

DEL PASO MANOR WATER DISTRICT ETHICS POLICY

Section 1. Purpose and Scope.

The policy of The Del Paso Manor Water District is to maintain the highest standards of ethics from its Board members. The proper operation of the District requires decisions and policy to be made in the proper channels of governmental structure, that public office not be used for personal gain, and that all individuals associated with the District remain impartial and responsible toward 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. This policy sets forth the minimum ethical standards to be followed by the Board of Directors of the Del Paso Manor Water District. The objectives of this policy are (1) heighten awareness of ethics and values and critical elements on Board members' conduct, (2) to provide guidance for dealing with ethical issues and (3) improve ethical decision-making and values-based management.

Section 2. Responsibilities of Public Office

Board members are sworn to uphold the Constitution of the United States and the Constitution of the State of California. Board members will comply with the applicable laws regulating their conduct, including of interest, financial disclosure and open government laws. Board members will work in cooperation with other public officials unless prohibited from doing so by law or officially recognized confidentiality of their work.

(Government Code Section 1360; Article 20, Section 3 of the California Constitution.)

Section 3. Fair and Equal Treatment.

Board members will not in the performance of their official functions, discriminate against or harass any person on the basis of race, religion, color, creed, age, marital status, national origin, ancestry, sex, sexual preference, medical condition or disability. A board member 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.

(See, e.g., Article 1, Section 31 of the California Constitution; Age Discrimination in Employment Act of 1967; Americans with Disabilities Act of 1990; Fair Employment and Housing Act; Rehabilitation Act of 1973; Title VII of Civil Rights Act of 1964; Labor Code Section 1102.1.)

Section 4. Proper Use and Safeguarding of District Property and Resources.

Except as specifically authorized, a Board member will not use or permit the use of District-owned vehicles, equipment, telephones, materials or property for personal convenience or profit. A Board Member will not ask or require a District employee to perform services for the personal convenience or profit of a Board Member or employee. Each Board member must protect and properly use any District assets against unauthorized use or removal, as well as from loss due to criminal act or breach of trust.

(Article 16, Section 6 of the California Constitution, Government Code Section 1855.)

Section 5. Use of Confidential Information.

- A. A Director 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 to been received for, or during, a closed session meeting of the Board, (2) is protected from disclosure under the attorney/client or other evidentiary privilege, or (3) is not required is to be disclosed to be disclosed under the California Public Records Act.
- B. 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 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 Board or the full Board, in a lawful and appropriate manner, to provide the Board the Board an opportunity to cure a alleged violation.
- C. A Director 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.

Section 6. Conflict of Interest.

- A. A Board member will not have a financial interest in a contract with the District or be a purchaser at a sale by the District or a vendor at a purchase made by the District, unless the Board member's participation was authorized under the Government Code, Section 1091. A board member will not participate in the discussion, deliberation or vote on a matter before the Board of the 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 a prohibited interest with respect in the matter, as defined in the Political

Reform Act. Government Code sections 81000, and the following, relating to financial conflicts of interest. Generally, a director has a financial interest in a matter if it is reasonably foreseeable that the Board decision would have a material financial effect (as defined by the Fair Political Practices Commission's regulations) that is distinguishable from the effect on the public generally on (a) a business entity in which the Director has a direct or indirect investment in the amount specified in the FPPC regulations; (b) real property in which the Director has a direct or indirect investment interest, with a worth in the amount specified in FPPC regulations; (c) a source of income of the Director in the amount specified in FPPC regulations, within twelve months before the Board decision; (d) a source of gifts to the Director in an amount specified in FPPC regulations within twelve months before the decision; or (e) a business entity in which the Director holds a position as a director, trustee, officer, partner, manager, or employee. An "indirect interest" means any investment or interest owned by the spouse or dependent child of the Director, or the Director's spouse, dependent child or agent, owns directly, indirectly or beneficially a ten percent interest or greater. A Director will not accept gifts or honoraria that exceed the limitations specified in the Fair Political Practices Act or FPPC regulations. Board members will report all gifts, honoraria, 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 the FPPC Regulations.

(Government Code sections 87100 and following.)

- B. If a member of the Board believes that he or she may be disqualified from participation in the discussion, deliberations or vote on a particular matter due to a conflict of interest, the followed: (a) if the Director becomes aware of the potential conflict interest before the meeting, or if the Director does not become aware of the potential conflict until during the meeting, the Director 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, the Director (1) will not participate in the discussion , deliberation or vote on the matter for which a conflict of interests exist, which will be so noted in the Board minutes, and (2) leave the room until after the discussion, vote and any other disposition of the matter has been placed on the portion of the agenda reserved for uncontested matters, except that the Directors may speak on the issue during the time that he general public speaks on the issue.
- C. A Board member will not recommend the employment of a relative by the District. In addition, a Board member will not recommend the

employment of a relative to any person known by the Board member to be bidding for or negotiating a contract with the District.

- D. A Board member 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.

(Government Code Sections 1090, and following, 81000, and following, and 87105(as to public officials that manage public investments).)

Section 7. Soliciting Political Contributions.

Board members are prohibited from soliciting political funds or contributions at District facilities or from District employees. A Board member will not accept, solicit or direct a political contribution from District vendors or consultants who have a material financial interest in a contract or other matter while the contract or the other matter is pending before the district. A Director will not use 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.

(Government Code Section 3205.)

Section 8. Board-General Manager Relationship.

A. The Board sets the policy for the District. The District's General Manager (a) has full charge and control of the construction, maintenance and operation of the water system and other facilities of the District, (b) has full power and authority to employ and discharge employees and assistants, consistent with District policy and other provisions of law, (c) prescribes the duties of employees and assistants, subject to approval by the Board. The Board will after considering the recommendation of the General Manager, appoint the District's Chief Financial Officer/ Treasurer (who will report to the General Manager.) The Chief Financial Officer/Treasurer who will install and maintain a system of auditing and accounting that will completely and at all times show the financial condition of the District. The Board will retain and periodically review the work as an independent contractor of the District (other than the Chief Financial Officer/Treasurer), who will report to the Board, to conduct an annual audit of the District's books in accordance with generally accepted accounting auditing standards.