

Orland-Artois Water District Ethics Policy

Adopted by the Board of Directors February 18, 2020

Policy

The policy of Orland-Artois Water District (“District”) is to uphold the highest standards of ethics from its Board members and employees (“District Officials”). The objectives of this policy are to provide a framework for ethical decision making, instill awareness of ethics and values, and provide guidance for dealing with ethical matters. It is imperative for proper District operation that decisions are made in a transparent manner, that public office is not used for personal gain, and that all individuals associated with the District remain impartial and responsible towards the public. Accordingly, it is the policy of the District that Board members and District employees will maintain the highest standard of personal honesty and fairness in carrying out their duties. The policy sets forth the minimum ethical standards to be followed by the Board of Directors. The Ethics policy for District Employees is to be provided in the District’s Employee Handbook.

Procedures

Responsibility of Holding Office

District Officials are obligated to uphold the Constitution of the United States and the Constitution of the State of California. District Officials will comply with applicable laws regulating their conduct, including conflicts of interest, financial, disclosure, and open government laws. District Officials will work in cooperation with other public officials unless prohibited from so doing by law or officially-recognized confidentiality of their work, or if doing so would be contrary to the best interests of the District.

Fair and Equal Treatment

District Officials will not, in the performance of their official functions, discriminate against any person on the basis of race, religion, color, creed, age, marital status, national origin, ancestry, sex, sexual preference, medical condition, disability, or any other protected class under federal, state, or local laws. A District Official will not grant any special consideration, treatment, or advantage to any person or group beyond that which is available to every other person or group in similar circumstances.

Proper Use and Safeguarding of District Property and Resources

A District Official shall not use or permit others to use District-owned vehicles, equipment, telephones, materials, or property for a personal purpose or for profit. Personal purpose does not include the incidental or minimal use of public resources such as equipment or office space for personal purposes, including an occasional telephone call.

A District Official will not ask or require a District employee to perform services for the personal convenience or profit of a District Official or another employee. Each District Official must protect and properly use any District asset within his or her control, including information recorded on paper or in electronic form. The requirements for maintenance of District records are provided in the District’s Records Management and Retention policy.

Use of Confidential Information

A District Official is not authorized, without approval of the Board of Directors, to disclose information that qualifies as confidential information under applicable provisions of law to a person not authorized to receive it, that (1) has been received for, or during, a closed session meeting of the Board, or (2) is protected from disclosure under the attorney/client or other evidentiary privilege, or (3) is exempt from disclosure under the California Public Records Act.

This section does not prohibit any of the following; (1) making a confidential inquiry or complaint to a district attorney or grand jury concerning a perceived violation of law, including disclosing facts to a district attorney or grand jury that are necessary to establish the alleged illegality of an action taken by the District, (2) expressing an opinion concerning the propriety or legality of actions taken by the District in closed session, including disclosure of the nature and extent of the allegedly illegal action, or (3) disclosing information acquired by being present in a closed session that is not confidential information. Prior to disclosing confidential information pursuant to (1) or (2), above, however, a District official will first bring the matter to the attention of either the President of the Board or the full Board to provide the Board an opportunity to cure an alleged violation.

A District Official who willfully and knowingly discloses for pecuniary gain, confidential information received by him or her in the course of his or her official duties may be guilty of a misdemeanor under Government Code section 1098.

Adopted Conflict of Interest Code

The District has adopted a Conflict of Interest Code (the "Code") pursuant to the requirements of the Political Reform Act of 1974, Government Code section 81000 et seq. (the "Act"). The Code sets forth the required provisions for the disclosure of assets and income, designates the positions subject to the disclosure provisions of the code, and establishes the list of disclosure categories specifying the types of assets and income required to be disclosed by each designated position to which categories are assigned. The Code is held in the office of the Secretary to the Board of Directors.

Financial Conflicts of Interest

A District Official will not have a financial interest in a contract with the District, or be purchaser at a sale by the District or a vendor at a purchase made by the District, unless the District Official's participation is authorized under specific Government Code exemptions.

A District Official will not participate in the discussion, deliberation, or vote on a matter before the Board of Directors, or in any way attempt to use his or her official position to influence a decision of the Board, if he or she has prohibited financial interest with respect to the matter, as defined in the Political Reform Act.

Commonly, a District Official has a financial interest in a matter if it is reasonably foreseeable the Board decision would have a material financial effect, as defined by the Fair Political Practices Commission (FPPC) regulations, that is distinguishable from the effect on the public generally on five specific economic interests

- A business entity in which the District Official has a direct or indirect investment of \$2,000 or more;
- Real property in which the District Official has a direct or indirect interest worth \$2,000 or more;
- A source of income of the District Official amounting to \$500 or more within 12 months before the Board decision;

- A source of gifts to the District Official amounting to the annual gift limit or more within 12 months before the Board decision; or
- A business entity in which the District Official holds a position as a director, trustee, officer, partner, manager, or employee.

If a District Official believes that he or she may be disqualified from participating in the discussion, deliberations or vote on a particular matter due to a conflict of interest, the following procedure will be followed:

- 1) If the District Official becomes aware of the potential conflict of interest before the Board meeting at which the matter will be discussed or acted on, the District Official will notify the General Manager or the District's legal counsel of the potential conflict of interest, so that a determination can be made whether it is a disqualifying conflict of interest.
- 2) If it is not possible for the District Official to discuss the potential conflict with the General Manager or the District's legal counsel before the meeting or if the District Official does not become aware of the potential conflict until during the meeting, the District Official will immediately disclose the potential conflict during the Board meeting, so that there can be a determination whether it is a disqualifying conflict of interest; and
- 3) Upon a determination that there is a disqualifying conflict of interest, the District Official (1) must publicly identify the financial interest that gives rise to the conflict or potential conflict (2) must not participate in the discussion, deliberation or vote on the matter for which a conflict of interest exists, which will so be noted in the Board minutes, and (3) must leave the room until after the discussion, vote and any other disposition of the matter is uncontested matters, except that if the item is agendaized for discussion and possible action, the Director may reenter the room long enough to speak on his or her personal interests in the matter during the time for public comment on the issue.

A District Official will not recommend the employment of a relative by the District. In addition, a District Official will not recommend the employment of a relative to any person known by the District Official to be bidding for or negotiating a contract with the District.

Gifts

A District Official will not accept gifts or honoraria that exceed the limitations specified in the Fair Political Practices Act or FPPC regulations. District Officials will report all gifts, campaign contributions, income and financial information as required under the District's Conflict of Interest Code and the provisions of the Fair Political Practices Act and FPPC regulations. The dollar limitations referred to in this section are adjusted from time to time by the FPPC, and any such adjustment shall automatically be incorporated into this policy when made effective by the FPPC. A District Official who knowingly asks for, accepts or agrees to receive any gift, reward or promise thereof for doing an official act, except as may be authorized by law, may be guilty of a misdemeanor under Penal Code section 70. *Soliciting Political Contributions*

District Officials are prohibited from soliciting political funds or contributions at District facilities. A District Official will not accept, solicit, or direct a political contribution from (a) any person or entity who has a financial interest in a contract or other matter while that contract or other matter is pending before the District or (b) District employees, officers, consultants, or contactors. A District Official will not use the District's seal, trademark, stationary, or other indicia of the District's identity, or facsimile thereof, in any solicitation for political contributions contrary to state or federal law.

Incompatible Offices and "Revolving Door"

Any elected District Official appointed or elected to a public office of another public entity, the duties of which may require action contradictory or inconsistent with the interest of the first entity (as

determined under applicable law), is deemed to have vacated his or her office with the District upon taking the second, incompatible office will resign from the former office.

For a period of one year after leaving office, District Officials may not represent for compensation any other person or entity before the District or make any oral or written communication, if the appearance or communication is made for the purpose of influencing an action or proceeding as prohibited under Government Code section 87406.3.

For purposes of this section, “represent” will mean for compensation to actively support or oppose a particular decision in a proceeding by lobbying in person, orally or in writing, the officers or employees of the District or otherwise acting to influence the officers of the District.

Nothing in this section is intended or will be applied to prevent a former District Official from participating in meetings of the Board in the same manner as other members of the public.

Improper Activities and the Protection of “Whistle Blowers”

The General Manager has primary responsibility for (1) ensuring compliance with the District’s Personnel Manual and ensuring that District employees do not engage in improper activities, (2) investigating allegations of improper activities, and (3) taking appropriate corrective and disciplinary actions. The Board has an obligation to confirm the General Manager is operating the District according to law and the policies approved by the Board. District Officials are encouraged to fulfill their obligation to the public and the District by disclosing to the General Manager, to the extent not expressly prohibited by law, improper activities within their knowledge. District Officials will not interfere with the General Manager’s responsibilities in identifying, investigating and correcting improper activities, unless the Board determines that the General Manager is not properly carrying out these responsibilities. Nothing in this section affects the responsibility of the Board to oversee the performance of the General Manager.

A District Official will not directly or indirectly use, or attempt to use, the District or the influence of his or her position for the purpose of intimidating, threatening, coercing, commanding, or influencing any other person for the purpose of preventing such person from acting in good faith to report or otherwise bring to the attention of the General Manager or the Board any information that, if true, would constitute (1) a work-related violation by a District Official or employee of any law or regulation, (2) gross waste of District funds, (3) gross abuse of authority, (4) a specified and substantial danger to public health or safety due to an act or omission of a District official or employee, (5) use of a District office or position or of District resources for personal gain, or (6) a conflict of interest of a District Official.

A District Official will not use or threaten to use any official authority or influence to affect any action as a reprisal against a District Official who reports or otherwise bring to the attention of the General Manager any information regarding the subjects described in this section.

Any person who believes that he or she has been subjected to any action prohibited by this section may file a confidential complaint with (1) the General Manager, or (2) a member of the Board of Directors if the complaint involves the conduct of the General Manager, who will thereupon refer the matter to the full Board to investigate the complaint. Upon the conclusion of the investigation, the General Manager (or the Board in the case of a complaint against the General Manager) will take appropriate action consistent with the District’s Personnel Manual and applicable law.

Compliance with Brown Act Policy

The members of the Board of Directors, and person(s) elected but who have not yet assumed office as member(s) of the Board, will fully comply with the provisions of the State’s open meeting law for public agencies, the Brown Act.

District Officials' Compensation and Expense Reimbursement

The members of the Board of Directors will fully comply with the provisions of the Board's policies on compensation and expense reimbursement.

Ethics Training

Directors and designated positions shall receive at least two (2) hours of ethics training every two (2) years.

Sexual Harassment Prevention Training and Education

Directors and management and supervisory employees shall receive at least two (2) hours of sexual harassment prevention training and education within the first six months of taking office or commencing employment, and every two (2) years thereafter. The sexual harassment prevention training and education requirements for non-supervisory employees can be located in the Employee Handbook.

Violation of Ethics Policy

A perceived violation of this policy by a District Official should be referred to the Board of Directors for investigation and consideration of any appropriate action warranted. A violation of this policy may be addressed by the use of such remedies as are available by law to the District, including but not limited to: (a) adoption of a resolution expressing disapproval of the conduct of the District Official who has violated this policy, (b) injunctive relief, (c) referral of the violation to the District Attorney and/or the grand jury; or (d) if the official is an employee, appropriate discipline as provided in the Employee Handbook.

PASSED AND ADOPTED on February 18, 2020, at a meeting of the Board of Directors by the following vote:

AYES: *Mike Vereschagin, Ernie Pieper, Charles Schonauer, John Erickson, James A. Jones*

NOES:


ABSENT:

ABSTAIN:



President

ATTEST:



Secretary