directed at a significant segment of the public - for instance, to all the residents in a particular neighborhood - and that segment just happens to include Metropolitan officers or employees. (Gov. Code Section 3205(a) and (c).) Additionally, directors may never solicit political funds at any of Metropolitan's facilities (MWD Admin. Code Section 7108(a)) or with Metropolitan property such as its computers or phones or the assistance of employees. (MWD Admin. Code Section 7104).

Content is also important. Your political solicitations may reference the fact that you are a Metropolitan director but the solicitation must be clear that the views and positions expressed in it are solely your own. Solicitations may not include Metropolitan's seal or any other identifying mark that could be understood to mean that the solicitation is from or endorsed by Metropolitan. (MWD Admin. Code Section 7108(b)).

As sitting directors, you are prohibited from soliciting, directing, or receiving campaign contributions in excess of \$250 from parties, participants, or their agents during Metropolitan proceedings regarding their contracts, licenses or other entitlements or for 90 days after the Metropolitan deci-

sion involving these matters. If you find you have received such a contribution in the 12 month period preceding the matter appearing before you at Metropolitan, you must recuse yourself from participating in the decision by disclosing the contribution on the record and abstaining from participating in the matter. (Gov. Code Section 84308 (b) (c)).

Of course, directors cannot directly or indirectly offer or arrange for any increase in compensation or salary for a state or local employee in exchange for, or promise of, a contribution or loan in connection with a campaign contribution or loan from the employee (Gov. Code Section 3205.5). More generally, directors are prohibited from using influence, either directly or indirectly, that they possess or will possess if they are voted into office, for an unlawful or corrupt purpose. Use of influence includes conferring a benefit on a person, aiding or obstructing a person from securing a position, nomination, promotion or change in compensation in return for that person's inaction or support of an action. (Gov. Code Section 3204).

Finally, if you successfully run for a seat on the member agency's governing body, once seated, you must abstain from voting on any contract between Metropolitan and your member agency. (MWD Act Section 56).

We hope this information is helpful. Please let the Ethics Officer know if you would like additional details about these matters.



PROJECTS & INITIATIVES

The Ethics Officer and staff remain engaged in several projects and initiatives for review, analysis, and evaluation of various aspects of Metropolitan's activities:

- Use of the new electronic matter management and document management software solution.
- Ethics Office Helpline review.
- Amendments to Metropolitan's conflict of interest code (i.e., designated positions and disclosure categories).
- Monthly director conflict bulletins.
- Joint analysis with General Counsel's Office and External Affairs on gift reporting and limits relative to Metropolitan inspection trips.
- Refinement of procedures for interviewing witnesses in investigations.

ADVICE AND ASSISTANCE

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

The Ethics 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 April 2016, the Office provided analysis and advice in the following areas:

- ⇒ Participation rules as a political candidate.
- ⇒ Application of incompatible public offices rules for directors.
- ⇒ Disclosure of stock investment interests.
- ⇒ RFP/RFQ Evaluation committees, and potential conflict of interest.
- ⇒ RFP/RFQ Evaluation committees and revolving door restrictions.
- ⇒ Honoria Reporting.
- ⇒ Conflict implications of outside consulting income.
- ⇒ Conflict implications of travel funded by non-profit public interest associations.

Matters Addressed FY 2015-16	FY	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY
	14/15	2015	2015	2015	2015	2015	2015	2016	2016	2016	2016	2016	2016	15/16
Ethics Complaints														
Abuse of Authority	14	1	2	4			2	1	1		2			13
Campaign Contributions								1	1	1				3
Conflict of Interest	1													0
Discrimination					1									1
Economic Disclosure														0
Gifts														0
Misleading Associations														0
Nepotism														0
Outside Employment														0
Outside Scope of Ethics Office	21						1							1
Revolving Door														0
Whistleblower Protection	3													0
Total Complaints	39	1	2	4	1	0	3	2	2	1	2	0	0	18
Ethics Advice														
Abuse of Authority	3	2				2								4
Political Activities	2						1	1		4	1			7
Conflicts of Interest	19	1	2	3	4	3		11	5	3	9			41
Economic Disclosure	16			2					3	19	9			33
Gifts	25		1	2			3		4	2	4			16
Misleading Associations														0
Nepotism											1			1
Outside Employment	4		1		1					1	1			4
Outside Scope of Ethics Office	3								2					2
Public Inquiries				1										1
Revolving Door	8	3												3
Whistleblower Protection														0
Total Questions	80	6	4	8	5	5	4	12	14	29	25	0	0	112
Combined Total	119	7	6	12	6	5	7	14	16	30	27	0	0	130