



**MEETING HANDOUT**

**Meeting:** Board Meeting

**Date:** November 17, 2017

*Revised Title:*

**Item:** 5.1 Consideration and Action on Resolution No. 2017-11-03, Resolution Approving the Santa Margarita Water District Policy Handbook; and Resolution No. 2017-11-04, Amendments to the Conflict of Interest Code

*Revised Recommendation:*

Adopt Resolution No. 2017-11-03 and Resolution No. 2017-11-04.

Revised to include Resolution 2017-11-04; Resolution of the Board of Directors of the Santa Margarita Water District concerning amendments to the Conflict of Interest Code pursuant to the political reform act of 1974.

**RESOLUTION NO. 2017-11-04**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE SANTA MARGARITA WATER DISTRICT  
CONCERNING AMENDMENTS TO THE CONFLICT OF  
INTEREST CODE PURSUANT TO THE POLITICAL  
REFORM ACT OF 1974**

**WHEREAS**, the State of California enacted the Political Reform Act of 1974, Government Code Section 81000 et seq. (the "Act"), which contains provisions relating to conflicts of interest which potentially affect all officers, employees and consultants of the Santa Margarita Water District (the "District") and requires all public agencies to adopt and promulgate a Conflict of Interest Code; and

**WHEREAS**, the Board of Directors adopted a Conflict of Interest Code (the "Code") which was last amended on November 18, 2016, in compliance with the Act; and

**WHEREAS**, subsequent changed circumstances within the District have made it advisable and necessary pursuant to Sections 87306 and 87307 of the Act to amend and update the District's Code; and

**WHEREAS**, the potential penalties for violation of the provisions of the Act are substantial and may include criminal and civil liability, as well as equitable relief which could result in the District being restrained or prevented from acting in cases where the provisions of the Act may have been violated; and

**WHEREAS**, notice of the time and place of a public meeting on, and of consideration by the Board of Directors of, the proposed amended Code was provided each affected designated employee and publicly posted for review at the offices of the District; and

**WHEREAS**, a public meeting was held upon the proposed amended Code at a regular meeting of the Board of Directors on November 17, 2017 at which all present were given an opportunity to be heard on the proposed amended Code.

**NOW, THEREFORE, BE IT RESOLVED** that the governing body of the Santa Margarita Water District does hereby adopt the proposed amended Conflict of Interest Code, a copy of which is attached hereto as Exhibit A and shall be on file with the Secretary to the Board and available to the public for inspection and copying during regular business hours;

**BE IT FURTHER RESOLVED** that the said amended Code shall be submitted to the Board of Supervisors of the County of Orange for approval and said Code shall become effective 30 days after the Board of Supervisors approves the proposed amended Code as submitted.

**ADOPTED** by the Board of Directors of the Santa Margarita Water District this 17th day of November 2017.

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Charles T. Gibson  
President of the Board of Directors  
Santa Margarita Water District

ATTEST:

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Kelly Radvansky  
Secretary to the Board of Directors  
Santa Margarita Water District

STATE OF CALIFORNIA )

COUNTY OF ORANGE )

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I, Kelly Radvansky, Secretary of the Board of Directors of the Santa Margarita Water District, do hereby certify that the foregoing Resolution was duly adopted by the Board of Directors said District at a regular meeting held on the 17<sup>th</sup> day of November 2017, and that it was so adopted by the following vote:

AYES:	DIRECTORS:
NOES:	DIRECTORS:
ABSENT:	DIRECTORS:
ABSTAIN:	DIRECTORS:

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Kelly Radvansky  
 Secretary to the Board of Directors  
 Santa Margarita Water District

I, Kelly Radvansky, Secretary of the Board of Directors of the Santa Margarita Water District, do hereby certify that the above and forgoing is a full, true, and correct copy of Resolution No. 2017-11-04 of said Board, and that the same has not been amended or repealed.

DATED: November 17, 2017

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Kelly Radvansky  
 Secretary to the Board of Directors  
 Santa Margarita Water District

(Seal)

EXHIBIT A

**LEGISLATIVE VERSION**  
**SHOWS CHANGES MADE**

**CONFLICT OF INTEREST CODE**

**OF THE**

**SANTA MARGARITA**

**WATER DISTRICT**

**CONFLICT OF INTEREST CODE FOR THE**  
**SANTA MARGARITA WATER DISTRICT**  
**(Amended November 18, 2016)**

The Political Reform Act (Gov. Code § 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. § 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing Regulation 18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This incorporation page, Regulation 18730 and the attached Appendix designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the **Santa Margarita Water District** (the "District").

All officials and designated positions required to submit a statement of economic interests shall file their statements with the **Secretary to the Board/District Clerk** as the District's Filing Officer. The **Secretary to the Board/District Clerk** shall make and retain a copy of all statements filed by Members of the Board of Directors and the General Manager, and forward the originals of such statements to the Clerk of the Board of Supervisors of the County of Orange. The **Secretary to the Board/District Clerk** shall retain the originals of the statements filed by all other officials and designated positions and make all statements available for public inspection and reproduction during regular business hours. (Gov. Code § 81008.)

# APPENDIX

## CONFLICT OF INTEREST CODE

### OF THE

## SANTA MARGARITA WATER DISTRICT

(Amended November 18, 2016)

### PART "A"

#### OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

District Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18700.3, are NOT subject to the District's Code, but must file disclosure statements under Government Code section 87200 et seq. [Regs. § 18730(b) (3)] These positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments<sup>1</sup>:

Board Director

General Manager Controller

~~Chief Financial Officer~~ Assistant General Manager-Finance

Investment Consultant

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<sup>1</sup> Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by § 87200.



## DESIGNATED POSITIONS

### GOVERNED BY THE CONFLICT OF INTEREST CODE

<u>DESIGNATED POSITIONS'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
<del>Assistant to the General Manager</del>	4
Chief Engineer	2, 3, 5
Assistant Chief Engineer	2, 3, 5
Operations Business Manager	2, 3, 5
Customer Relations Manager	5
<del>Electrical Superintendent/Safety Officer</del>	5
External Affairs Director	5
Deputy General Manager	1, 2
<del>Field</del> Operations <u>Field</u> Superintendent	5
<u>Accounting Supervisor</u>	<u>1, 2</u>
General Counsel	1, 2
Human Resources Manager	5
<del>Information Systems Coordinator</del>	5
Information Technology Manager	5
Laboratory Supervisor	5
Operations Manager	2, 3, 5
<del>Project Engineer, Senior</del> <u>Senior Project Engineer</u>	2, 3, 5

DESIGNATED POSITIONS'  
TITLE OR FUNCTION

DISCLOSURE CATEGORIES  
ASSIGNED

<del>Public Affairs Director</del>	1
Public Information Manager	5
Secretary to the Board/ <del>District Clerk</del>	4
Senior Accountant	1
<del>Senior Accountant</del> /Purchasing Agent	1

Consultants and New Positions<sup>2</sup>

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<sup>2</sup> Individuals providing services as a Consultant defined in Regulation 18700.3, or in a new position as defined in Regulation 18734 that makes or participates in making decisions shall disclose pursuant to the broadest disclosure category in this Code subject to the following limitation:

The General Manager may determine that, due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734.). The General 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. (Gov. Code Sec. 81008.)

# **PART “B”**

## **DISCLOSURE CATEGORIES**

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which he or she is assigned.<sup>3</sup> “Investment” means financial interest in any business entity (including a consulting business or other independent contracting business) and are reportable if they are either located in or doing business in the jurisdiction, are planning to do business in the jurisdiction, or have done business during the previous two years in the jurisdiction of the District.

Category 1: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, do business in, or own real property within the jurisdiction of the District.

Category 2: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of the District.

Category 3: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of the District.

Category 4: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the District.

Category 5: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the designated position’s department, unit or division.

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<sup>3</sup> This Conflict of Interest Code does not require the reporting of gifts from outside this agency’s jurisdiction if the source does not have some connection with or bearing upon the functions or duties of the position. (Reg. 18730.1)