



POLICY 1035 Conflict of Interest

EFFECTIVE DATE 8/24/2023 **VERSION 2**

DATE OF LAST REVISION 8/17/2023 **NEXT REVIEW DATE** 1/1/2025

APPLIES TO

Division Administration, Board of Directors

Sub-Division n/a

VERSION	REVISION DATE	DESCRIPTION OF CHANGE/SUPERSEDE	AUTHOR
1	8/16/2018	Updated to reflect staffing titles	Ann Willman
2	8/24/2023	Reviewed to ensure compliance with the Government Code and update staffing titles	Holli Drobny

RATIONALE

The Political Reform Act prohibits a public official from using his or her official position to influence a governmental decision in which he or she has a financial interest. Every state and local agency must adopt a conflict of interest code that identifies all officials and employees within the agency who make governmental decisions based on the positions they hold. The individuals in the designed positions must disclose their financial interests as specified in the agency’s conflict of interest code. The Fair Political Practices Commission has primary responsibility for the impartial and effective administration of the Act.

To ensure conflict of interest codes remain current and accurate, each local agency is required to review its code at least every even-numbered year. The agency should receive a Biennial Notice as a reminder of this obligation from the Butte County Board of Supervisors.

PROCEDURE

Under the Act, a public official has a disqualifying conflict of interest in a governmental decision if it is foreseeable that the decision will have a financial impact on his or her personal finances or other financial interests. In such cases, there is a risk of biased decision-making that could sacrifice the public’s interest in favor of the official’s private financial interests. To avoid actual bias or the appearance of possible improprieties, the public official is prohibited from participating in the decision.

This regulation and the text here designating officials and employees and establishing disclosure categories shall constitute the conflict of interest code of the District.

Disqualifying Financial Interests: There are five types of interests that may result in disqualification from governmental decisions:

- 1) Business Entity. A business entity in which the official has an investment of \$2,000 or more in which he or she is a director, officer, partner, trustee, employee, or manager.
- 2) Real Property. Real property in which the official has an interest of \$2,000 or more, including leaseholds. (However, month-to-month leases are not considered real property interests.)
- 3) Income. An individual or an entity from whom the official has received income or promised income aggregating to \$500 or more in the previous 12 months, including the official's community property interest in the income of his or her spouse or registered domestic partner.
- 4) Gifts. An individual or an entity from whom the official has received gifts aggregating to \$520 or more in the previous 12 months.
- 5) Personal Finances. The official's personal finances, including his or her expenses, income, assets, or liabilities, as well as those of his or her immediate family.

Recusal Requirements

An official with a disqualifying conflict of interest may not make, participate in making, or use his or her position to influence a governmental decision. When appearing before their own agency, an official influences a decision any time the official takes any action, including directing a decision, voting, providing information or a recommendation, or contacting or appearing before any other agency official. Certain officials have a mandated manner in which they must disqualify themselves from decisions made at a public meeting (including closed session decisions) and must publicly identify a conflict of interest and leave the room before the item is discussed.

Statements Of Economic Interests - Form 700

Every elected official and public employee who makes or influences governmental decisions is required to submit a Statement of Economic Interest, also known as [Form 700](#). The Form 700 provides transparency and ensures accountability in two ways:

- 1) It provides the necessary information to the public about an official's personal financial interests to ensure that officials are making decisions in the best interest of the public and not enhancing their personal finances.
- 2) It serves as a reminder to the public official of potential conflicts of interest so the official can abstain from making or participating in governmental decisions that are deemed conflicts of interest.

The annual filing date for Form 700 is April 1.

Designated Positions

Designated positions shall be identified within the District to demonstrate who makes or influences governmental decisions. These positions will file Form 700 Statements of Economic Interests with the District. These positions are required to file the applicable individual schedules to report investments, business positions, sources of income, and interests in real property

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located in the District's jurisdiction. The applicable schedules to be filed for each position are based on the disclosure category assigned to the designated position.

- 1) Board Member – Category 1
- 2) District Legal Counsel – Category 1
- 3) General Manager – Category 1
- 4) Director – Category 1
- 5) Manager – Category 1
- 6) Supervisor – Category 1
- 7) Consultant – Category 2

Designated employees shall file statements of economic interests with the Clerk of the County of Butte.

Disclosure Categories:

Disclosure Category 1

Persons in this category shall provide full disclosure. This includes interests in real property located entirely or partly within District boundaries, within two miles of District boundaries, and any land owned or used by the District. This also includes investments or business positions in or income (including gifts, loans, and travel payments) from sources that provide, plan to provide or have provided in the last two years facilities, goods, software, hardware, or services, including consulting services, to the District, or are engaged in the acquisition of real property within the District. Persons in this category will complete schedules in the Form 700:

- A-1, Investments Stocks, Bonds, and Other Interests (Ownership Interest is Less Than 10%)
- A-2, Investments, Income, and Assets of Business Entities/Trusts (Ownership Interest is 10% or Greater)
- B, Interests in Real Property
- C, Income, Loans, and business Positions (other than Gifts and Travel Payments)
- D, Gifts
- E, Gifts, Travel Payments, Advances, and Reimbursements

Disclosure Category 2:

Certain consultants to public agencies may qualify as public officials because they make, participate in making, or act in a staff capacity for governmental decisions. Agencies determine who is a consultant and the level of disclosure and may use Form 805.

The District may determine in writing that a particular consultant is hired to perform a range of duties that is limited in scope and, thus, is not required to comply with the full disclosure requirements described above but instead must comply with more tailored disclosure requirements specific to that consultant. Such a determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of the disclosure requirements.

Contents and Timing of Filing

- 1) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.
 - a. *Contents of Initial Statements*: Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.
- 2) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.
 - a. *Contents of Assuming Office Statements*: Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.
- 3) Annual Statements. All designated employees shall file statements no later than April 1.
 - a. *Contents of Annual Statements*: Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Government Code section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to 2 Cal. Code Regs. section 18754.
- 4) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.
 - a. *Contents of Leaving Office Statements*: Leaving office statements shall disclose reportable investments, interests in real property, income, and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

Authority: Political Reform Act (Government Code §§ 81000, et seq., Political Practices Commission ("FPPC") has adopted a regulation (2 California Code of Regulations § 18730), www.fppc.ca.gov

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8/31/23

Author (print and sign)

Date



Annabel Grimm
General Manager

31 Aug 23

Date

Approved by the Board of Directors on: **8/24/2023**