

Article 13. Conflicts of Interest.

Section 13.1. Purpose.

- (A.) The Political Reform Act of 1974 (Government Code sections 81000 et seq., "Act" herein), requires the San Dieguito Water District to adopt and promulgate a conflict of interest code. The Fair Political Practices Commission has adopted a regulation, 2 California Code of Regulations Section 18730, which contains the terms of the Standard Conflict of Interest Code and amendments thereto by the Fair Political Practices Commission in accordance with the Act.
- (B.) This Article shall be known as the "Conflict of Interest Code" of the San Dieguito Water District.
- (C.) Nothing in this Article is intended to modify or abridge the provisions of the Act commencing with Government Code Section 87100, which is applicable to all public officials of the District and directs that no public official of the District shall make, participate in the making or in any way attempt to use their official position to influence a District decision in which the official knows, or has reason to know, that he or she has a financial interest as defined by the Act.
- (D.) This Article intends to designate those public officials of the District who are involved in District decisions, and to require designated officials to disclose those financial interests (using Form 700) which could foreseeably be affected; in a material manner, by a District decision made by the official in the performance of the official's responsibilities.

Section 13.2. Amendment and Review.

(A.) Amendment

- (1.) Changed Circumstances. Changed circumstances includes, but not limited to, the following: the creation of new positions which must be designated pursuant to this Article and relevant changes in the duties assigned to existing positions. (GC § 87306, subd. (a).)

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| Approved and/or authorized by the Board of Supervisors of the County of San Diego. | |
| Meeting Date: 12/11/2018 | Minute Order No. 41 |
| By: <i>[Signature]</i> | Date: 12/11/2018 |
| Deputy Clerk of the Board Supervisors | |

- (2.) Amendment Due To Changed Circumstances. Within ninety days after the changed circumstances necessitating the amendment to this Article become apparent, the District Clerk shall submit a proposed amendment to the Board of Directors. (Gov. Code § 87306, subd. (a).)
- (3.) Manner of Amendment. This Article shall be amended by the Board of Directors after a noticed public hearing is held prior to introduction of the proposed amendment. (Gov. Code § 87311.)

(B.) Biennial Review

- (1.) No later than July 1 of each even-numbered year, the District Clerk shall review this Article. (Gov. Code § 87306.5, subd. (a).)
- (2.) If a change in this Article is necessitated by changed circumstances, it shall be amended pursuant to subsection A of this section. (Gov. Code § 87306.5, subd. (b).)
- (3.) If no change in this Article is required, the District Clerk shall submit a written statement to that effect to the Board of Directors no later than October 1 of the same year. (Gov. Code § 87306.5, subd. (b).)

Section 13.3 **Definitions Incorporated.** Unless otherwise indicated, the definitions of the Act, regulations and amendments thereto and binding judicial opinions thereon are incorporated herein, and this Chapter shall be interpreted in a manner consistent with such definitions.

Section 13.4 **Standard Code.**

- (A.) By this reference, 2 California Code of Regulations Section 18730, the Standard Conflict of Interest Code, is incorporated herein together with each and every amendment thereto duly adopted by the Fair Political Practices Commission.
- (B.) The filing officer shall maintain three copies of the Standard Conflict of Interest Code for the public review.

Section 13.5 **Filing Officer.** The Board Clerk is the filing officer of the District.

Section 13.6 **Disclosure Categories.**

- (A.) Category 1 – Business Position/Investment Interests. Disclose each District-related, business entity in which the employee/member holds a position or has a direct or indirect business investment worth more than \$1,000.

- (B.) Category 2 – Real Property Interests. Disclose each interest in real property located within the jurisdiction of the District in which the employee/member has a direct or indirect interest worth more than \$1,000.

- (C.) Category 3 – Income Interests. Disclose all income of the employee/member from any District-related source aggregating \$250.00 or more (or \$25.00 or more in the case of gifts) during the reporting period.

- (D.) Category 4 – Less Inclusive Reportable Interests. Disclose all investment and management interests in business entities (as described in Categories 1 and 3) contracting with or selling to the District or which foreseeably could so contract or sell; and all income from a source (as described in Category 2) which sells or contracts with the District or which foreseeably could so sell or contract.

Section 13.7 **Department Positions.** The following are the designated positions within District departments – Disclosure Categories 1, 2, 3 apply to all positions listed below:

Position

- Members of the Board of Directors
- Board Secretary
- Agency Attorney
- Agency Assistant Attorney
- General Manager
- Senior Engineer
- Finance Manager II
- Superintendent
- Engineer I, II
- Finance Analyst I, II, II

Section 13.8 **Consultants.**

- (A.) “Consultant” shall include any natural person who, pursuant to a contract with a local government agency, make final government decisions or perform substantially all the same duties for an agency that would otherwise be performed by an individual holding a position specified in the agency’s conflict of interest code. However, that “consultant” shall not include a person who:
 - (1.) Conducts research and arrives at conclusions with respect to his or her rendition of information, advice, recommendation, or counsel independent of the control and direction of the agency or counsel independent of the control and direction of the agency or of any agency official, other than normal contract monitoring; and
 - (2.) Possesses no authority with respect to any Agency decision beyond the rendition of information, advice, recommendation, or counsel.

(B.) Disclosure Category.

| <u>Position</u> | <u>Category</u> |
|-----------------|-----------------|
| Consultant | 1, 2, 3 |

- (C.) Limitation to the Disclosure Category. The District Manager may determine that a particular consultant, although in a “designated position”, is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure required. The determination shall be included in the contract by which the consultant is hired by the Agency. The District Manager’s determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

(Amended June 20, 2018)
(Resolution No. 2018-03)