



ETHICS OFFICE MONTHLY REPORT

TO BOARD OF DIRECTORS

Metropolitan Water District of Southern California

SEPTEMBER 2017

CONFLICT OF INTEREST CODE IMPLEMENTATION

In September 2017, Ethics Office completed implementation of Metropolitan's new conflict of interest code. The conflict of interest code overhaul began in 2014, in response to a state regulation requiring agencies to review and revise their codes every two years. The process essentially entailed four primary phases:

Phase 1 - Analysis of Metropolitan Positions:

This phase entailed, in part:

- Review of all Metropolitan job descriptions and classifications;
- Meetings and collaboration with HR and employee bargaining units;
- Review of statutory requirements,
- Determining which Metropolitan positions are required to report financial interests; and
- Determining whether some current filing positions should no longer be required to report financial interests.

Phase 2 - Determining Disclosure Requirements:

This phase involved, in part:

- Evaluating current disclosure requirements for all Metropolitan positions;
- Determining whether current filers' disclosure requirements were overly broad or not broad enough; and
- Tailoring financial disclosure requirements for each Metropolitan position to ensure

sufficient financial disclosure while avoiding any violation of employees' privacy rights.

Phase 3 - Approval Period:

Phase three entailed, in part:

- Drafting a proposed conflict of interest code reflecting all Metropolitan filing positions and their tailored disclosure requirements;
- Posting the proposed code for public and employee comments and objections;
- Analyzing comments and objections;
- Final editing of the proposed conflict of interest code;
- Submission to the Board for approval; and
- Submission to the FPPC for approval.

Phase 4 - Implementation:

The implementation phase involved:

- Finalizing and launching the online Form 700 Ethics training program with HR;
- Communications with the approximately 375 new filers regarding their new filing requirements and filings deadlines; and
- Joint strategy meetings with HR and IT on streamlining the employee information database with the incorporation of 375 new filers, new positions, and new disclosure categories into the electronic disclosure filing system.

Ongoing Ethics Office Responsibilities

While the implementation process is complete for the two year statutory period, the conflict of interest code is an ongoing responsibility for the Ethics Office in the areas of advice, research, training, compliance, and administration.

Metropolitan's 375 new filers were required to file their first Form 700 statements with the Ethics Office on or before September 25, 2017. In the month leading up to the deadline, the Ethics Office received 38 requests for advice regarding disclosure requirements. The office also received 35 requests for technical assistance in using the e-disclosure system.

After the filing deadline, the Ethics Office asked the new filers to participate in a survey about their experience as a new filer, including their thoughts on the online training program, ease or difficulty of the process, and whether they were aware of the assistance available to them during the filing process. The Ethics Office plans to use this feedback to continue to improve the filing process and in the development of future training programs.

Leading up to the annual statement filings next spring, the Ethics Office will be communicating with filers who filed Form 700s in previous years but whose reporting requirements have changed under the new code.

PROJECTS & INITIATIVES

The Ethics Officer and staff remain engaged in several projects and initiatives for review, analysis, and evaluation.

- ⇒ Support for outside review of Ethics Office policies and procedures.
- ⇒ Review of Investigation Guidelines and Processes.

- ⇒ Collaboration with Human Resources and Information Technology on implementing new Conflict of Interest Code.
- ⇒ Modifying workflow of Form 700 electronic filing systems to accommodate new filers and disclosure categories.
- ⇒ Assessing workflow of electronic matter management system.

ADVICE & ASSISTANCE

The Ethics Office provides advice, educational materials, and other assistance to any director, officer, employee, or contractor regarding application or interpretation of Metropolitan's ethics rules and policies. For the benefit of the requestor, the Office typically 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 2017, the office provided analysis and advice in the following areas:

- ◆ Conflicts of interest
- ◆ Incompatible offices
- ◆ Gifts
- ◆ Financial disclosure

<u>Matters Addressed FY 2016-17</u>	FY 16/17	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	FY 17/18
Ethics Complaints								
Abuse of Authority	9	1	1					2
Campaign Contributions	0							0
Conflict of Interest	7							0
Discrimination	0							0
Economic Disclosure	1							0
Gifts	0							
Misleading Associations	0							
Nepotism	0							
Outside Employment	5							
Outside Scope of Ethics Office	4							
Release of Confidential Information			1	1				2
Revolving Door	0							
Whistleblower Protection	4							
Total Complaints	30	1	2	1	0	0	0	4
Ethics Advice—Primary Subject Area								
Abuse of Authority	0							0
Campaign Contributions	1							0
Conflicts of Interest	39	2	2	2				6
Economic Disclosure	57	1		38				39
Gifts	21	1	3					4
Misleading Associations	0							0
Nepotism	4	1						1
Outside Employment	2	1						1
Outside Scope of Ethics Office	3							0
Public Inquiries	0							0
Revolving Door	1							0
Whistleblower Protection	0							0
Total Questions	128	6	5	40				51
Combined Total	158	7	7	41				55