

OCT 01 2018

Clerk of the Board

2018 Local Agency Biennial Notice

Name of Agency: Port Hueneme Water Agency
Mailing Address: 250 N. Ventura Rd., Port Hueneme, CA 93041
Contact Person: Michele Kostenuik Phone No. 805-986-6503
Email: mkostenuik@cityofporthueneme.org Alternate Email: _____

Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. The biennial review examines current programs to ensure that the agency's code includes disclosure by those agency officials who make or participate in making governmental decisions.

This agency has reviewed its conflict of interest code and has determined that (check one BOX):

☒ An amendment is required. The following amendments are necessary:

(Check all that apply.)

- ☒ Include new positions
- ☐ Revise disclosure categories
- ☒ Revise the titles of existing positions
- ☒ Delete titles of positions that have been abolished and/or positions that no longer make or participate in making governmental decisions
- ☐ Other (describe) _____

☐ The code is currently under review by the code reviewing body.

☐ No amendment is required. (If your code is over five years old, amendments may be necessary.)

Verification (to be completed if no amendment is required)

This agency's code accurately designates all positions that make or participate in the making of governmental decisions. The disclosure assigned to those positions accurately requires that all investments, business positions, interests in real property, and sources of income that may foreseeably be affected materially by the decisions made by those holding designated positions are reported. The code includes all other provisions required by Government Code Section 87802.

Rod B. Butler

Signature of Chief Executive Officer

9/29/18

Date

All agencies must complete and return this notice regardless of how recently your code was approved or amended. Please return this notice no later than **October 1, 2018**, or by the date specified by your agency, if earlier, to:

**Board of Supervisors
800 S. Victoria Avenue
Ventura, CA 93009-1920**

PLEASE DO NOT RETURN THIS FORM TO THE FPPC.

**CONFLICT OF INTEREST CODE OF
THE PORT HUENEME WATER
AGENCY**

SECTION 1. Purpose and Definitions. Pursuant to the provisions of Government Code §87300, et seq., the Port Hueneme Water Agency (hereinafter referred to as "Agency") hereby adopts the following Conflict of Interest Code. The provisions of this Code are in addition to those contained in the Political Reform Act of 1974, codified at Title 9, Chapter 7 of the Government Code (§87100 et seq.) ("Act"). Except as otherwise indicated, the definitions contained in the Act, the regulations of the Fair Political Practices Commission, and any amendments to the Act or regulations, are incorporated herein and apply to this Code. It is the purpose of this Code to provide for the disclosure of assets and income of designated employees which may be materially affected by their official actions, and, in appropriate circumstances, to provide that designated employees should be disqualified from acting in order that conflicts of interest may be avoided.

SECTION 2. Designated Positions. The positions listed in Exhibit "A" are designated positions. Officers and employees holding those positions are designated employees and are deemed to make or participate in making decisions which may foreseeably have a material effect on a financial interest.

SECTION 3. Disclosure Statements. Designated positions shall be assigned to one or more of the disclosure categories set forth in Exhibit "B." Each designated employee or official shall file an annual statement disclosing that employee's or official's interest in investments, business positions, interests in real property and source of income designated as reportable under the category to which the employee's or official's position is assigned in Exhibit "B."

SECTION 4. Place and Time of Filing.

- (a) All designated employees or officials required to submit a Statement of Financial Interests (FPPC Form No. 700) shall file the original with the County Clerk of the Board's office. Under Government Code § 82011(c), the County of Ventura Board of Supervisors is the code reviewing body with respect to this Conflict of Interest Code.
- (b) The County Clerk of the Board's office shall retain a copy of the statement.
- (c) A designated employee or official required to submit an initial Statement of Financial Interests, (FPPC Form No. 700), shall submit the statement within thirty days after the effective date of this Code, disclosing interests held including investments, business positions, and interests in real property on the effective date of this Code, and income received during the twelve (12) months prior to the effective date of this Code, as required by this Code.
- (d) All persons appointed, promoted or transferred to designated positions shall file initial statements not more than thirty (30) days after assuming office.

- (e) The first statement of Financial Interests filed by a designated employee shall disclose the designated employee's reportable investments, business positions, and interests in real property existing as of the effective date of this Code or the date the designated employee assumed office, whichever is later, and income received during the preceding twelve (12) months.
- (f) Annual statements shall be filed by the deadline set by the Fair Political Practices Commission each year by all designated employees. Such statements shall, as applicable, disclose reportable investments, business positions, interests in real property and income held or received at any time during the previous calendar year or since the designated employee took office if during the calendar year. If a person reports for military service as defined in the Servicemember's Civil Relief Act, the deadline for the annual statement of economic interests is 30 days following his or her return to office, provided the person, or someone authorized to represent the person's interests, notifies the filing officer in writing prior to the applicable filing deadline that he or she is subject to that federal statute and is unable to meet the applicable deadline, and provides the filing officer verification of his or her military status.
- (g) A designated employee required to file a Statement of Financial Interest with any other agency which is within the same territorial jurisdiction and whose disclosure requirements are comparable may comply with the provisions of this Code by filing a duplicate copy of the statement filed with the other agency in lieu of filing an entirely separate statement, as applicable.
- (h) Every designated employee who leaves office shall file, within thirty (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, as applicable.
- (i) A designated employee who resigns his/her position within twelve months following initial appointment or within thirty 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 thirty days of the date of a notice mailed by the filing officer, the individual shall do both of the following:
 - (1) File a written resignation with the appointing power.
 - (2) 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.

SECTION 5. Contents of Disclosure Statements. Disclosure statements shall be made on forms supplied by the Agency Secretary's office (FPPC Form No. 700) and shall contain the following information:

- (a) Contents of Investment and Real Property Reports. When an investment or an interest in real property is required to be disclosed,¹ 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;
 - (4) A statement indicating 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 one hundred thousand dollars (\$100,000), or 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). For purposes of this Code, "interest in real property" does not include the principal residence of the designated employee or any other property which the designated employee utilizes exclusively as the employee's personal residence.
 - (5) For purposes of this subdivision (a) of Section 5, "interest in real property" does not include the principal residence of the filer or any other property which is utilized exclusively as the personal residence of the filer.²
- (b) Contents of Personal Income Reports. When personal income³ is required to be disclosed under this Code or pursuant to the Political Reform Act (PRA),⁴ the statement shall contain:
- (1) The name and address of each source of income aggregating five hundred dollars (\$500) or more in value ~~value,~~ or fifty dollars (\$50) or more in value if the

¹ Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

² For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

³ Income is defined in Title 9, Chapter 2 of the Government Code (Section 82030). That definition is attached hereto as Exhibit "C."

⁴ A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

- income was a gift and a general description of the business activity, if any, of each source
- (2) A statement indicating 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 two hundred fiftyfive hundred dollars (\$500) but not greater than one thousand dollars (\$1,000), whether it was in excess of one thousand dollars but not greater than ten thousand dollars (\$10,000), or 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);
 - (3) A description of the consideration, if any, for which the income was received;
 - (4) In the case of a loan, the annual interest rate and the security, if any, given for the loan.

(c) Contents of Business Entity Reports. When the designated employee's pro rata share of income to a business entity, including income to a sole proprietorship, is required to be reported,⁵ the statement shall contain:

- (1) The name, address, and a general description of the business activity of the business entity;
- (2) The name of every person from whom the business entity received payments if the designated employee's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$10,000) during a calendar year;
- (3) Income of a business entity is required to be reported only if the direct, indirect or beneficial interest of the designated employee and his or her spouse in the business entity aggregates a ten percent (10%) or greater interest totaling two thousand dollars (\$2,000) or more. In addition, for purposes of subparagraphs 2 and 3 of this subsection, the disclosure of persons who are clients or customers of a business entity is required only if it is reasonably foreseeable that the client or customer may be materially affected by the decisions of the designated employee;
- (4) When a payment, including an advance or reimbursement for travel is required to be reported pursuant to (b) and (c) of this Section 5, 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

⁵ Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

in value than the payments for the travel, in which case the travel may be reported as income.

- (d) Contents of Business Position Disclosure. When business positions are required to be reported, the designated employee shall list the name and address of each business entity in which he/she is a director, officer, partner, trustee, employee or in which he/she holds any position of management, a description of the business entity in which the business is engaged, and the designated employee's position with the business entity.
- (e) Gifts. The name and address of each source of a gift aggregating fifty dollars (\$50) or more in value, and a general description of the business activity, if any, of each source, and any intermediary through which the gift was made, a description of the gift, the amount or value, ~~and the date on which the gift was received,~~ and the travel destination for purposes of a gift that is a travel payment, advance, or reimbursement.
- (f) Travel Payments, Advances, and Reimbursements. Travel Payments, Advances, and Reimbursements shall be set forth on Schedule E of the Form 700.
- (g) Acquisition or Disposal During a Calendar Year. If any otherwise reportable investment or interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

SECTION 6. Prohibitions and Personal Loans.

- (a) Prohibition on Receipt of Honoraria. No designated employee shall accept any honorarium from any source, if the employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. Subdivisions (a), (b), and (c) of Government Code Section 89501 (relating to definitions and regulations regarding Honoraria) shall apply to the prohibitions in this section. This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Government Code Section 89506.
- (b) Prohibition on Receipt of Gifts in Excess of \$4760.
 - i. Gifts. No designated employee shall accept gifts with a total value of more than four hundred seventy dollars \$4760 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. Government Code Section, Subdivisions (e), (f), and (g) of Section 89503 shall apply to the prohibitions in this section.
 - ii. Personal Loans to Public Officials.

(A) Except as set forth in subdivision (B) below, a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.
2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:
 - a. The date the loan was made.
 - b. The date the last payment of \$100 or more was made on the loan.
 - c. The date upon which the debtor has made payments on the loan aggregating to less than \$250 during the previous 12 months.

(B) This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.
2. A loan that would otherwise not be a gift as defined in this title.
3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.
4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.
5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

SECTION 7. Disqualification. Designated employees shall disqualify themselves from making, participating in the making of, or in any way using their official position to influence a governmental decision 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, or a member of his or her immediate family, or on:

- (a) Any business entity in which the designated employee has a direct or indirect interest worth two thousand dollars (\$2,000) or more;
- (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, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars (\$500) or more in value provided to, received by or promised to the designated employee within twelve (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; or
- (e) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating four hundred ~~sixty-seventy~~ sixty dollars (\$4760) 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.

No designated employee shall be required to disqualify himself/herself with respect to any matter which could not legally be acted upon or decided without his/her participation. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

A designated employee required to disqualify himself/herself shall notify the Executive Director and the Agency Secretary in writing, and the Agency Secretary shall record the person's disqualification.

SECTION 8. Review Procedure. Under Government Code § 87306.5, not later than July 1 of each even numbered year, the Board of Directors must direct the Agency to review the Conflict of Interest Code. The Agency must submit an amended Conflict of Interest Code to the Board of Supervisors if a change in the Conflict of Interest Code is necessitated by changed circumstance. If changes are not required, the Agency must submit a written statement to that effect to the Board of Supervisors not later than October 1 of the same year.

SECTION 9. Violations. Pursuant to Government Code §87300, this Code "shall have the force of law" and any violation of any provision of this Code shall be punishable in accordance with the Act, Government Code §§ 81000 to 91014 and include criminal and civil sanctions, as well as discipline within the Agency's Personnel system.

EXHIBIT "A"

Designated Port Hueneme Water Agency Positions and Disclosure Categories

The following positions entail the making or participation in the making of decisions that may foreseeably have a material effect on financial interests:

<u>DESIGNATED POSITION</u> ¹	<u>CATEGORY</u>
Governing Board of Directors	1,2
Governing Board of Directors (Alternate)	1,2
Governing Board of Directors – Ex-Officio Member	1,2
Executive Director	1,2
<u>Assistant Executive Director</u>	<u>1,2</u>
Treasurer	1,2
Agency Counsel	1,2
Deputy Agency Counsel	1,2
Public Works Director	1,2
Water Operations Manager	1,2
<u>Deputy Public Works Director</u>	<u>1,2</u>

Consultant*

- * The disclosure, if any, required of a consultant will be determined on a case-by-case basis by the County Executive Officer or her designee. The determination of whether a particular consultant has or will have disclosure requirements is to be made in writing. The determination should include a description of the consultant's duties and based upon that description, a statement of the extent, if any, of the disclosure requirements. Each writing, or the combined writing, is a public record and is to be retained for public inspection either in the same manner and locations as the Conflict of Interest Code, or with appropriate documentation at the location where the Conflict of Interest Code is maintained, cross-referencing to the Consultant determination(s).

EXHIBIT "B"

Categories of Reportable Economic Interests

Designated Persons in Category "1" Must Report:

All investments, interests in real property, income and a business entity in which the person is a director, officer, partner, trustee, employee, or holds any position of management. These financial interests are reportable only if located within or subject to the jurisdiction of the Port Hueneme Water Agency, or if the business entity is doing business or planning to do business in an area subject to the jurisdiction of the Port Hueneme Water Agency, or has done business within an area subject to the jurisdiction of the Port Hueneme Water Agency at any time during the two years prior to the filing of the statement.

Designated Persons in Category "2" Must Report:

- A. All investments in real property located within or subject to the jurisdiction of the Port Hueneme Water Agency.
- B. Investments in any business entity that within the last two years has a contracted or in the future foreseeably may contract with the Port Hueneme Water Agency.
- C. Income from any source that within the last two years has contracted or in the future foreseeably may contract with the Port Hueneme Water Agency.
- D. His or her status as a director, officer, partner, trustee, employee or holder of a position of management in any business entity which within the last two years has contracted or in the future foreseeably may contract with the Port Hueneme Water Agency.

EXHIBIT "C"

82030. Income.

(a) "Income means, except as provided in subdivision (b), a payment received, including but not limited to any salary, wage, advance, dividend, interest, rent, proceeds from any sale, gift, including any gift of food or beverage, loan, forgiveness or payment of indebtedness received by the filer, reimbursement for expenses, per diem, or contribution to an insurance or pension program paid by any person other than an employer, and including any community property interest in the income of a spouse. Income also includes an outstanding loan. Income of an individual also includes a pro rata share of any income of any business entity or trust in which the individual or spouse owns, directly, indirectly or beneficially, a 10-percent interest or greater. "Income," other than a gift, does not include income received from any source outside the jurisdiction and not doing business within the jurisdiction, not planning to do business within the jurisdiction, or not having done business within the jurisdiction during the two years prior to the time any statement or other action is required under this title.

(b) "Income" also does not include:

(1) Campaign contributions required to be reported under Chapter 4 (commencing with Section 84100).

(2) Salary and reimbursement for expenses or per diem, and social security, disability, or other similar benefit payments received from a state, local, or federal government agency and reimbursement for travel expenses and per diem received from a bona fide nonprofit entity exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.¹

(3) Any devise or inheritance.

(4) Interest, dividends, or premiums on a time or demand deposit in a financial institution, shares in a credit union or any insurance policy, payments received under any insurance policy, or any bond or other debt instrument issued by any government or government agency.

(5) Dividends, interest, or any other return on a security which is registered with the Securities and Exchange Commission of the United States government or a commodity future registered with the Commodity Futures Trading Commission of the United States government, except proceeds from the sale of these securities and commodities futures.

(6) Redemption of a mutual fund.

(7) Alimony or child support payments.

(8) Any loan or loans from a commercial lending institution which are made in the lender's regular course of business on terms available to members of the public without regard to official status.

(9) Any loan from or payments received on a loan made to an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, uncle, aunt, or first cousin, or the spouse of any such person, provided that a loan or loan payment received from any such person shall be considered income if he or she is acting as an agent or intermediary for any person not covered by this paragraph.

(10) Any indebtedness created as part of a retail installment or credit card transaction if made in the lender's regular course of business on terms available to members of the public without regard to official status.

(11) Payments received under a defined benefit pension plan qualified under Internal Revenue Code Section 401(a).

(12) Proceeds from the sale of securities registered with the Securities and Exchange Commission of the United States government or from the sale of commodities futures registered with the Commodity Futures Trading Commission of the United States government if the filer sells the securities or the commodities futures on a stock or commodities exchange and does not know or have reason to know the identity of the purchaser.

OCT 01 2018

Clerk of the Board

**CONFLICT OF INTEREST CODE OF
THE PORT HUENEME WATER
AGENCY**

SECTION 1. Purpose and Definitions. Pursuant to the provisions of Government Code §87300, et seq., the Port Hueneme Water Agency (hereinafter referred to as "Agency") hereby adopts the following Conflict of Interest Code. The provisions of this Code are in addition to those contained in the Political Reform Act of 1974, codified at Title 9, Chapter 7 of the Government Code (§87100 et seq.) ("Act"). Except as otherwise indicated, the definitions contained in the Act, the regulations of the Fair Political Practices Commission, and any amendments to the Act or regulations, are incorporated herein and apply to this Code. It is the purpose of this Code to provide for the disclosure of assets and income of designated employees which may be materially affected by their official actions, and, in appropriate circumstances, to provide that designated employees should be disqualified from acting in order that conflicts of interest may be avoided.

SECTION 2. Designated Positions. The positions listed in Exhibit "A" are designated positions. Officers and employees holding those positions are designated employees and are deemed to make or participate in making decisions which may foreseeably have a material effect on a financial interest.

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- (b) The County Clerk of the Board's office shall retain a copy of the statement.
- (c) A designated employee or official required to submit an initial Statement of Financial Interests, (FPPC Form No. 700), shall submit the statement within thirty days after the effective date of this Code, disclosing interests held including investments, business positions, and interests in real property on the effective date of this Code, and income received during the twelve (12) months prior to the effective date of this Code, as required by this Code.
- (d) All persons appointed, promoted or transferred to designated positions shall file initial statements not more than thirty (30) days after assuming office.

- (e) The first statement of Financial Interests filed by a designated employee shall disclose the designated employee's reportable investments, business positions, and interests in real property existing as of the effective date of this Code or the date the designated employee assumed office, whichever is later, and income received during the preceding twelve (12) months.
- (f) Annual statements shall be filed by the deadline set by the Fair Political Practices Commission each year by all designated employees. Such statements shall, as applicable, disclose reportable investments, business positions, interests in real property and income held or received at any time during the previous calendar year or since the designated employee took office if during the calendar year. If a person reports for military service as defined in the Servicemember's Civil Relief Act, the deadline for the annual statement of economic interests is 30 days following his or her return to office, provided the person, or someone authorized to represent the person's interests, notifies the filing officer in writing prior to the applicable filing deadline that he or she is subject to that federal statute and is unable to meet the applicable deadline, and provides the filing officer verification of his or her military status.
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- (i) A designated employee who resigns his/her position within twelve months following initial appointment or within thirty 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 thirty days of the date of a notice mailed by the filing officer, the individual shall do both of the following:
 - (1) File a written resignation with the appointing power.
 - (2) 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.

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- (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;
 - (4) A statement indicating 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 one hundred thousand dollars (\$100,000), or 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). For purposes of this Code, "interest in real property" does not include the principal residence of the designated employee or any other property which the designated employee utilizes exclusively as the employee's personal residence.
 - (5) For purposes of this subdivision (a) of Section 5, "interest in real property" does not include the principal residence of the filer or any other property which is utilized exclusively as the personal residence of the filer.²
- (b) Contents of Personal Income Reports. When personal income³ is required to be disclosed under this Code or pursuant to the Political Reform Act (PRA),⁴ 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

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² For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

³ Income is defined in Title 9, Chapter 2 of the Government Code (Section 82030). That definition is attached hereto as Exhibit "C."

⁴ A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

income was a gift and a general description of the business activity, if any, of each source

- (2) A statement indicating 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 not greater than one thousand dollars (\$1,000), whether it was in excess of one thousand dollars but not greater than ten thousand dollars (\$10,000), or 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);
 - (3) A description of the consideration, if any, for which the income was received;
 - (4) In the case of a loan, the annual interest rate and the security, if any, given for the loan.
- (c) Contents of Business Entity Reports. When the designated employee's pro rata share of income to a business entity, including income to a sole proprietorship, is required to be reported,⁵ the statement shall contain:
- (1) The name, address, and a general description of the business activity of the business entity;
 - (2) The name of every person from whom the business entity received payments if the designated employee's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$10,000) during a calendar year;
 - (3) Income of a business entity is required to be reported only if the direct, indirect or beneficial interest of the designated employee and his or her spouse in the business entity aggregates a ten percent (10%) or greater interest totaling two thousand dollars (\$2,000) or more. In addition, for purposes of subparagraphs 2 and 3 of this subsection, the disclosure of persons who are clients or customers of a business entity is required only if it is reasonably foreseeable that the client or customer may be materially affected by the decisions of the designated employee;
 - (4) When a payment, including an advance or reimbursement for travel is required to be reported pursuant to (b) and (c) of this Section 5, 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

⁵ Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

in value than the payments for the travel, in which case the travel may be reported as income.

- (d) Contents of Business Position Disclosure. When business positions are required to be reported, the designated employee shall list the name and address of each business entity in which he/she is a director, officer, partner, trustee, employee or in which he/she holds any position of management, a description of the business entity in which the business is engaged, and the designated employee's position with the business entity.
- (e) Gifts. The name and address of each source of a gift aggregating fifty dollars (\$50) or more in value, and a general description of the business activity, if any, of each source, and any intermediary through which the gift was made, a description of the gift, the amount or value, the date on which the gift was received, and the travel destination for purposes of a gift that is a travel payment, advance, or reimbursement.
- (f) Travel Payments, Advances, and Reimbursements. Travel Payments, Advances, and Reimbursements shall be set forth on Schedule E of the Form 700.
- (g) Acquisition or Disposal During a Calendar Year. If any otherwise reportable investment or interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

SECTION 6. Prohibitions and Personal Loans.

- (a) Prohibition on Receipt of Honoraria. No designated employee shall accept any honorarium from any source, if the employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. Subdivisions (a), (b), and (c) of Government Code Section 89501 (relating to definitions and regulations regarding Honoraria) shall apply to the prohibitions in this section. This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Government Code Section 89506.
- (b) Prohibition on Receipt of Gifts in Excess of \$470.
 - i. Gifts. No designated employee shall accept gifts with a total value of more than four hundred seventy dollars \$470 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. Government Code Section, Subdivisions (e), (f), and (g) of Section 89503 shall apply to the prohibitions in this section.
 - ii. Personal Loans to Public Officials.

(A) Except as set forth in subdivision (B) below, a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.
2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:
 - a. The date the loan was made.
 - b. The date the last payment of \$100 or more was made on the loan.
 - c. The date upon which the debtor has made payments on the loan aggregating to less than \$250 during the previous 12 months.

(B) This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.
2. A loan that would otherwise not be a gift as defined in this title.
3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.
4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.
5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

SECTION 7. Disqualification. Designated employees shall disqualify themselves from making, participating in the making of, or in any way using their official position to influence a governmental decision 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, or a member of his or her immediate family, or on:

- (a) Any business entity in which the designated employee has a direct or indirect interest worth two thousand dollars (\$2,000) or more;
- (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, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars (\$500) or more in value provided to, received by or promised to the designated employee within twelve (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; or
- (e) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating four hundred seventy dollars (\$470) 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.

No designated employee shall be required to disqualify himself/herself with respect to any matter which could not legally be acted upon or decided without his/her participation. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

A designated employee required to disqualify himself/herself shall notify the Executive Director and the Agency Secretary in writing, and the Agency Secretary shall record the person's disqualification.

SECTION 8. Review Procedure. Under Government Code § 87306.5, not later than July 1 of each even numbered year, the Board of Directors must direct the Agency to review the Conflict of Interest Code. The Agency must submit an amended Conflict of Interest Code to the Board of Supervisors if a change in the Conflict of Interest Code is necessitated by changed circumstance. If changes are not required, the Agency must submit a written statement to that effect to the Board of Supervisors not later than October 1 of the same year.

SECTION 9. Violations. Pursuant to Government Code §87300, this Code "shall have the force of law" and any violation of any provision of this Code shall be punishable in accordance with the Act, Government Code §§ 81000 to 91014 and include criminal and civil sanctions, as well as discipline within the Agency's Personnel system.

EXHIBIT "A"

Designated Port Hueneme Water Agency Positions and Disclosure Categories

The following positions entail the making or participation in the making of decisions that may foreseeably have a material effect on financial interests:

<u>DESIGNATED POSITION</u> ¹	<u>CATEGORY</u>
Governing Board of Directors	1,2
Governing Board of Directors (Alternate)	1,2
Governing Board of Directors – Ex-Officio Member	1,2
Executive Director	1,2
Assistant Executive Director	1,2
Treasurer	1,2
Agency Counsel	1,2
Deputy Agency Counsel	1,2
Public Works Director	1,2
Deputy Public Works Director	1,2

Consultant*

- * The disclosure, if any, required of a consultant will be determined on a case-by-case basis by the County Executive Officer or her designee. The determination of whether a particular consultant has or will have disclosure requirements is to be made in writing. The determination should include a description of the consultant's duties and based upon that description, a statement of the extent, if any, of the disclosure requirements. Each writing, or the combined writing, is a public record and is to be retained for public inspection either in the same manner and locations as the Conflict of Interest Code, or with appropriate documentation at the location where the Conflict of Interest Code is maintained, cross-referencing to the Consultant determination(s).

EXHIBIT "B"

Categories of Reportable Economic Interests

Designated Persons in Category "1" Must Report:

All investments, interests in real property, income and a business entity in which the person is a director, officer, partner, trustee, employee, or holds any position of management. These financial interests are reportable only if located within or subject to the jurisdiction of the Port Hueneme Water Agency, or if the business entity is doing business or planning to do business in an area subject to the jurisdiction of the Port Hueneme Water Agency, or has done business within an area subject to the jurisdiction of the Port Hueneme Water Agency at any time during the two years prior to the filing of the statement.

Designated Persons in Category "2" Must Report:

- A. All investments in real property located within or subject to the jurisdiction of the Port Hueneme Water Agency.
- B. Investments in any business entity that within the last two years has a contracted or in the future foreseeably may contract with the Port Hueneme Water Agency.
- C. Income from any source that within the last two years has contracted or in the future foreseeably may contract with the Port Hueneme Water Agency.
- D. His or her status as a director, officer, partner, trustee, employee or holder of a position of management in any business entity which within the last two years has contracted or in the future foreseeably may contract with the Port Hueneme Water Agency.

EXHIBIT "C"

82030. Income.

(a) "Income means, except as provided in subdivision (b), a payment received, including but not limited to any salary, wage, advance, dividend, interest, rent, proceeds from any sale, gift, including any gift of food or beverage, loan, forgiveness or payment of indebtedness received by the filer, reimbursement for expenses, per diem, or contribution to an insurance or pension program paid by any person other than an employer, and including any community property interest in the income of a spouse. Income also includes an outstanding loan. Income of an individual also includes a pro rata share of any income of any business entity or trust in which the individual or spouse owns, directly, indirectly or beneficially, a 10-percent interest or greater. "Income," other than a gift, does not include income received from any source outside the jurisdiction and not doing business within the jurisdiction, not planning to do business within the jurisdiction, or not having done business within the jurisdiction during the two years prior to the time any statement or other action is required under this title.

(b) "Income" also does not include:

(1) Campaign contributions required to be reported under Chapter 4 (commencing with Section 84100).

(2) Salary and reimbursement for expenses or per diem, and social security, disability, or other similar benefit payments received from a state, local, or federal government agency and reimbursement for travel expenses and per diem received from a bona fide nonprofit entity exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.¹

(3) Any devise or inheritance.

(4) Interest, dividends, or premiums on a time or demand deposit in a financial institution, shares in a credit union or any insurance policy, payments received under any insurance policy, or any bond or other debt instrument issued by any government or government agency.

(5) Dividends, interest, or any other return on a security which is registered with the Securities and Exchange Commission of the United States government or a commodity future registered with the Commodity Futures Trading Commission of the United States government, except proceeds from the sale of these securities and commodities futures.

(6) Redemption of a mutual fund.

(7) Alimony or child support payments.

(8) Any loan or loans from a commercial lending institution which are made in the lender's regular course of business on terms available to members of the public without regard to official status.

(9) Any loan from or payments received on a loan made to an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, uncle, aunt, or first cousin, or the spouse of any such person, provided that a loan or loan payment received from any such person shall be considered income if he or she is acting as an agent or intermediary for any person not covered by this paragraph.

(10) Any indebtedness created as part of a retail installment or credit card transaction if made in the lender's regular course of business on terms available to members of the public without regard to official status.

(11) Payments received under a defined benefit pension plan qualified under Internal Revenue Code Section 401(a).

(12) Proceeds from the sale of securities registered with the Securities and Exchange Commission of the United States government or from the sale of commodities futures registered with the Commodity Futures Trading Commission of the United States government if the filer sells the securities or the commodities futures on a stock or commodities exchange and does not know or have reason to know the identity of the purchaser.