



ETHICS OFFICE MONTHLY REPORT

TO BOARD OF DIRECTORS

Metropolitan Water District of Southern California

JANUARY 2017

PROPOSED LAW AFFECTS LOS ANGELES CAMPAIGN FINANCE

Los Angeles City Councilmembers Paul Krekorian, Joe Buscaino, and David Ryu have proposed banning real estate developers from making contributions in City elections. Specifically, the law would prohibit developers who are seeking approval for development projects from making political contributions to Los Angeles City candidates and their campaign committees. The proposed law aims to address concerns that money from developers is influencing decisions on major development projects in Los Angeles.



Media sources report that some real estate developers and their principals have spent into the hundreds of thousands of dollars supporting Los Angeles City Council members, candidates, and their various causes. These same city officials are tasked with deciding whether to approve their development projects. The new law is intended to increase public trust in City Hall's decision-making by strengthening the City's campaign finance program, which already prohibits contributions from lobbyists and companies with City contracts. The ban comes on the heels of Measure S, which was put on the March ballot amid concerns over developers' influence on City officials. Measure S would halt most major real estate projects citywide for two years. Other jurisdictions are also considering new regulations aimed at developers.

The proposed ban is another example of how campaign finance laws are subject to constant change and evaluation. Its fate, however is unclear. If the motion passes, it could face legal challenges as well as increased scrutiny from those who believe it would only encourage developers to put their money into independent expenditures on behalf of candidates.

The Ethics Office continuously monitors developments in local campaign finance and governmental ethics laws as part of its education and policy-making functions. While the above-referenced initiatives do not directly impact any of our Board members in their official capacities as Metropolitan directors, other laws do. For instance, Metropolitan directors who concurrently hold, or are running for, elective office are subject to state law prohibiting them from soliciting or accepting campaign contributions from anyone who has a matter pending with Metropolitan and for three months after the decision is made. Further, when directors must recuse themselves from matters involving parties from whom they have received over \$250 in campaign contributions within the preceding 12 months leading up to the time such matters are put before the Board.

IT'S NOT JUNK MAIL

Emails sent to you on January 21, 2017, from **Form700.MWD@SouthTechHosting.com on behalf of Ethics Office** as seen below are actually generated by the Fair Political Practices Commission's (FPPC) approved eDisclosure software provider SouthTech Systems. These emails are important to initiate your annual Form 700 electronic filing process.

From: Form700.MWD@SouthTechHosting.com on behalf of Ethics Office
To: Von Haam, Peter E
Cc:
Subject: Your Form 700 eDisclosure Password

From: Form700.MWD@SouthTechHosting.com on behalf of Ethics Office
To: Von Haam, Peter E
Cc:
Subject: MWD Ethics eDisclosure: 2016 Annual Statement/Form 700

2016/2017
Statement of
Economic Interests



Form 700

A Public Document

Also available on the FPPC website:

- **Form 700 in Excel format**
- *Reference Pamphlet for Form 700*

California Fair Political Practices Commission
Email Advice: advice@fppc.ca.gov
Toll-free advice line: 1 (866) ASK-FPPC • 1 (866) 275-3772
Telephone: (916)322-5660 • Website: www.fppc.ca.gov

December 2016

IMPROVEMENTS TO eDISCLOSURE SYSTEM

eDisclosure (provided by SouthTech Systems) has made some improvements for the 2016 Annual Filing Period. Most of the electronic filers – particularly employees – have shared positive feedback about the process thus far.

Last year directors voiced opinions about changes they would like to see. The FPPC launched its pilot program in October 2016 to initiate modifications. This year, we are a step closer to realizing the leading issue of directors serving in multiple government offices, the ability to submit a single Form 700 one time to the FPPC for each of his or her agencies. Look for this change next year or the year after.

Currently, the program allows us to stay on track with the general move toward a preference for electronic digital record-keeping in government. Beginning in January 2017, the FPPC will be communicating with high level officials, including Metropolitan Board members, directly to resolve Form 700 issues such as late filings, non-filings, and fees.

COMPLETED ELECTRONIC FILINGS TO DATE - 96 OR 28%

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:

- ⇒ 2016 Annual Form 700 Filing notifications
- ⇒ Development of Ethics Wallet Cards for all new employees
- ⇒ Meetings with Human Resources and MOU Leaders regarding 2017 Amendment to Conflict of Interest Code
- ⇒ Development of My Learning – Form 700 online training for 2017 Amendment to Conflict of Interest Code new filers.

Emerging this month:

- ⇒ Development of a online Sexual Harassment Training Workshop for directors.
- ⇒ Development of new comprehensive reports.

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 January 2017, the office provided analysis and advice in the following areas:

- ◆ Statements of Economic Interest
- ◆ AB1234 Compliance
- ◆ Sub-Consultant Conflict of Interest
- ◆ Financial Opportunities Managed by Private Investment Firms
- ◆ Gifts and Prizes
- ◆ Campaign Contributions

Matters Addressed FY 2016-17	FY 15/16	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	FY 16/17
Ethics														
Abuse of Authority	13	1	1	2		1		1						6
Campaign Contributions	3													0
Conflict of Interest	2	1			2		2							5
Discrimination	1													0
Economic Disclosure							1							1
Gifts														0
Misleading Associations	1													0
Nepotism	1													0
Outside Employment	2		1		2	1								4
Outside Scope of Ethics Office		1					1	1						3
Revolving Door														0
Whistleblower Protection		1	1											2
Total	23	4	3	2	4	2	4	2	0	0	0	0	0	21
Ethics Advice														
Abuse of Authority	4													0
Campaign Contributions	9							1						1
Conflicts of Interest	51	3	3	1	4	1	2	8						22
Economic Disclosure	33		1	5	2	3	1	5						17
Gifts	19		2	2	1	1	3	2						11
Misleading Associations														0
Nepotism	2			2	1	1								4
Outside Employment	4			1										1
Outside Scope of Ethics Office	3		1	1	1									3
Public Inquiries	1													0
Revolving Door	3													0
Whistleblower Protection														0
Total	129	3	7	12	9	6	6	16	0	0	0	0	0	59
Combined Total	152	7	10	14	13	8	10	18	0	0	0	0	0	80