
Herlong Public Utility District

POLICY HANDBOOK

POLICY TITLE: Conflict of Interest
POLICY NUMBER: 1020

1020.1 The Political Reform Act, Government Code §81000, et seq., requires state and local government agencies to adopt and promulgate conflict-of-interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. §18730) which contains the terms of a standard conflict of interest code. It can be incorporated by reference and may be amended by the Fair Political Practices Commission after public notice and hearings to conform to amendments in the Political Reform Act. Therefore, the terms of 2 Cal. Code of Regs. §18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, along with the attached **Appendix A** in which members of the Board of Directors and employees are designated, and in which disclosure categories are set forth, constitute the conflict of interest code of the Herlong Public Utility District.

1020.2 Designated employees shall file statements of economic interests with the Clerk of the County of Lassen. Directors shall file statements of economic interest (Form 700) with the District.

10/13/20


CONFLICT OF INTEREST CODE

APPENDIX A

Designated employees hold positions within the Herlong Public Utility District that involve the making or participation in the making of decisions that may foreseeably have a material effect on any financial interest as outlined in the disclosure categories below:

<u>Designated Positions</u>	<u>Disclosure Categories</u>
Members of the Board of Directors	1-6
General Manager	1-6
District Clerk/Office Manager	1-6
Consultants	1-6

Designated Positions with an interest in any of the Categories 1 through 6 below must disclose these interests.

*Consultants shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the Code subject to the following limitation:

The General Manager may determine in writing that a particular consultant, although not a “designated position”, is hired to perform a range of duties limited in scope and thus not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of consultant’s duties, and based upon that description, a statement of the extent of disclosure requirements. The General Manager’s determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict-of-Interest Code.

Category 1

Persons in this category shall disclose all interests in real property within the jurisdiction. The statement shall contain: the nature of the investment, name of business entity, address, and the amount. Whether it exceeds two thousand dollars (\$2,000) or ten thousand dollars (\$10,000) or one hundred thousand dollars (\$100,000) or one million dollars (\$1,000,000). Real property shall be deemed to be within the jurisdiction if the property, or any part of it, is located within or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the local government agency.

If an official must disclose a leasehold interest, the official must do the following: identify the interest as a leasehold interest, disclose the number of years remaining on the lease, provide the

address, provide the exact date the lease became effective or terminated, and disclose the value of the leasehold interest.

Persons shall not be required to disclose property used primarily as their residence or for personal recreational purpose.

Category 2

Persons in this category shall disclose all investments (GC 82034).

“Investment” means any financial interest in or security issued by a business entity, including, but not limited to, common stock. Preferred stock, rights, warrants, options, debt instruments and any partnership or other ownership interest owned directly, indirectly, or beneficially by the public official, or other filer, or his or her immediate family, if the business entity or any parent, subsidiary or otherwise related business entity has an interest in real property in the jurisdiction, or does business or plans to do business in the jurisdiction, or has done business within the jurisdiction at any time during the two years prior to the time any statement or other action is required under this title. No asset shall be deemed an investment unless its fair market value equals or exceeds two thousand dollars (\$2,000). The term “investment” does not include a time or demand deposit in a financial institution, shares in a credit union, any insurance policy, interest in a diversified mutual fund registered with Securities and Exchange Commission under the Investment Company Act of 1940 or a common trust fund which is created pursuant to Section 1585 of the Financial Code, or any bond or other debt instrument issued by any government or government agency. Investments of an individual or immediate family owns, directly, indirectly, or beneficially, a 10-percent interest or greater. The term “parent, subsidiary or otherwise related business entity” shall be specifically defined by regulations of the Commission. (Government Code Section 82034). Every person who leaves an office shall, each year at a time specified by commission regulations, file a statement disclosing his investments, his interests in real property and his income during the period since the previous statement filed.

Category 3

Persons in this category shall disclose all income received from any source located or doing business within the jurisdiction or expecting to do business within the jurisdiction. Income received from a public agency need not be disclosed.

Category 4

Persons in this category shall disclose all income from, and investments in, his or her interests in real property, and any income received during the immediately preceding 12 months. This includes businesses that provide or sell services or supplies of the type associated with job assignment and utilized by the department.

Category 5

Persons in this category shall disclose all business positions held in business entities which are located, or doing or expecting to do, business within the jurisdiction and which business entities may foreseeably be affected materially by any decision made or participated in by the person by

virtue of his or her position. "Business entity" as used herein includes both for-profit and non-profit entities.

Category 6

Persons in this category shall disclose all items (including real property) valued over \$500 received as a gift, purchased from, or sold to any person applying for or receiving any services from the District. The recipient of the gift shall include his Statement of Economic Interests the full name, street address, and business activity, if any, of the intermediary or agent and the actual donor. In the case of a loan, the annual interest rate, the security, if any, given for the loan, and the term of the loan. If a payment, including an advance 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 interests.

