THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Committee Item
INFORMATION

Ethics Committee

10/12/2026 Committee Meeting

6c

Subject

Proposed Revisions to Ethics Rules: Presentation of Preliminary Proposal and Opportunity for Feedback

Background

Metropolitan's ethics rules were reviewed and overhauled after a multi-year review in the fall of 2021. After five years of applying the ethics rules, the Ethics Office has identified areas for potential amendment. Item 6c provides an overview of the Ethics Office's preliminary proposal for the Committee's information and feedback.

The areas identified in this preliminary proposal stem from staff's experience discussing, advising and educating on, and investigating the ethics rules. The preliminary proposal also reflects stakeholder feedback and suggestions received since the 2021 overhaul.

After receiving feedback from the Committee, staff will finalize draft Administrative Code language, further assess the proposal with outside counsel, and seek feedback from the department heads and bargaining units. After these steps are complete, this item is anticipated to return to the Ethics Committee for consideration and proposed adoption in early 2027.

Summary Proposal

1. New Rules

- ◊ Require outside employment disclosure form for employees.
- ◊ Prohibit officials from threatening, influencing, or imposing consequences on Ethics Office staff for being subject to an Ethics Office complaint or investigation.
- ◊ Prohibit director communications about ethics investigations until the matter is under the responsibility of the Executive Committee or Board for potential action in a public meeting.

2. Amendment to Existing Rules

- ◊ Expand definition of "Lobbyist" to capture additional lobbying activities by external parties.
- ◊ Add lobbyist to definition of "Restricted Source" for purposes of the restricted source gift ban.
- ◊ Clarify the limited exception to the ban on gifts from restricted sources.
- ◊ Add examples to Misuse of Governmental Position or Authority rule.
- ◊ Add that employees must disclose when they file to run for elective office (currently, employees must disclose only if/when elected to public office).
- ◊ Clarify that employees must not recommend the hiring of a relative for part-time employment or an internship to a Metropolitan contractor.
- ◊ Update state gift limit to reflect current limit.

- ◊ Amend rule on soliciting political donations from other district officials.
- ◊ Update ban on director communications to more explicitly cover sponsorships and donations of public funds to specific organizations.
- ◊ Update ban on contracts with Metropolitan directors to more explicitly include contracts with entities they own.
- ◊ Include directors as mandatory reporters of potential ethics violations.

3. Clean-up Amendments

- ◊ Updates to definitions and terminology for clarity and consistency throughout Division VII.
- ◊ Formatting and other non-substantive corrections.

Applicable Policy

Metropolitan Water District Act and Administrative Code provisions related to the Ethics Office's duties and authorities to adopt ethics rules for Board approval are as follows:

Metropolitan Water District Act (in pertinent part)

Sec. 126.7 [Establishment of Office of Ethics; Adoption of rules and penalties for Violations]

(a) The Metropolitan Water District of Southern California shall establish and operate an Office of Ethics and adopt rules relating to internal disclosure, lobbying, conflicts of interest, contracts, campaign contributions, and ethics for application to its board members, officers, and employees consistent with the intent and spirit of the laws and regulations of the Los Angeles City Ethics Commission, the Fair Political Practices Commission, and the Los Angeles County Metropolitan Transportation Authority.

(b) The rules described in subdivision (a) shall address, and seek to avoid potential ethical abuses relating to, all of the following matters:

(1) The direct and indirect business relationships between board members, contractors, and vendors, and between board members and officers or employees of member public agencies.

(2) The solicitation of campaign contributions by board members, officers, or employees and the receipt of contributions from bidders, contractors, or subcontractors.

(3) Public notice and approval procedures for contracts of fifty thousand dollars ($50,000) or more.

(c) (1) The office shall operate as an independent entity that is not subject to political influence and shall be staffed with professional, qualified persons.

(2) The office shall adopt the rules described in subdivision (a) for approval by the board, educate the board, staff, contractors, and subcontractors concerning those rules, and shall investigate complaints concerning the violation of those rules.

Metropolitan Administrative Code section 6470

Article 5

ETHICS OFFICER

Sec.
6470. Powers and Duties
6471. Authority to Obtain Professional Services
6472. Reports to Ethics Committee
6473. Principal Assistant Ethics Officer

§ 6470. Powers and Duties.

The powers and duties of the Ethics Officer shall be as follows:

(e) The Ethics Officer shall propose amendments to the Administrative Code to the Ethics Committee for approval and adoption by the Board, relating to:

(1) Regulation of lobbying activities;

(2) Conflicts of interest and financial disclosure;

(3) Public notice and approval procedures for contracts of $50,000 or more;

(4) Disclosure of campaign contributions related to potential conflicts of interest; and

(5) Such other ethics rules for application to board members, officers, employees, lobbyists, lobbying firms, and contractors as deemed appropriate.