

POLICY 1035: Conflict of Interest

1035.1 Purpose

The purpose of this policy is to ensure that the Morongo Valley Community Services District ("District") conducts its business with integrity, impartiality, and transparency while complying with the Political Reform Act, California Government Code section 1090 and related contracting laws, and other applicable conflict-of-interest requirements.

1035.2 General Rule

Directors, officers, employees, consultants, and other persons acting for the District shall disclose potential financial conflicts before participating in a District decision or contract and shall refrain from participation whenever required by law. A concern about the appearance of a conflict should be raised for review, but an appearance alone does not determine whether legal disqualification is required. Conflict determinations shall be made under the law applicable to the particular decision, contract, interest, and person.

1035.3 District Conflict of Interest Code

The Board shall adopt and maintain a separate Conflict-of-Interest Code as required by California Government Code section 87300. The Code shall incorporate the Standard Conflict of Interest Code in Title 2, California Code of Regulations, section 18730, together with the District's designated positions and disclosure categories. The Conflict of Interest Code and any amendments shall be approved by the Board and submitted to the District's code reviewing body when required by law.

1035.4 Statements of Economic Interests

Board members, officials, employees, consultants, and other persons designated by law or the District's Conflict of Interest Code shall timely file assuming-office, annual, and leaving-office Statements of Economic Interests, Form 700, as required. The District's filing officer shall maintain, process, and make the statements available as required by law.

1035.5 Governmental Decisions

Under California Government Code section 87100, a public official shall not make, participate in making, or use an official position to influence a governmental decision in which the official knows or has reason to know the official has a disqualifying financial interest. A person with a potential conflict shall disclose the matter before participating and shall obtain advice from the District's filing officer, District Legal Counsel, or the Fair Political Practices Commission when appropriate. Disclosure, recusal, departure from the meeting room, and other procedures shall be handled as required by law.

1035.6 Contracting Conflicts

California Government Code section 1090 separately prohibits District officers and employees from being financially interested in contracts made by them in their official capacities or by a Board on which they serve. A person with a potential financial interest in a District contract shall disclose the interest before participating in the development, negotiation, recommendation, approval, execution, or administration of the contract. The matter shall be referred to District Legal Counsel before the District proceeds. No person shall independently determine that a statutory remote-interest, noninterest, or other exception applies. Any exception shall be documented and administered in the manner required by law.

1035.7 Gifts, Honoraria, and Travel Payments

District officials and designated employees shall comply with applicable limits, disclosure requirements, and prohibitions governing gifts, honoraria, travel payments, and other economic interests regulated by the Political Reform Act and Fair Political Practices Commission regulations.

1035.8 Questions and Reporting

Questions concerning a potential conflict, Form 700 obligation, gift, governmental decision, or District contract should be raised before the person participates in the matter. An employee shall ordinarily raise the issue with the General Manager or District Legal Counsel. A matter involving the General Manager or a Director may be raised with the Board President or District Legal Counsel. Requesting advice does not extend a filing deadline or authorize participation while a disqualifying conflict is unresolved.

1035.9 Administration and Biennial Review

The General Manager, acting as Board Secretary when appropriate, shall coordinate maintenance of the District's Conflict of Interest Code, designated-position list, disclosure categories, filings, notices, and amendments unless the Conflict-of-Interest Code designates another filing officer.

During every even-numbered year, the District shall review its Conflict-of-Interest Code as required by California Government Code section 87306.5. If changed circumstances require an amendment, the proposed amendment shall be processed and submitted to the code reviewing body within the time required by law. If no amendment is required, the agency head or other authorized District representative shall submit the required written statement no later than October 1.

The General Manager shall also initiate review when positions are created, eliminated, renamed, or materially changed or when another changed circumstance may require amendment before the next biennial review. No exception under Policy 1000 may waive a disclosure, disqualification, filing, contracting, or other requirement imposed by law.