



ETHICS OFFICE MONTHLY REPORT

TO BOARD OF DIRECTORS

Metropolitan Water District of Southern California

SEPTEMBER 2016

DIRECTOR CONSULTATION HOURS

Recently, there was a suggestion to have regular consultation hours when the Ethics Officer would be available for meetings with individual directors. Topics could include personal advice and counseling or directions and priorities of the ethics program.

Beginning with the October board meetings and until further notice, the Ethics Officer will be available to meet with any director for at least two hours after the conclusion of committee meetings on Mondays. These meetings can be impromptu or planned in advance. We invite and encourage all directors to participate.



POLITICAL REFORM ACT OVERHAUL

The Fair Political Practices Commission (FPPC) has undertaken a comprehensive review of the Political Reform Act (PRA), the landmark statute governing public officials, political activity, and conflicts of interest in California. The FPPC expects to sponsor Legislation next year.



California adopted the PRA in the aftermath of the nation's Watergate scandal. In the early 1970s, reformers proposed the comprehensive set of laws regulating conflicts of interest, campaign finance, and lobbying in an effort to end corruption in politics. In 1974, voters approved the initiative that created the FPPC created to administer and enforce the Act.

Since its enactment, the Act has undergone several legislative and voter-initiated piecemeal amendments. The FPPC, regulated community, and other stakeholders found that after years of these amendments, the PRA has become overly complicated and inconsistent. According to the FPPC, some officials have used the PRA's complexity to justify noncompliance with its requirements. Some candidates have been reluctant to run for elective office altogether.

The FPPC recently partnered with California Forward and law students from UC Davis and Berkeley on the Political Reform Act Revision Project.

The overall objective is to improve accessibility, compliance and enforcement by streamlining and simplifying the law. They plan to meet these objectives by:

- * Re-writing the Act using simple language, avoiding legal terminology.
- * Incorporating FPPC regulations into the Act where appropriate.
- * Organizing the Act so that related provisions fall under the same sections.
- * Repealing or revising provisions that are inaccurate or no longer necessary.

The revision project does not seek substantive changes to the law, focusing instead on clarity. However, the FPPC has indicated that a substantive review will likely follow. For more information on the PRA Revision Project, see: <http://www.cafwd.org/pr>
<http://www.fppc.ca.gov/content/dam/fppc/documents/Revision-Project/PRA-8.3.16-AEM.pdf>

Metropolitan officials are subject to several PRA provisions, including conflicts of interest and governmental ethics. Further, many of Metropolitan's internal ethics rules are modeled after the PRA and the FPPC's interpreting regulations. Ethics Office staff recently attended the PRA Revision Project's public discussion session at Los Angeles City Hall. Staff will remain apprised of any ongoing developments affecting the obligations Metropolitan officials. We also invite directors to submit questions and comments on this subject to our office for further discussion with the FPPC.

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.

Completed this month:

- ⇒ New Employee Orientation presentation revised.

Ongoing this month:

- ⇒ Participation in the FPPC Pilot Program for eDisclosure/Form 700 refinement of electronic case management system.
- ⇒ Conflict of Interest Code amendment project.
- ⇒ Development of new outreach and educational materials.
- ⇒ Review and update of department's web content

ADVICE & ASSISTANCE

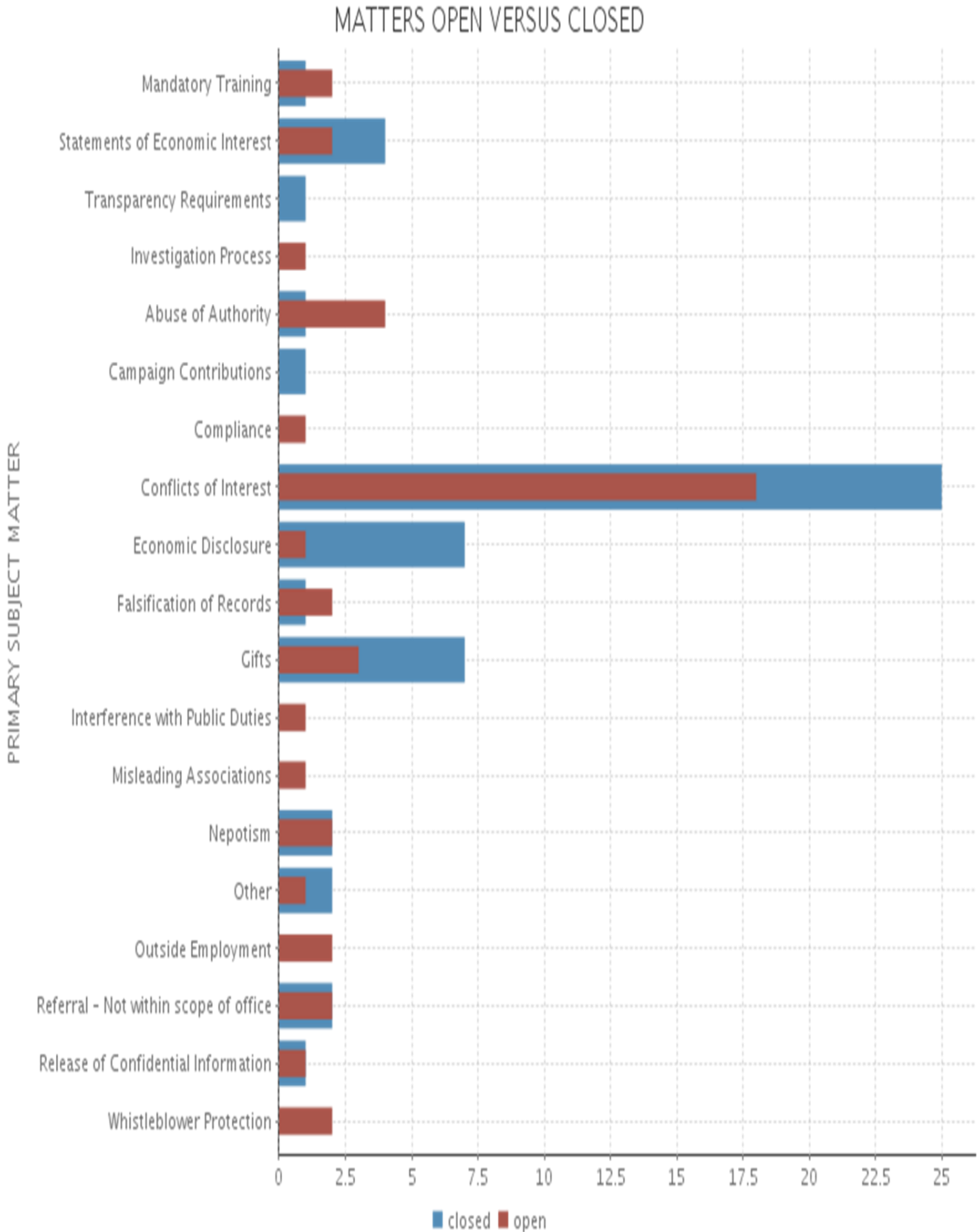
The Ethics Office provides advice, counseling, or other assistance to any director, officer, employee, or contractor regarding application or interpretation of Metropolitan's ethics rules or policies. Absent unusual circumstances, the Office provides its advice in writing.

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 September 2016, the Office provided analysis and advice in the following areas:

- ◆ Statements of Economic Interest
- ◆ Outside Employment Activities
- ◆ Incompatible Offices
- ◆ Gifts

The iSight chart below reflects an overview of ethics matters status for 2015/2016 (Oct– Sep).
 Entries of historical matter data is ongoing:



The chart below reflects the actual count of ethics matters Complaints or Advice by month:

| <u>Matters Addressed</u> <u>FY 2016-17</u> | FY | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | FY |
|---|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-----------|
| | 15/16 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2017 | 2017 | 2017 | 2017 | 2017 | 2017 | 15/16 |
| Ethics Complaints | | | | | | | | | | | | | | |
| Abuse of Authority | 13 | 1 | 1 | 2 | | | | | | | | | | 4 |
| Campaign Contributions | 3 | | | | | | | | | | | | | 0 |
| Conflict of Interest | 2 | 1 | | | | | | | | | | | | 1 |
| Discrimination | 1 | | | | | | | | | | | | | 0 |
| Economic Disclosure | | | | | | | | | | | | | | 0 |
| Gifts | | | | | | | | | | | | | | 0 |
| Misleading Associations | 1 | | | | | | | | | | | | | 0 |
| Nepotism | 1 | | | | | | | | | | | | | 0 |
| Outside Employment | 2 | | 1 | | | | | | | | | | | 1 |
| Outside Scope of Ethics Office | | 1 | | | | | | | | | | | | 1 |
| Revolving Door | | | | | | | | | | | | | | 0 |
| Whistleblower Protection | | 1 | 1 | | | | | | | | | | | 2 |
| Total Complaints | 23 | 4 | 3 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9 |
| Ethics Advice Questions | | | | | | | | | | | | | | |
| Abuse of Authority | 4 | | | | | | | | | | | | | 0 |
| Campaign Contributions | 9 | | | | | | | | | | | | | 0 |
| Conflicts of Interest | 51 | 3 | 3 | 1 | | | | | | | | | | 7 |
| Economic Disclosure | 33 | | 1 | 5 | | | | | | | | | | 6 |
| Gifts | 19 | | 2 | 2 | | | | | | | | | | 4 |
| Misleading Associations | | | | | | | | | | | | | | 0 |
| Nepotism | 2 | | | 2 | | | | | | | | | | 2 |
| Outside Employment | 4 | | | 1 | | | | | | | | | | 1 |
| Outside Scope of Ethics Office | 3 | | 1 | 1 | | | | | | | | | | 2 |
| Public Inquiries | 1 | | | | | | | | | | | | | 0 |
| Revolving Door | 3 | | | | | | | | | | | | | 0 |
| Whistleblower Protection | | | | | | | | | | | | | | 0 |
| Total Questions | 129 | 3 | 7 | 12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 22 |
| Combined Total | 152 | 7 | 10 | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 31 |