



# ETHICS OFFICE MONTHLY REPORT

## TO BOARD OF DIRECTORS

Metropolitan Water District of Southern California

### JUNE 2017

## NEW DIRECTOR/NEW EMPLOYEE TRAININGS

The Ethics Office prepares educational material and presents information on a number of ethics topics and through various forums. Below is an overview of the topics and materials covered in some of the more routinely held trainings:

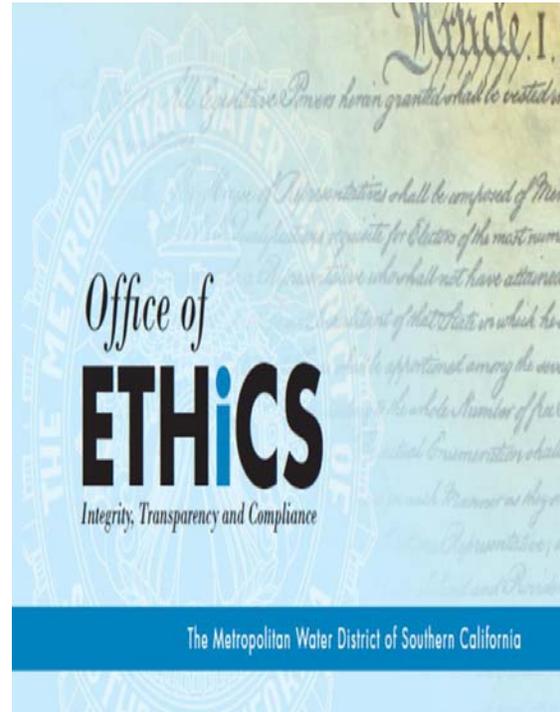
### New Director/New Employee Trainings

We provide training opportunities for all new directors and employees and provide them with materials setting out Metropolitan's Ethics Rules and related materials. Each new director and employee receives a packet with the following materials:

**I 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of overarching tenets – Integrity, Stewardship, Open Communication, Diversity, Leadership and Teamwork – embodied in a historical document, the Statement of Values.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.

**II 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.

**III 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.



**IV FPPC Informational Memorandum Regarding Government Code Section 84308 (Director's material only)** – 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

Continued on page 2

guide when they consider whether a campaign contribution could affect their ability to act on particular Metropolitan matters.

**V MWD Administrative Code Sections 6470-6474** – These sections of the Administrative Code set out the official duties of the Ethics Officer.

**VI 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.

**VII MWD Administrative Code Sections 2610-2615 (Director’s material only)** – 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.

**VIII 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 and employees, the Ethics Officer is available for sessions with all interested parties regarding the issues addressed in the trainings.

#### **Workgroup-targeted trainings:**

Ethics staff developed and presented an education program targeted to the Real Property Group. It covered the types of conflicts most likely to arise in this area of government activities, how to identify potential conflicts, and when to seek specific advice from the Ethics Office. The Ethics Office has made similar presentations to other workgroups and plans to make additional presentations in the coming months to other departments and groups.

#### **Metropolitan Manager University**

Ethics Office staff developed a targeted ethics presentation for the Metropolitan Management University (MMU). It covers the types of ethics problems that managers most commonly face and use hypotheticals such as gifts from contractors, job offers, conference travel, and campaign fundraising to learn the basic conflict of interest rules. In addition, it aims to sensitize managers to the ethics situations they are most likely to encounter, how to identify potential problems, and when to seek advice from the Ethics Office.

Continued on page 3

## Online training for new SEI filers (upcoming)

In June 2017, the Board approved changes to Metropolitan's conflict of interest code (COI code) which added more than 350 employees to the list of mandatory filers required to disclose personal financial interests on state Form 700. Ethics Office staff has created an online training program to assist these employees with their new financial disclosure obligations. The training introduces the concept of financial disclosure, highlights the most common financial interests that must be reported, and gives examples to help employees understand their reporting obligations. The training program will launch in the coming weeks, after the FPPC officially approves Metropolitan's updated COI code.

## 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:

- ⇒ Board approval of MWD 2017 Amendment to Conflict of Interest Code
- ⇒ MWD 2017 Amendment to Conflict of Interest Code submitted to FPPC for approval

Pending this month:

- ⇒ Online Form 700 training course for new filers
- ⇒ Draft of Contractor & Consultant Guidelines
- ⇒ Draft of Lobbying & Gift Guidelines
- ⇒ Draft of Revised Investigation Guidelines
- ⇒ Revisions to Ethics Operating Policy for employees

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

- ◆ Outside Employment
- ◆ Conflicts of Interest
- ◆ Economic Disclosure
- ◆ Gift of Travel

<u>Matters Addressed</u> <u>FY 2016-17</u>	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
<b>Ethics Complaints</b>														
Abuse of Authority	13	1	1	2		1		1		1	1	1		9
Campaign Contributions	3													0
Conflict of Interest	2	1			2		2					2		7
Discrimination	1													0
Economic Disclosure							1							1
Gifts														0
Misleading Associations	1													0
Nepotism	1													0
Outside Employment	2		1		2	1							1	5
Outside Scope of Ethics Office		1					1	1			1			4
Revolving Door														0
Whistleblower Protection		1	1						1		1			4
<b>Total Complaints</b>	<b>23</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>30</b>
<b>Ethics Advice Questions</b>														
Abuse of Authority	4													0
Campaign Contributions	9							1						1
Conflicts of Interest	51	3	3	1	4	1	2	8	5	3	3	4	2	39
Economic Disclosure	33		1	5	2	3	1	5	6	15	1	15	3	57
Gifts	19		2	2	1	1	3	2		2	3	4	1	21
Misleading Associations														0
Nepotism	2			2	1	1								4
Outside Employment	4			1						1				2
Outside Scope of Ethics Office	3		1	1	1									3
Public Inquiries	1													0
Revolving Door	3											1		1
Whistleblower Protection														0
<b>Total Questions</b>	<b>129</b>	<b>3</b>	<b>7</b>	<b>12</b>	<b>9</b>	<b>6</b>	<b>6</b>	<b>16</b>	<b>11</b>	<b>21</b>	<b>7</b>	<b>24</b>	<b>5</b>	<b>128</b>
<b>Combined Total</b>	<b>152</b>	<b>7</b>	<b>10</b>	<b>14</b>	<b>13</b>	<b>8</b>	<b>10</b>	<b>18</b>	<b>12</b>	<b>22</b>	<b>10</b>	<b>27</b>	<b>6</b>	<b>158</b>