

**EXHIBIT 4-A**

**Draft Revised  
CONFLICT OF INTEREST CODE OF THE  
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT OF MONTEREY COUNTY**

SECTION 100. PURPOSE. Pursuant to the provisions of Government Code Section 87300, et seq., the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT of Monterey County ("District") hereby adopts the following Conflict of Interest Code ("Code"). Nothing contained herein is intended to modify or abridge the provisions of the Political Reform Act of 1974, set forth at Government Code Section 81000 et seq., ("Act"). The provisions of this Code are additional to Government Code Section 87100 and other laws pertaining to conflicts of interest. Except as otherwise indicated, the definitions and provisions of said Act and regulations adopted pursuant thereto shall be incorporated herein and this Code shall be interpreted in a manner consistent therewith.

SECTION 200. DESIGNATED POSITIONS. The positions listed on Exhibit "A" are designated positions. Officers and employees holding those positions are designated employees and are deemed to make or participate in the making of decisions which may foreseeably have a material effect on a financial interest.

SECTION 300. DISCLOSURE STATEMENTS. Designated positions shall be assigned to one or more of the disclosure categories set forth on Exhibit "B". Each designated employee shall file an annual statement disclosing that employee's interest in investments, real property, and income, designated as reportable under the category to which the employee's position is assigned on Exhibit "B".

SECTION 400. PLACE AND TIME OF FILING.

(A) All designated employees required to submit a statement of financial interest shall file the original with the District Secretary.

(B) The District Secretary, upon receipt of the statement of financial interest, shall make and retain a copy and forward the original to the County Clerk.

(C) A designated employee required to submit a statement of financial interest shall submit the statement within 30 days after the effective date of this Code, disclosing investments, business positions and property held on the effective date of the Code and income received during the 12 months before the effective date of the Code

(D) New employees, other than officers and their deputies, appointed to designated positions shall file statements within 30 days after date of employment, disclosing investments, business positions and property held on, and income received during the 12 months before, the date of employment.

(E) New officers and their deputies appointed to designated positions shall file statements, which disclose investments, business positions and property held on, and income received during the 12 months prior to the assumption of office, within 30 days of the date they assumed office, unless an earlier assumption of office is required by emergency circumstances, in which case the statement shall be filed within 30 days thereafter.

(F) Annual statements shall be filed during the month of April by all designated employees. Such statements shall cover the period of the preceding calendar year.

(G) A designated employee required to file a statement of financial interest with any other agency, which has the same territorial jurisdiction, may comply with the provisions of this code by filing a duplicate copy of the statement filed with the other agency, in lieu of an entirely separate statement.

(H) Every designated employee who leaves office shall file, within 30 days of leaving office, a statement disclosing reportable investments, business positions, interests in real property, and income held or received at any time during the period between the closing date of the last statement required to be filed and the date of leaving office.

SECTION 500. CONTENTS OF DISCLOSURE STATEMENTS. Disclosure statements shall be made on forms supplied by the District Secretary, and shall contain the following information:

(A) CONTENTS OF INVESTMENT OR INTEREST AND REAL PROPERTY REPORTS: When an investment or an interest in real property is required to be reported, the statement shall contain:

(1) A statement of the nature of the investment or interest;

(2) The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;

(3) The address or other precise location of the real property; and

(4) A statement whether the fair market value of the investment or interest in real property equals or exceeds two thousand dollars (\$2,000) but does not exceed ten thousand dollars (\$10,000), whether it exceeds ten thousand dollars (\$10,000) but does not exceed \$100,000 (\$100,000), whether it exceeds one hundred thousand dollars (\$100,000) but does not exceed one million dollars (\$1,000,000), or whether it exceeds one million dollars (\$1,000,000). This information need not be provided with respect to an interest in real property which is used principally as the residence of the filer.

(5) In the case of an annual statement or a statement from a person leaving office, if the investment or interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the date of acquisition or disposal.

(B) CONTENTS OF PERSONAL INCOME REPORTS: When personal income is required to be reported, the statement shall contain:

(1) The name and address of each source of income aggregating five hundred dollars (\$500) or more in value, or fifty dollars (\$50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;

(2) A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was at least five hundred dollars (\$500) but did not exceed one thousand dollars (\$1,000), whether it was in excess of one thousand dollars (\$1,000) but was not greater than ten thousand dollars (\$10,000), whether it was greater than ten thousand dollars (\$10,000) but not greater than one hundred thousand dollars (\$100,000), or whether it was greater than one hundred thousand dollars (\$100,000). and

(3) A description of the consideration, if any, for which the income was received.

(4) In the case of a gift, the amount and the date on which the gift was received.

(5) In the case of a loan, the annual interest rate, the security, if any, given for the loan, and the term of the loan.

(6) When a payment, including an advance for travel or reimbursement, for travel is required to be reported pursuant to this section, it may be reported on a separate travel reimbursement schedule which shall be included in the filer's statement of economic interest. A filer who chooses not to use the travel schedule shall disclose payments for travel as a gift, unless it is clear from all surrounding circumstances that the services provided were equal to or greater in value than the payments for travel, in which case the travel may be reported as income.

(C) CONTENTS OF BUSINESS ENTITY INCOME REPORTS: When income of a business entity, including income of a sole proprietorship, is required to be reported under this article, the statement shall contain:

(1) The name, address, and a general description of the business activity of the business entity;

(2) In the case of a business entity which provides legal or brokerage services, the name of every person who paid fees to the business entity if the filer's prorata share of fees from such person was equal to or greater than one thousand dollars (\$1,000);

(3) In the case of a business entity not covered by paragraph (2), the name of every person from whom the business entity received payments if the filer's prorata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$10,000) during a calendar year.

SECTION 600. DISQUALIFICATION. Designated employees must disqualify themselves from making or participating in the making of any decisions in which they have a reportable financial interest, when it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the designated employee, a member of his or her immediate family, or on any of the following:

- (A) Any business entity in which the designated employee has a direct or indirect investment worth two thousand dollars (\$2,000).
- (B) Any real property in which the designated employee has a direct or indirect interest worth two thousand dollars (\$2,000) or more.
- (C) Any source of income, except gifts or loans by a commercial lending institution made in the regular course of business on terms available to the public without regard to the employee's status, aggregating five hundred dollars (\$500) or more in value provided or promised to, received by, the designated employee within 12 months prior to the time when the decision is made.
- (D) Any business entity in which the designated employee is a Director, Officer, Partner, Trustee, Employee, or holds any position of management.
- (E) Any donor of, or intermediary or agent for a donor of, a gift or gifts aggregating two hundred fifty (\$250) or more in value provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made. The amount of the value of gifts specified by this subsection shall be adjusted biennially by the Fair Political Practices Commission ("Commission") pursuant to Government Code section 89503.

Indirect investment or interest means any investment or interest owned by the spouse or dependent child of a designated employee, by an agent on behalf of a designated employee, or by a business entity or trust in which the designated employee, the designated employee's agents, spouse, and dependent children own directly, indirectly, or beneficially a 10-percent interest or greater.

No designated employee shall be required to disqualify himself/herself with respect to any matter which could not be legally acted upon or decided without his/her participation.

SECTION 601. DISQUALIFICATION - FINANCIAL INTERESTS IN WATER, SEWAGE, IRRIGATION, OR STORM DRAINAGE COMPANIES OR DISTRICTS. Notwithstanding any other provision of law, or any other provision of this Code, each Director, Officer, or Employee of the District must disqualify himself or herself from making or participating in any decision which affects a water company or water utility which provides water within the District, when that individual has a reportable financial interest in such water,

sewage, irrigation, or storm drainage companies or districts, and such decision will have a material, financial affect on that interest.

(A) A reportable financial interest for the purpose of this section shall include:

- (1) Any direct or indirect investment held in such water company or water utility;
- (2) Any position held as a director, officer, employee, trustee, attorney, or agent of such water company or water utility;
- (3) Any monetary claim or cause of action alleging monetary damages, or contingent interest deriving from such a claim or cause of action against a water company or a water utility, provided such claim or cause of action has resulted in pending litigation or pending arbitration, and has been duly filed with a judicial or administrative tribunal or forum; and/or
- (4) Any agent or attorney who represents an individual with regard to a claim or cause of action as set forth in subsection (c) above.

(B) A material financial effect for the purpose of this section shall mean either:

- (1) Those effects listed in the California Administrative Code, 2 California Code of Regulations section 18705, and/or
- (2) Any benefit or detriment in the amount of \$100 or more.

(C) Where a Director, Officer, or Employee of this District has a reportable interest pursuant to this section, the individual shall:

- (1) Disclose the existence of the financial interest for the public record;
- (2) Describe with particularity the nature of the financial interest;
- (3) Attempt in no way to use this official position to influence any other public official with respect to this matter when the decision may have a material financial effect upon that individual's reportable interest; and
- (4) Refrain from participation in the discussion or the decision relating to the matter when the decision may have a material financial effect upon the individual's reportable interest.

The provisions of this section shall be construed in conjunction with the provisions of section 600, which allow participation in a decision when such "will affect the official's interest in substantially the same manner as it will affect all members of the public or a significant segment of the public."

SECTION 700. RESIGNATION. Any individual who resigns a designated position within 12 months following initial appointment or within 30 days of the date of a notice mailed by the filing officer of the individual's filing obligation, whichever is earlier, is not deemed to assume or leave office, provided that during the period between appointment and resignation, the individual does not make, participate in making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position. Within 30 days of the date of a notice mailed by the filing officer, the individual shall do both of the following:

- (A) File a written resignation with the appointing power.
- (B) File a written statement with the filing officer on a form prescribed by the Commission and signed under the penalty of perjury stating that the individual, during the period between appointment and resignation, did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

**EXHIBIT A**

**DESIGNATED POSITIONS**

|                                 | Disclosure<br>Category |
|---------------------------------|------------------------|
| Board of Directors              | 1                      |
| General Manager                 | 1                      |
| District Counsel                | 1                      |
| Administrative Services Manager | 1                      |

**POSITIONS EXEMPT FROM FINANCIAL DISCLOSURE REQUIREMENTS**

Members of the Carmel River Advisory Committee

Members of the Pebble Beach Wastewater Reclamation  
Project Oversight Committee

## EXHIBIT B

### DISCLOSURE CATEGORIES

An investment, interest in real property, or income is reportable if the business entity in which the investment is held, the interest in real property, or the income or source of income may foreseeably be affected materially by any decision made or participated in by the designated employee by virtue of the employee's position.

#### DESIGNATED EMPLOYEES IN CATEGORY 1 MUST REPORT:

All reportable investments, interests in real property and income, and any business entity in which the person is a Director, Officer, Partner, Trustee, Employee, or holds any position of management. Financial interests are reportable only if located within or subject to the jurisdiction of the District, or if the business entity is doing business or planning to do business in the jurisdiction or has done business within the jurisdiction at any time during the two years prior to the filing of the statement.

-----

#### CITATIONS TO DEFINITIONS:

|                             |   |                       |
|-----------------------------|---|-----------------------|
| "Income"                    | - | Government Code 82030 |
| "Interest in Real Property" | - | Government Code 82033 |
| "Investment"                | - | Government Code 82034 |

/u/staff/wp/forms/conflict

(rev. 7/18/88)(rev. 12/9/91)(rev. 8/94)

\\waterlaw\prolaw\Documents\MPWMD\1001-001\Conflict of Interest Code\397.doc

U:\staff\word\committees\Admin\2006\20061201\04\item4\_exh4a.doc