

CONTRA COSTA COUNTY GRAND JURY REPORT NO. 1105

Ethics and Transparency Issues in Contra Costa County

LAFCO: SOME MEMBERS OVERSTEPPING THEIR BOUNDARIES

Response from Local Agency Formation Commission

FINDINGS

Finding #1: Some LAFCO members committed ethical breaches by indicating that they spoke on behalf of LAFCO and the Mayors' Conference on matters not before LAFCO.

Response: The respondent disagrees with the finding. Commissioners Allen and Schroder indicated they did not intend to imply that their letter reflected the views of the Commission, and that impression could have been avoided if the letter specifically stated that the views expressed were the personal opinions of the authors and did not represent the views of LAFCO. In July 2010, the Commission approved revisions to strengthen its policies dealing with Commissioner Representation. With regard to the Mayors' Conference, we cannot comment.

Finding #2: Certain other LAFCO members weighed in inappropriately on the statements.

Response: The respondent disagrees with the finding. Members of federal, state and local agencies retain their right to free speech when they take office. However, when someone holds a public office, it benefits the officer and the public to make it clear when personal views, as opposed to the views of the organization, are being expressed.

RECOMMENDATIONS

Recommendation #1: All LAFCO members, including the public member, should receive regular training per AB 1234*, on the LAFCO Commissioners Handbook with particular focus on LAFCO's mission statement and ethics, as well as the Updated Commissioner Representation policy (1.4 Rules and Procedures – Section F.5).

Response: With regard to AB 1234 training (Gov. Code Section 53234 et seq.), the recommendation requires further analysis. Contra Costa LAFCO is composed of County, City, Special District and Public members. Currently, the County, City and Special District LAFCO members receive training per AB 1234 through their respective elected offices. LAFCOs are not specifically included in the provisions of AB 1234, and the decision to require the LAFCO public members to receive training is at the discretion of each individual LAFCO. Currently, Contra Costa LAFCO has no policy requiring its public members to receive training per AB 1234. We agree that this training is valuable. The issue will be considered by the Commission at a future LAFCO meeting.

With regard to training on the Contra Costa LAFCO Commissioner Handbook with particular focus on LAFCO's mission statement, ethics and Commissioner representation, this recommendation has been implemented. Contra Costa LAFCO regularly reviews and updates the Commissioner Handbook. Updates are presented to the Commission at least annually, and sometimes more frequently. The Commissioner

Handbook was last updated in July 2010, at which time the policy relating to Commissioner Representation was enhanced. As part of these regular updates, the Commissioners must review the Handbook. Also, this summer LAFCO will conduct a strategic workshop focusing on LAFCO's unique role/mission and timely issues.

Recommendation #2: LAFCO should promptly consider appropriate action when a violation of its policies occurs.

Response: The recommendation has been implemented. LAFCO deals promptly with issues relating to violation of its policies.

NEPOTISM ALIVE IN CEMETERY DISTRICT

Response from Contra Costa County Board of Supervisors

FINDINGS

Finding #1: There was a failure to advertise/post the open position, in compliance with the Maddy Act.

Response: Partially agree. In compliance with the Maddy Act of 1975 and Board Resolution No. 2002-377 "Board Advisory Body Procedures", the Board of Supervisors declared the Cemetery District seat vacant on August 10, 2010 (Attachment A) and directed the Clerk of the Board to post the vacancy. The Clerk is required to post unscheduled vacancies such as this one "... within 20 days after the vacancy occurs" (Attachment B). The Clerk of the Board did not post the vacancy as originally ordered by the BOS; however the posting was submitted on September 9, 2010, which was beyond the time requirements specified in State law and Board policy.

Finding #2: The initial recommendation to appoint the spouse of the Supervisor for the open special district position was not consistent with the appointment procedure.

Response: Disagree. The Board policy governing appointment procedures provides that nominating authority for certain District appointments is the responsibility of individual District Supervisors (Attachment B). In the case of the Cemetery District appointment, the District III Supervisor has the responsibility to nominate an applicant for appointment to the Board of Supervisors. In the case of this appointment, the District III Supervisor recused herself from both the interview and nomination process after her spouse had indicated his interest in applying for the vacant seat. The Board then acted to appoint a separate Supervisor to act on behalf of the full Board and carry out the interview and nomination process, returning with a recommendation to fill the vacant seat.

Finding #3: At a minimum, these improprieties created the appearance of nepotism.

Response: Disagree. The Board of Supervisors' decision to appoint a separate Supervisor to oversee the interview and nomination process and the District III Supervisor's recusal were undertaken specifically to ensure that the appearance of nepotism did not occur.

Finding #4: The formation of an outside, impartial panel to interview and select an applicant was appropriate.

Response: Agree

Finding #5: The adoption of a County anti-nepotism policy was proper.

Response: Agree

RECOMMENDATIONS

Recommendation #1: The County should adopt a policy requiring the formation of impartial selection committees in situations where there are conflicts of interest, real or perceived, that cannot be adequately addressed by a normal recusal process.

Response: The recommendation has been implemented and is being publicized. Section I(I) of Resolution No. 2002/377 "Board Advisory Body Procedures" (Attachment B), provides that: "A screening committee may be selected to assist the Board, or a member of the Board, in the interview and selection of applicants for appointment". This section has been reviewed by the Internal Operations Committee, which has determined that this policy is sufficient and should remain in force. In February 2011, the Board of Supervisors adopted an anti-nepotism and anti-favoritism policy (Attachment C) for purposes of evaluating Board appointment requests. This is the only policy of its kind known to exist within the nine Bay Area counties and is more stringent than specifications outlined in the Maddy Act. The policy is attached to all applications for Board appointments and can be found by the public on the county website in the Board of Supervisors section.

THE DECOMPOSING OF THE KELLER CANYON MITIGATION FUND

Response from Contra Costa County Board of Supervisors

FINDINGS

Finding #1: Proper oversight of the KCMF by the BOS is lacking, which provides opportunity for impropriety.

Response: Disagree. The Board of Supervisors makes an annual appropriation on KCMF funds during the annual budget process. In addition, prior to policy enhancements to the KCMF allocation process approved by the Board of Supervisors on May 24, 2011 (Attachment D), the District V Supervisor would submit an allocation plan to the Board of Supervisors each fiscal year for consideration and approval. The 2010/11 KCMF allocation plan, as approved by the Board of Supervisors, is included for reference (Attachment E).

Finding #2: The KCMF has distributed grants without the required applications, work plans, and follow-up reports.

Response: Agree

Finding #3: The KCMF, as currently administered, is not transparent, and lends itself to a perception of being a “political slush fund,” (defined as “A sum of money used for illicit or corrupt purposes, as for buying influence.” (Webster’s New Universal Unabridged Dictionary).

Response: Disagree. Prior to policy enhancements to the KCMF Allocation Process approved by the Board of Supervisors on May 24, 2011 (Attachment D), the District V Supervisor would submit an allocation plan to the Board of Supervisors each fiscal year for approval. A copy of the 2010/11 allocation plan, as approved by the Board of Supervisors, is included for reference (Attachment E).

Finding #4: Ethical concerns are raised when grants are awarded to organizations whose boards include members of the granting committee.

Response: Agree. To address real or perceived conflicts of interest, the Board of Supervisors approved Resolution No. 2002/376 “Policy for Board Appointees Governing Conflict of Interest & Open Meetings” (Attachment F), which revised the Conflict of Interest policy for certain Board appointees to local appointive bodies. In addition, Contra Costa County complies with Assembly Bill 1234 (Chapter 700, Statutes of 2005) which requires certain public officials to complete Ethics Training on a bi-annual basis.

Finding #5: Despite the fact that \$14 million has been distributed over the past ten years, no annual report has been issued. At the time of the writing of this report, no County-linked website to the KCMF could be found.

Response: Partially Disagree. The new Annual Report requirement was approved by the Board of Supervisors on May 24, 2011 (Attachment D). As of May 26, 2011, the date that the Grand Jury submitted Report No. 1105 to the Board of Supervisors, a county-linked website for the KCMF was active on the District V Supervisor’s website.

Finding #6: Due to a lack of publicly available information about the KCMF, not all non-profit organizations, nor the public, are aware of the fund, its mission, and its processes, and thus are unable to benefit from it.

Response: Partially Disagree. The Board of Supervisors makes an appropriation of KCMF funds during the annual budget process. In addition, prior to policy enhancements to the KCMF allocation process approved by the Board of Supervisors on May 24, 2011 (Attachment D), the District V Supervisor would submit an allocation plan to the Board of Supervisors each fiscal year for approval. A copy of the 2010/11 allocation plan, as approved by the Board of Supervisors, is included for reference (Attachment E).

RECOMMENDATIONS

Recommendation #1: The BOS should direct the County Administrator’s Office to more closely monitor the KCMF activity and ensure compliance with BOS approval requirements, as well as application, work plan and performance reporting requirements.

Response: The recommendation will not be implemented. The Finance Committee

reviewed the KCMF grant process and made policy enhancement recommendations to the Board of Supervisors. The recommendations were approved by the Board of Supervisors on May 24, 2011 (Attachment D) and have been implemented.

Recommendation #2: The BOS should require training on and compliance with a County ethics policy for all KCMF Committee members.

***Response:** The recommendation has been implemented. On April 14, 2011, the Board of Supervisors approved a recommendation from the Finance Committee to establish the “Keller Canyon Mitigation Fund Review Committee” (Attachment G). The Committee members, once appointed, are required to complete a conflict of interest training program pursuant to Section 3 of Resolution No. 2002/376 “Policy for Board Appointees Governing Conflict of Interest & Open Meetings” (Attachment F).*

Recommendation #3: An annual report for the KCMF should be issued, and a County-linked website should be established to clarify mission, application and selection process and requirements.

***Response:** The recommendation has been implemented. On May 24, 2011, the Board of Supervisors adopted several policies, as recommended by the Finance Committee, governing the use of Keller Canyon Mitigation funds (Attachment D). Section II(E) of the policy requires that an Annual Report be filed with the Board of Supervisors no later than September 30th of each year for the prior fiscal year. Section II(A) of the policy requires that information regarding the KCMF grant process be posted on the District V and County websites.*

Recommendation #4: The BOS should consider re-establishing the Finance Committee oversight of grant awards.

***Response:** The recommendation will not be implemented. The Finance Committee reviewed the KCMF grant process and made policy enhancement recommendations to the Board of Supervisors. The recommendations were approved by the Board of Supervisors on May 24, 2011 (Attachment D) and have been implemented.*

Recommendation #5: The BOS should ensure that all County mitigation funds, or similar funds under the control of a single Supervisor, receive proper supervision.

***Response:** The recommendation has been implemented. In December 2008, the Board of Supervisors referred the issue of County Special Revenue Funds to the Internal Operations Committee for review and potential establishment of a protocol for allocating funding from such funds. After several months of study, the IOC referred a draft Special Revenue Policy to the Finance Committee for review in August 2009. In December 2009, the Board of Supervisors approved a policy statement affirming that responsibility for administration of Special Revenue funds was to remain with the Supervisor of the District in which the revenue was generated (Attachment H).*

OVERALL FINDING

Finding #1: Avoiding the appearance of unethical behavior especially with regard to conflicts-of interest and nepotism, is crucial to public confidence in governance.

Response from Contra Costa County Board of Supervisors

Response: Agree

Recommendation #1: Each of the 19 cities, 28 independent special districts and the County should review and report to the Grand Jury on the adequacy of its:

- a) Nepotism policy;**
- b) Conflict-of-interest policy; and**
- c) Ethics training policy.**

***Response:** The recommendation has been implemented. The Board of Supervisors makes the following determinations regarding the adequacy of each policy outlined above:*

a) Nepotism Policy: On October 26, 2010, a report from the Public Protection Committee to the Board of Supervisors noted that Committee staff did not find a policy prohibiting family members of Supervisors from being appointed to local committees, commissions, or bodies in the neighboring nine Bay Area counties (Attachment I). The Board of Supervisors approved Resolution No. 2011/55 (Attachment C) prohibiting family members of Supervisors from receiving such appointments and is thus the only county in the Bay Area known to have such a policy.

b) & c) Conflict of Interest and Ethics Policies: In 2002, the Board of Supervisors approved Resolution No. 2002/376 “Policy for Board Appointees Governing Conflict of Interest & Open Meetings” (Attachment F), which revised the Conflict of Interest policy for certain Board appointees. In addition, Contra Costa County complies with Assembly Bill 1234 (Chapter 700, Statutes of 2005) which requires certain appointees to local legislative bodies (committees, commissions, and advisory bodies) to complete Ethics Training on a bi-annual basis.

The 19 cities of Contra Costa County and various independent districts were requested to respond to the “Overall Findings and Recommendations” but were not required to respond. The table on the following pages represents the responses that were received.

<i>Responding Agency</i>	<i>Comments</i>
City of Antioch	<i>The recommendation has been implemented with the policies reviewed and reported on to the Grand Jury with this letter.</i> <i>a) <u>Nepotism policy.</u> As to a formal nepotism policy, a policy has been drafted, which the city continues to discuss with the representatives of its employee groups. Informally, a City staff member would not be allowed to participate in a process to hire a family member. Some larger departments do have family members, but steps are taken to ensure that family members do not</i>

Responding Agency	Comments
	<p><i>supervise each other or participate in any evaluation or promotional process involving a family member.</i></p> <p><i>As to the situation in the Grand Jury’s report regarding the initial appointment of a County Supervisor’s spouse to the board of the cemetery district, appointments for City Commissions and Boards are publicly advertised in accordance with the Maddy Act. The issue of a Council Member’s spouse seeking an appointment has not come up in recent memory, and if it did, then steps would be taken to ensure a fair process.</i></p> <p><i>b) <u>Conflict-of-Interest policy.</u> The City of Antioch has adopted a Conflict of Interest Code as mandated by state law and further reviews it every two years to ensure that it is up-to-date. This has been particularly important in recent years with significant staffing cutbacks affecting the list of designated employees. The Antioch Development Agency likewise has a Conflict of Interest Code.</i></p> <p><i>c) <u>Ethics Training Policy.</u> To ensure regular training on ethical issues, the City Council has required all Council Members, Commissioners, Board Members and designated employees under its Conflict of Interest Code to participate in Assembly Bill 1234 Ethics training. Initially that training was provided in a live format. However, due to budget cutbacks, most participate in the online training provided by the Institute for Local Government/League of California Cities and endorsed by the Fair Political Practices Commission and Attorney General’s Office. All new appointees and designated employees are required to complete the training and subsequent reminders are sent to all to keep their training current every two years.</i></p>
City of Brentwood	<p><i>Nepotism Policy: The recommendation has been implemented. The City of Brentwood wholeheartedly agrees that avoiding the appearance of unethical behavior especially with regard to conflicts-of-interest and nepotism, is crucial to public confidence in governance. To that end, the Brentwood City Council adopted the attached Council/ Administrative Policy 20-27, Nepotism and Fraternalization on August 12, 2008 (the “Nepotism Policy”)</i></p> <p><i>The purpose of the Nepotism Policy is to establish guidelines and rules on relationships between employees that may give rise to actual, potential, or perceived conflicts of interest between professional responsibilities and personal relationships and/or create an adverse impact on the City’s supervision, productivity, safety, security or morale. It is important that the City remain vigilant of perceptions and that we eliminate the appearance of impropriety. Among other things the Nepotism Policy also prohibits two relatives from being appointed or placed in any position that would compromise or have the possibility of compromising the security of any property or money entrusted to the City.</i></p>

Responding Agency	Comments
	<p><i>The nepotism and fraternization policy defines various relationships, provides guidelines, discusses the duty to notify the chain of command, outlines enforcement procedures and assigns responsibilities.</i></p> <p>Conflict-of-Interest Policy: <i>This recommendation has been implemented. The City agrees that the City’s Conflict of Interest Code (the “Code”) must be reviewed bi-annually to determine its accuracy, or alternatively that the Code must be amended. Staff reviewed the Code in 2010 and determined that no changes were required at that time. The attached Code was adopted in November of 2008, and will be updated in 2012. In addition, the Fair Political Practices Commission (FPPC) requires every local government agency to update its conflict of interests code as positions are added or modified.</i></p> <p><i>During the last update to the Code the disclosure categories were revised to allow full disclosure for positions with broad decision-making authority and for positions that only make purchases or decisions for a specific department. Positions that make or participate in making governmental decisions that could affect an employee’s personal financial interests were designated in the Code.</i></p> <p>Ethics Training Policy: <i>This recommendation has been implemented. The City agrees with the importance of providing continual training related to ethics and City policy. After AB1234 was codified, in part, at Government Code section 53234, et seq., the City Council of the City of Brentwood adopted the attached Resolution which designated local agency officials for the purposes of section 53234 including key management staff, board and commission members, department directors and the City’s elected officials. Since 2006 the City has held two bi-annual training sessions for select City employees and officials. In addition City staff has notified neighboring cities of the trainings should they wish to attend. The trainings are two hours and have covered the topics required in AB 1234.</i></p>
City of Clayton	<p><i><u>The recommendation has been implemented with applicable policies and practices of the City reviewed and reported to the Grand Jury with this letter.</u></i></p> <p>a) <i><u>Nepotism Policy.</u> As to a formal nepotism policy, the City does not have a written policy enacted. The City did in February 2010 enact an Anti-Fraternization Policy within the City’s employment organization (City Resolution No. 04-2010) that addressed the possible employer exposure to liability of certain employee fraternizations and therein set standards and policies for prohibited relations between supervisors and subordinate employees. Informally, it is existing practice that no City official or staff member would be allowed to participate in a process to hire a family member.</i></p> <p>b) <i><u>Conflict of Interest Policy.</u> The City adheres to a previously adopted Conflict of Interest Code as mandated by state law. Said law further requires this Code to be reviewed every two years to ensure it is current</i></p>

Responding Agency	Comments
	<p><i>regarding any public organizational changes or reorganization and its application to designated officials and employees subject to the Code.</i></p> <p>c) <i><u>Ethics Training Policy.</u> To ensure regular training on ethical situations and issues, the City Council has required Council Members, Planning Commissioners, and designated employees under its Conflict of Interest Code to comply with Assembly Bill 1234 (statute 2005) – Ethics Training. Initially that training was provided in a live-presenter format. However, due to budget cutbacks and unfunded state mandate implications, most public agencies now comply through online training provided by the Institute for Local Government/League of CA Cities and endorsed by the Fair Political Practices Commission and the State Attorney General.</i></p> <p><i>All new appointees and designated employees are required to complete the AB 1234 Training and our City Clerk sends biennial reminders to each designated official and employee to maintain current compliance. Certificates documenting the completion of said ethics training are collected and maintained by the City Clerk in a notebook available for public review at City Hall.</i></p>
City of Concord	<p><i>The City of Concord agrees with the finding and has adopted the following governing documents which address the recommendation (below). Each has been reviewed recently and is believed to be appropriate and effective.</i></p> <p>1) <i>Policy and Procedures No. 37.4 – Employment of Relatives</i></p> <p>2) <i>Resolution No. 10-54 – Amending Appendix “A” of Resolution 81-6601, the City of Concord’s Conflict of Interest Code, following the FPPC’s required 2010 Biennial Review of classifications.</i></p> <p><i>Administrative Directive No. 43 – Ethic Training for Elected Officials; appointees to certain Boards, Commissions, and Committees; and Designated Employees</i></p>
Town of Danville	<p>a) <i>Nepotism Policy:</i> The recommendation has not yet been implemented, but will be implemented in the future, with a timeline for implementation. <i>The Town has had a nepotism policy since incorporation. The policy is contained in the Town’s Personnel Policies and Procedures and has been effectively used over the years. Though the policy has been applied to all aspects of the Town Government, it does not specifically include elected Town Council members. The Town will adopt a Town Council nepotism policy by September 30, 2011.</i></p> <p>b) <i>Conflict of Interest Policy:</i> The recommendation has been implemented. <i>The Town Council reviews and adopts a local conflict of interest code every two years, consistent with the provisions of the Political Reform Act and implementing regulations of the Fair Political Practices Commission. The City Clerk and City Attorney meet with all newly elected and appointed officials to review conflict of interest codes and filing requirements as soon as the officials assume office.</i></p> <p>c) <i>Ethics Training Policy:</i> The recommendation has been implemented. <i>The City Clerk and City Attorney annually work with all of the Town’s elected</i></p>

<i>Responding Agency</i>	<i>Comments</i>
	<p><i>and appointed officials to ensure that they complete the required AB 1234 ethics training within one year of assuming office and every two years thereafter. The City Clerk maintains a roster of all officials showing the dates upon which they completed the required training. The Clerk and the Attorney provide information to all officials on available training options and follow up with officials to ensure completion. The City Attorney provides at least one training session per year for the Town's officials in order to make the training more accessible.</i></p> <p><i>Danville agrees that all elected and appointed officials must hold themselves to the highest possible standards, including avoiding the appearance of unethical behavior especially with regard to conflicts of interest and nepotism, is crucial to public confidence in governance.</i></p>
City of El Cerrito	<p><i>The City of El Cerrito agrees completely with the Grand Jury's finding that all business of the City must be conducted in a way to avoid any appearance of unethical behavior particularly with regard to conflicts of interest and nepotism as this is crucial to public confidence in governance.</i></p> <p><i>The City of El Cerrito fosters a culture of ethics and transparency, strives to maintain the highest standards of ethical behavior and adheres to and is in compliance with State ethics and conflicts of interest laws. Additionally, the City established a uniform Code of Ethics for City employees as Administrative Policy and Procedures No. II(A)(1) in 2005 which addresses public service responsibilities, equitable treatment, forbiddance of gratuities, use of public property, outside employment and political activity and has also established separate codes of conduct for elected and appointed officials. Additional city policies which address ethics and conflict of interest include Administrative Policy and Procedure No. I(B)(3) Conflict of Interest Statements and No. II(A)(12) Outside Employment Activities. A copy of each policy is attached for your reference.</i></p> <p>A. <i><u>Nepotism Policy.</u> The City agrees with the Grand Jury's recommendation to review the adequacy of its nepotism policy. The City follows Government Code Section 1090, the Political Reform Act and other state laws that seek to prevent nepotism. The City's opposition to nepotism is also expressed in a Memorandum of Understanding with SEIU.</i></p> <p>B. <i><u>Conflict of Interest Policy.</u> The City agrees with the Grand Jury's recommendation to review the adequacy of its Conflict of Interest policy. The City, in accordance with state law, conducts a biennial review of its Conflict of Interest Policy in each even numbered year. The biennial update of the City's Conflict of Interest Code was adopted by resolution in October 2010 and updated again in July 2011. All filers are noticed promptly of filing obligations and filers comply with the statutory deadlines. The City Clerk maintains a detailed log of</i></p>

Responding Agency	Comments
	<p><i>Form 700 filers that are reviewed each year by the City's auditors. The City has also established internal administrative policies and procedures regarding Conflict of Interest and Outside Employment and Activities. Additionally, the City provides elected and appointed officials with handbooks containing information on the rules and regulations governing conflict of interest and ethics. The City believes its current Conflict of Interest Code and internal policy meet the requirements of state law and are adequate but will undertake the additional task of reviewing its elected and appointed official handbooks for any updates within the next year.</i></p> <p>C. <i><u>Ethics Training Policy.</u> The City agrees with the Grand Jury's recommendation to review the adequacy of its ethics training policy. The City Council receives formal AB 1234 Training every two years in accordance with state law. The City Clerk maintains the original training certificates and reminds the Council when additional training certification is required. City commissioners receive handbooks of comprehensive information relating to the role of a commissioner, conduct of meetings, the Brown Act and Conflict of Interest. Employees are instructed to review the City's comprehensive ethics policy upon hire and the policy made commonly available on the city's computer network for periodic review. Additionally, the City recently offered two separate lunch time trainings to city employees relating to ethics. The City Manager and Assistant City Manager each abide by the International City/County Management Association Code of Ethics. The City Clerk also abides by the International Institute of Municipal Clerk Code of Ethics and has received approximately 15 hours of ethics specific training this year. The City believes it is in compliance with state ethics requirements and intends to develop a reference page on its new website which will contain information and resources on ethics this year.</i></p>
City of Hercules	<p><i>Hercules reviewed its policies and provides the following report as requested:</i></p> <p>a) <i>Nepotism: Hercules adopted an administrative policy many years ago that addresses the supervision of related staff persons, however, the policy does not include elected officials. The policy provides that a relative or close personal friend of an employee shall not be employed in a position where there is a direct supervisor/subordinate relationship between the two positions, or where one person regularly or routinely has decision making authority over the other. The Director of Human Resources is required to approve the hiring of a relative, spouse or domestic partner of a current employee.</i></p> <p>b) <i>Conflict of Interest: The City adopted the Model Conflict of Interest Code as allowed by 2 CCR 18730. The Model Code is subject to biennial review. The designation of employees subject to the Model Code and the</i></p>

Responding Agency	Comments
	<p><i>formulation of disclosure categories are updated not less than every two years and more frequently as circumstances require. The most recent review and update of the Hercules' conflict of interest code was completed in late 2010. Elected officials, the City Manager, Finance Director, Treasurer, City Attorney and Planning Commissioners are required by State Law to file a Statement of Economic Interest Form on an annual basis.</i></p> <p><i>c) Ethics Training Policy: The City requires compliance with AB1234 for its elected officials, Planning Commissioners and designated employees. An ethics training compliance schedule is maintained to make sure that City Council members, Planning Commissioners and designated employees remain in compliance. City travel and expense policies have been adopted in compliance with AB1234.</i></p> <p><i>Implementation: Given the events that have occurred in Hercules in the past several years, the current City Council is of the opinion that its nepotism policy is inadequate. In February, 2011, the Hercules City Council began to discuss potential changes to its Rules of Procedure and determined to include extensive changes to its nepotism, conflict of interest and other policies including, where necessary, the expansion of policies to include elected officials. Preliminary drafts have been prepared but need comprehensive review and revision. The City Council has asked the Citizen Ad Hoc Committee – Legal Issues to assist its preparation of final policies. Thus, the City began implementation of its policy updates several months ago. This is an important issue that the City Council will complete within the next 90-120 days.</i></p>
City of Martinez	<p><i>Government agencies are granted the authority to work for the interest of the public as a whole and maintain the public trust as stewards of taxpayer dollars. Even the appearance of unethical behavior can have serious ramifications on preserving that trust.</i></p> <p><u><i>The recommendation has been implemented, with a summary describing the implemented action.</i></u></p> <p><i>a) The City of Martinez adopted its current nepotism policy in 1991. A copy of the policy is attached. The second page of the attachment is the staff report that went to the City Council in 1991 for adoption of the policy. The report states that, "For many years, the City has observed a nepotism policy which forbade relatives from working in the same City department, even if they worked in different divisions or locations. Recent court cases have caused us to re-evaluate this policy."</i></p> <p><i>The current policy includes identification of instances where employing relatives is prohibited because it could impact the effectiveness of the organization. The policy also addresses avoiding hiring practices that would create a work environment prone to actual favoritism or the appearance of favoritism. The City of Martinez believes that the nepotism policy is adequate in achieving its purpose.</i></p> <p><i>b) The Civil Service Rules and Regulations of the City of Martinez contain two</i></p>

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	<p><i>provisions that address potential conflicts of interest of officers and employees of the City. A copy of those rules is attached hereto. The first provision explicitly prohibits the solicitation or acceptance of “any gift, reward, service or gratuity of any kind by reason of his or her employment with the City.” The second provision states that political activity of employees shall conform to State law. Both provisions are aimed at prohibiting any type of activity that could create a conflict of interest. There are no exceptions that would allow employees or officers of the City to accept any gifts or gratuities based upon the employee’s relationship with the City. The prohibition on political activities mirrors the restrictions found in State law.</i></p> <p><i>Pursuant to state law the City has adopted its Conflict of Interest Code as it relates to the specific enumeration of employees and committees required to comply with said code and their appropriate categories (copy attached). The City of Martinez, its Council, employees, commissions, boards and applicable contractors strictly adhere to the state law provisions on conflict of interest, including the regulations of the State Fair Political Practices Commission. The City regularly conducts training sessions for staff, Council members, commission and board members on these regulations as well as common law conflict of interest principles and identifies opportunities for attendance at training sessions held by others. The City produces maps to identify radii of Council or commission member property interests in order to assist them with complying with state regulations and provides access to the City Attorney for assistance to all staff, Council, commission and board members on questions of conflict of interest. In reviewing the above, the City believes that these policies and actions of the City are adequate.</i></p> <p><i>c) Since AB 1234 became effective in 2006, the City of Martinez has ensured that local officials who receive compensation, salary, stipends, or expense reimbursements, received training on public service ethics laws and principles. In 2006, city staff provided information to the officials required to take the training, on educational opportunities offered by the League of California Cities and neighboring cities. Every official completed the necessary training within the time period prescribed by statute. In 2008, the City Attorney’s office provided the requisite ethics training to officials to ensure compliance. For officials that have taken office during the periods between the above mentioned training years, the Deputy City Clerk has advised the officials of the AB 1234 training requirements and supplied them with a list of training opportunities to make sure they receive the ethics training soon after taking office and within the statutorily required period. Since 2008, City staff has annually identified the AB 1234 requirements and appropriate training opportunities, whether on-line or in-person training, to all officials to make certain that they remain in compliance.</i></p>

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	<p><i>An up-to-date training log is maintained by the Deputy City Clerk. Every two years since 2006, each City of Martinez official who receives compensation, salary, stipends, or expense reimbursements, has received training in public service ethics laws and principles. Therefore, we find the City of Martinez policy of ensuring training for appropriate local officials on public service ethics laws and principles is adequate.</i></p>
Town of Moraga	<p><i>The Town of Moraga enjoys an excellent reputation for conducting its activities with integrity, fairness, and in accordance with the highest ethical standards and agrees that it is crucial that the Town avoid the appearance of unethical behavior, any potential perception of conflict of interest, and nepotism.</i></p> <ol style="list-style-type: none"> <li data-bbox="444 674 1409 1031">1. <i>Nepotism Policy: The Town of Moraga adopted in March 1999 a requirement in its Employee Handbook that the employment of close relatives is discouraged by the Town. In 2008 the following language was added: "In any case, employees shall not be hired or supervised, directly or indirectly, by a relative." Based on the Town's reputation for high ethical standards, this policy has served the Town and the community well. A new Employee Handbook is currently drafted and under review by the Town Attorney. This nepotism policy will be further refined and strengthened in the new Employee Handbook for Council consideration in the fall of 2011.</i> <li data-bbox="444 1077 1409 1545">2. <i>Conflict-of-Interest Policy: The Political Reform Act, Government Code section 81000 et seq., requires state and local government agencies to adopt conflict-of-interest codes. The Fair Political Practices Commission consequently adopted a regulation (Title 2, Division 6, California Code of Regulations section 187302) which contains the terms of a standard conflict-of-interest code that meets the requirements of the Political Reform Act. The terms of Title 2, Division 6, California Code of Regulations section 18730 and any amendments adopted by the Fair Political Practices Commission are referenced in the Employee Handbook. The Employee Handbook further states that it is every employee's responsibility to disclose and report all potential conflicts of interest or unethical situations to their supervisor, Department Head or Town Manager.</i> <p><i>The Moraga Employee Handbook describes a conflict of interest as engaging in or having an interest in any business or transaction, or incurring any obligation that conflicts or impairs, or appears to conflict or impair, an employee's independent judgment in the discharge of their duties.</i></p> <p><i>Examples of unethical behavior as described to all employees include:</i></p> <ul style="list-style-type: none"> <li data-bbox="480 1843 1373 1873">• <i>Accepting money, tips, favors, or other considerations for work they</i>

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	<p>are expected to perform in the regular course of their duties.</p> <ul style="list-style-type: none"> • <i>Accepting individual gifts, gratuities, or favors of any kind from persons or vendors doing business with the Town or applicants seeking services.</i> • <i>Disclosing confidential information the employee acquired in the course of their employment with the Town, or using such information for speculation or personal gain.</i> <p><i>The Town of Moraga’s conflict-of-interest policy includes, in addition to Title 2, Division 6, California Code of regulations section 18730, appendices of those positions that are required to disclose financial information (“designated positions”) and disclosure categories. All designated employees are required to provide their Form 700s to the City Clerk or they will be subject to a fine.</i></p> <p>3. <i>Ethics Training Policy: The Town of Moraga requires ethics training every two years to all Town of Moraga elected and appointed officials, and Town management. Not only are members of boards and commissions required to attend the training, but all department heads and upper management are also required to attend.</i></p> <p><i>The ethics training required by AB 1234 is valuable and provides a good base of understanding and awareness of the ethic issues that elected and appointed officials and management staff may be subjected (sic).</i></p>
City of Oakley	<p><i>Enclosed are the Nepotism Policy and Conflict of Interest Policy that are found in the City of Oakley’s Personnel Manual. In addition to the State and federal guidelines for elected officials, the City of Oakley’s elected officials have signed the Code of Ethics document found on the City’s website http://www.ci.oakley.ca.us/subpage.cfm?id=402831 and have also complied with the training requirements of AB 1234.</i></p>
City of Orinda	<p><i>First, with regard to the City’s policy regarding Nepotism. The City outlines the following in its Personnel Policy and Procedures Manual.</i></p> <p><i>4.10 Employment of Relatives: To avoid conflicts of interests (sic), members of the immediate family of elected or appointed officials shall not be appointed to City employment. Immediate family members of employees shall not be appointed, transferred, promoted or demoted into the same department or be placed in such a position as to evaluate a relative or be in the same line of supervision without prior City Manager approval. The decision of the City Manager is final in all cases. For the purposes of this policy, immediate family member is defined as spouse, spousal equivalent, parents, children, siblings, grandparents or other dependents living in the home as well as the immediate family of the spouse or spousal equivalent.</i></p> <p><i>24.4 Family Members: Written approval from the City Manager is required before an employee may conduct business on behalf of the City with a member</i></p>

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	<p><i>of the employee's family or a business or organization in which the employee or a family member has a significant association or interest.</i></p> <p><i>Second, with regard to the City's Conflict of Interest policy, the City of Orinda adopts biennially, via resolution of the City Council, an update to its conflict-of-interest policies as required by law by the Fair Political Practices Commission (FPPC). The most current update was adopted on September 6, 2011 and is attached as Exhibit A.</i></p> <p><i>Lastly, the City of Orinda provides mandatory ethics training as part of compliance with AB1234 for all City Council, Management staff and appointed City Commissioners.</i></p>
City of Pinole	<p><i>Nepotism Policy.</i> <i>The City of Pinole does maintain a Nepotism Policy (see Exhibit A). This policy is a part of our City of Pinole Personnel Rules. This document is reviewed on a regular basis. The Nepotism Policy was updated in May 2009. All candidates for elected office as well as appointed board members are provided with a copy of the policy at the candidate orientation or time of their appointment.</i></p> <p><i>Conflict of Interest Code.</i> <i>The City of Pinole has adopted by Resolution a Conflict of Interest Code, designating certain appointed officials and staff members to comply with required reporting, pursuant to GC 81000 et seq (see Exhibit B).</i></p> <p><i>The Conflict of Interest Code requires filing Form 700-Statement of Economic Interests which are maintained in the Office of the City Clerk pursuant to Government Code 81008 and 91009. This policy is required to be reviewed biennially and was updated on November 4, 2010 and pertains to specific positions that are outlined in Exhibit B.</i></p> <p><i>In addition, the Pinole City Council adopted a Code of Ethics (see Exhibit C – Resolution 2007-10) for members of the Council, Boards and Commissions, and staff members. The document speaks to serving the community without prejudice or favoritism, respecting legality and transparency and with recognition of the obligation to participate fully and responsibly in matters of the organization and the betterment of the citizens we serve.</i></p> <p><i>Ethics Training Policy.</i> <i>The City of Pinole tracks compliance with Ethics Training (AB 1234) for all required elected and appointed officials. This includes the City Council/Executive Board of Directors for the Pinole Redevelopment Agency, City Treasurer, Planning Commission, Economic Development and Housing Advisory Committee (EDHAC), Traffic and Pedestrian Safety Committee and Community Services Commission, totaling thirty-one persons.</i></p> <p><i>The City Clerk maintains a log, retains the training certificates and sends reminders to members when they have a training obligation. The City Council adopted a resolution establishing Board and Commission Appointment Procedures (see Exhibit D), and the resolution states that the Council may</i></p>

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	<p>remove a person from their board appointment for non-compliance with AB1234 Ethics training requirements. Compliance has been generally been (sic) good, with only one person who has not complied but with whom staff is working with (sic to seek compliance).</p> <p>In addition to online training opportunities, the City of Pinole offers a comprehensive AB 1234 training course, free of charge to our elected and appointed members every other year. Announcements are extended to neighboring jurisdictions, as many have come to rely on this certified training for their members also. The course is taught by our City Attorney's office.</p> <p>Additional Information. The City of Pinole makes a concentrated effort at maintaining transparency in local government. All of our City Council meetings are broadcast live and replayed numerous times on our public access channels. In addition they are available live through web streaming on the internet. The City Clerk always publicly inquires of the City Council at each meeting, whether or not there are any declarations of conflict of interest with the items on the agenda. Staff reports with attachments and copies of all power point slides are also provided to the public.</p> <p>The City Manager produces a weekly report to the City Council and the public that is published on the City's website each Friday that includes notification of upcoming meetings and highlights of issues and problems that the City is facing.</p>
City of Pittsburg	<p>Attached, please find the following documents regarding the above:</p> <ul style="list-style-type: none"> a) Pages 15 through 17 of the City of Pittsburg Personnel Rules, Section 6 Anti-Nepotism Policy. b) Resolution No. 10-11541 dated September 20, 2010 adopting the latest City of Pittsburg Conflict of Interest Code. (The Political Reform Act requires biennial determination of necessary updates to this Code. This is performed at the City of Pittsburg during even numbered years). c) The City of Pittsburg Policy and Procedure for City Council, adopted by Resolution. Please reference Section II General Rules, Ethics Training Requirements, page 2. <p>The City of Pittsburg believes that the policies referenced above adequately address the topics stated.</p>
City of Richmond	<p>1. <u>Nepotism policy.</u> The City of Richmond has adopted a nepotism policy that is included within each of the Memorandums of Understanding (MOU) that relate to all represented city employees. The city's nepotism policy adequately addresses all necessary aspects of a robust nepotism policy.</p> <p>2. <u>Conflict-of-Interest Policy.</u> The City of Richmond has a comprehensive conflict-of-interest policy that is updated and approved by the Richmond City Council every two years. The City of Richmond has adopted the State's conflict-of-interest policy, which the city believes is a strong and comprehensive conflict-of-interest policy.</p>

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	<p><i>The Political Reform Act, Government Code section 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 (Title 2, Division 6, California Code of Regulations section 187302) which contains the terms of a standard conflict-of-interest code that meets the requirements of the Political Reform Act; the terms of Title 2, Division 6, California Code of Regulations section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are incorporated into the City of Richmond’s Conflict-of-Interest Policy.</i></p> <p><i>The City of Richmond’s conflict-of-interest policy includes, in addition to Title 2, Division 6, California Code of regulations section 18730, appendices of those positions that are required to disclose financial information (“designated positions”) and disclosure categories. All designated employees are required to provide their Form 700s to the City Clerk or they will be subject to a fine.</i></p> <p>3. <u>Ethics Training Policy.</u> <i>The City of Richmond’s City Attorney provides ethics training every two years to all City of Richmond board members, commissioners, and city management. Not only are members of boards and commissions required to attend the training, but all department heads and upper management are also required to attend.</i></p> <p><i>The City of Richmond believes that the ethics training policy that is currently in place provides our leaders with a strong foundation to ethically lead the city. The ethics training covers all topics required by AB 1234 and consists of three sessions per training cycle.</i></p> <p><i>The City Attorney also provides periodic ethics updates to City Council members and department heads regarding various issues covered in AB 1234.</i></p>
City of San Ramon	<p>a) <u>Nepotism policy</u> – <i>the City does not have a specific nepotism policy. All elected officials and designated staff are required to file a California Fair Political Practices Commission Form 700 and are required to attend AB1234 training every two years. The City Council also bi-annually adopts a conflict of interest code by resolution, most recently Resolution 2010-079. We believe that the required training and conflict of interest resolution address the issue of preventing nepotism in the City. Accordingly, a separate nepotism policy is probably not needed at this time. However, the City will evaluate the issue of a specific nepotism policy at a future City Council Policy Subcommittee meeting.</i></p> <p>b) <u>Conflict of Interest Policy</u> – <i>the City Council bi-annually adopts a “Conflict of Interest Code” by resolution, most recently Resolution 2010-079, which describes the City policy. The City Council also has approved Personnel Rules and Regulations and, in Chapter 17, the rules preventing conflicts of interest are defined. We believe the Resolution along with comprehensive rules and regulations is adequate to address conflicts of interest at the City of San Ramon.</i></p>

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	<p>c) <u>Ethics Training Policy</u> – It is the policy of the City to require ethics training as defined in AB1234 of every person required to complete a Form 700 as required by the California Fair Political Practices Commission. We believe existing requirements as well as compliance efforts by the City Clerk are adequate to insure appropriate ethics training of elected officials and designated staff.</p>
City of Walnut Creek	<p>First, with regard to the City’s policy with regard to nepotism, Section 513 of the Personnel system Rules and Regulations, adopted June 7, 1978 by City Council Resolution No. 3714 and last revised May 20, 2002 addresses specifically the hiring of immediate family members. Section 513 is included below and it is noted that the City has no history of issues with enforcing or managing this policy:</p> <p>“Section 513 <u>Employment of Relatives</u> The following policies shall apply to the employment of members of the immediate family of any official or employee of the City of Walnut Creek.</p> <ol style="list-style-type: none"> a. Members of the immediate family of elected officials, appointed officials, the City Manager, the City Attorney, the Assistant City Attorney, or Department Directors shall not be appointed to employment with the City. b. No member of the immediate family of any regular employee shall be appointed to, or placed in any position where he or she will be subject to evaluation, immediate supervision, discipline or dismissal by his or her relative. c. The provisions of this section shall not apply to appointments in the Special Employment Programs, Work Training or similar programs.” <p>Second, with regard to the City’s Conflict-of-Interest policy, the City of Walnut Creek adopts biennially, via resolution of the City Council, an update to its conflict-of-interest policies as required by law and as overseen by the State’s Fair Political Practices Commission (FPPC). This update is not routine, but each department is responsible for reviewing each filing responsibility for adequacy line-by-line and proposing changes when warranted.</p> <p>Administratively, the City is current and timely in all its filings to the FPPC. The City is rigorous in staying current with new laws and ensures this by subscribing to FPPC updates and monitoring its interested persons newsletters in addition to funding adequately to send the City Clerk staff annually to New Law training in December sponsored by the League of California Cities which deals specifically with updates on the law and is largely focused on administering the conflict-of-interest regulations. In practice, the in-house City Attorney staff is committed to being very accessible for inquiries regarding conflict-of-interest issues. They maintain an open-door policy that encourages all public officials and employees to avail themselves of advice whenever an issue arises.</p> <p>Additionally, the City Attorney staff performs ethics training that is current and</p>

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	<p><i>on-going with regard to ethical issues. This training may take the form of memo updates on new laws or clarifying interpretation of laws which are disseminated broadly, meeting with affected groups and providing updates on practices, such as commissions, committees and department heads and providing more formal training as prescribed by AB1234. Ethics have been a topic at city management meetings, and the City's training team has offered a full day course on ethics for employees.</i></p> <p><i>In summary, the City of Walnut Creek is committed to ensuring that our rules, regulations and practices encourage an open and transparent governmental decision making process that honors a strong ethical character as an institution and among all of our officials and employees.</i></p>
Crockett Community Services District	<p>Background: <i>The CCSD, originally formed in 1953 as the Crockett-Valona Sanitary District, was formed on July 13, 2006 to provide a limited range of public functions to the unincorporated towns of Crockett and Port Costa including sanitary wastewater service and recreation.</i></p> <p><i>An elected five-member Board of Directors governs the CCSD. The Crockett Sanitary Commission, Port Costa Sanitary Commission, and Recreation Commission have a total of 15 Commissioners and 2 Alternate Commissioners. Directors and Commissioners receive no compensation for their service. The District has a paid staff which includes:</i></p> <ul style="list-style-type: none"> - <i>A General Manager</i> - <i>Two Department Managers</i> - <i>A part-time Secretary</i> - <i>A part-time Facilities Manger (sic)</i> - <i>A part-time Event Coordinator</i> - <i>A part-time Park and Pool Maintenance Assistant</i> - <i>Approximately 25 temporary seasonal summer pool staff</i> <p>Nepotism Policy: <i>The recommendation of the Grand Jury has not yet been implemented, but will be implemented in the future.</i></p> <p><i>The CCSD District Code, adopted by Ordinance No. 05-1 on January 19, 2005, includes a conflict-of-interest code, however, nepotism is not defined in the District Code.</i></p> <p><i>In order to comply with the Grand Jury's Report findings, the Crockett Community Services District Board will need to adopt a nepotism policy. The CCSD Board will hear a draft Nepotism Policy on August 24, 2011 with adoption of the policy expected to follow by Resolution. A copy of the draft nepotism policy is enclosed. The policy will be codified as part of the District Code at a future date.</i></p> <p>Conflict-of-Interest Policy: <i>The recommendation has been implemented, with a summary describing the implemented action below.</i></p> <p><i>The CCSD is governed by a conflict-of-interest code, Section 2.20 of the District Code, adopted by Ordinance No. 05-1 on January 5, 2005. Resolution No. 07/08-07 designated officials and employees and establishes disclosure categories, constituting the conflict of interest code of the CCSD. A copy of the</i></p>

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	<p><i>relevant District Code and resolution in enclosed.</i></p> <p><i>Ethics Training Policy:</i> <i>The recommendation has been implemented, with a summary describing the implemented action below.</i></p> <p><i>AB 1234 requires that if a local agency provides any type of compensation, salary, or stipend to, or reimburses the expenses of a member of its “legislative body” (as that term is defined in California Government Code Section 54952), that local agency’s officials must receive training in ethics.</i></p> <p><i>The CCSD Board of Directors and Commissioners do not receive any compensation and are therefore excluded from the State requirement of AB 1234. However, the District subjects its Directors and Commissioners to the ethics training requirements contained in AB 1234 regardless of whether they receive compensation for their service.</i></p> <p><i>Ethical behavior for the Board of Directors is governed by Section 2.04.005 of the District Code. Resolution No. 08/09-05 expanded the ethics requirements to the Commissioners of the District. Resolution No. 09/10-29 relaxed the adopted requirement for repeated training by Commissioners of the District. A copy of the relevant District Code and resolutions are enclosed.</i></p> <p><i>California Form 700, Statement of Economic Interests, are current and have been filed for all Board Members, Commissioners, Department Managers, and District Counsel of the District.</i></p>
<p>Discovery Bay Community Services District</p>	<p><i>The TODBCSD concurs with the Contra Costa County Civil Grand Jury Overall Finding that it is important to “Avoid(ing) the appearance of unethical behavior with regard to conflicts-of interest and nepotism” and that it “is crucial to public confidence in governance.”</i></p> <p><i>The TODBCSD takes every opportunity to avoid situations that could be perceived as a potential conflict of interest.</i></p> <p><i>With regard to the above mentioned inquiries, the TODBCSD responses are as follow:</i></p> <ul style="list-style-type: none"> <i>a) The TODBCSD does not feel a need to implement a nepotism policy at this time.</i> <i>b) The TODBCSD has adopted a Conflict of Interest Policy and a copy is attached for your perusal.</i> <i>c) The TODBCSD is in compliance with AB 1234 and all Board members and key executive and administrative staff have completed their Ethics Training requirements consistent and pursuant to AB 1234. Copies of the certificates of completion are attached for the Grand Jury’s confirmation.</i>

<i>Responding Agency</i>	<i>Comments</i>
Kensington Police Protection and Community Services District	<ol style="list-style-type: none"> 1. <i>Nepotism Policy – The Kensington Police Department has a nepotism policy, KPD Policy #1050, attached, however, the KPPCSD Board of Directors does not have a nepotism policy in its Policy Manual. A draft of KPPCSD Board Policy 1020.30 was presented to the KPPCSD Board of Directors at the August 11, 2011 KPPCSD Regular Board Meeting for review, discussion, and a first reading, (attached). The draft will be sent to our attorneys for review and presented at the September 8, 2011 KPPCSD Regular Board Meeting for a second reading and possible adoption. (Update provided stated that Policy 1020.30 was approved on October 13, 2011.)</i> 2. <i>Conflict of Interest Policy – The KPPCSD Board of Directors does have a Conflict of Interest Policy in its Policy Manual, Policy #1020, attached. The KPPCSD Board of Directors also passed Resolution #2011-02 on February 10, 2011, adopting the amended Conflict of Interest Code as required by California Government Code Section 87306.5, attached.</i> 3. <i>Ethics Training Policy – The KPPCSD Board of Directors does have a Code of Ethics Policy, Policy #4010, and an Ethics Training Policy, Policy #4080.2 in its Policy Manual, (both attached).</i>
Knightsen Town Community Services District	<ol style="list-style-type: none"> a) <i>Nepotism policy: The recommendation has not yet been implemented. The District will adopt a nepotism policy by year 2011 end.</i> b) <i>Conflict-of-interest policy: The District will implement a Conflict-of-Interest code consistent with requirements of the Fair Political Practices Commission by year end 2011.</i> c) <i>Ethics training policy: The Recommendation was implemented. The District’s elected officials last received ethics training AB 1234 spring of 2011.</i>
Kensington Fire Protection District	<i>The Board of Directors of the Kensington Fire Protection District has reviewed its Policy Manual, Operations Manual and Employee Handbook within the last 10 months and finds them adequate regarding the identified matters. In addition, all Board members are in compliance with mandated AB 1234 ethics training. The District has been recognized by the Special District Leadership Foundation as a District of Distinction.</i>
Moraga-Orinda Fire District	<ol style="list-style-type: none"> a. <i>Nepotism Policy: The recommendation has not yet been implemented, but the policy has been written. It is in the process of being vetted with Moraga-Orinda Fire District’s two labor unions, Local 1230 and Local 2700, through the “meet and confer process and then will need to be approved by the Moraga-Orinda Fire District Board of Directors. The planned implementation date if October 19, 2011.</i> b. <i>Conflict-of-Interest Policy: The recommendation has been implemented. On August 18, 2010, the Moraga-Orinda Fire District</i>

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	<p><i>Board of Directors approved Resolution 10-12 – A Resolution of the Moraga-Orinda Fire District of Contra Costa County Adopting a Conflict of Interest Code. A copy of the Resolution is attached.</i></p> <p><i>c. Ethics Training Policy: Although the District does not have a formal Ethics Training Policy, all Board members are required to obtain at least two hours of training, either at home, in-person, or online, in general ethics principles and ethics laws relevant to his or her public service every two years. All new Board members, when taking office, are required to complete applicable ethics training.</i></p> <p><i>The Moraga-Orinda Fire District Board Clerk maintains records of the dates that the Board members completed the required ethics training course and record of the entity that provided the training. These records along with copies of the Certificates of Completion are kept on file for at least five years after the Board members received the training. The Moraga-Orinda Fire District is in the process of writing a policy that records the above process. When it is completed and approved by the Board of Directors of the Moraga-Orinda Fire District a copy will be sent to the grand jury. The planned implementation date is October 19, 2011.</i></p>
Rodeo-Hercules Fire Protection District	<p><i>Item (a): The RHFPD adopted a nepotism policy on July 13, 2011 (see attached).</i></p> <p><i>Items (b) and (c): The RHFPD reviewed the adequacy of its conflict-of-interest policy and found it was codified in several different documents, including a Board of Directors Rules and Procedures Manual. The District did not have an adopted ethics training policy, although all Board members are current with their AB 1234 ethics training requirements. On August 24, 2011, staff will present for Board approval a new and improved conflict-of-interest and ethics training policy that consolidates into one policy the disparate documents in which the conflict-of-interest policy currently resides.</i></p> <p><i>In accordance with California Penal Code section 933.05(b)(1), the RHFPD reports that it implemented a nepotism policy on July 13, 2011. In accordance with California Penal Code section 933.05(b)(2), the RHFPD also reports that it has a conflict-of-interest policy, but staff proposes that it should be updated, and the RHFPD should adopt a new ethics training policy. Therefore, on August 24, 2011, staff will present for RHFPD Board approval an updated conflict-of-interest policy and a new ethics training policy. Should the Board approve those policies implementation would begin on August 25, 2011. I would be happy to provide you those policies to share with the Grand Jury if and when they are approved.</i></p>
San Ramon Valley Fire Protection District	<ol style="list-style-type: none"> <i>1. Nepotism Policy: The District is drafting a nepotism policy for consideration by the District's Board of Directors. The Board will consider adoption of the policy at a future regular meeting.</i> <i>2. Conflict of Interest Policy: The San Ramon Valley Fire Protection</i>

<i>Responding Agency</i>	<i>Comments</i>
	<p><i>District has an adopted conflict of interest policy that was last amended in 2006.</i></p> <p><i>Ethics Training: Each member of the Board of Directors, as well as the management staff, completes annual ethics training as proscribed [sic] in AB1234.</i></p>
<p><i>West Contra Costa County Healthcare District</i></p>	<p><i>The recommendation has not yet been implemented, but will be implemented in the future.</i></p> <p><i>The West Contra Costa Healthcare District will review all policies related to ethics and transparency at their upcoming September and /or October meetings.</i></p>
<p><i>Byron-Bethany Irrigation District</i></p>	<p><i>The District has prepared and formally adopted a Board member handbook which addresses Board member conduct and includes the subject matter identified in the subject report.</i></p>
<p><i>East Contra Costa Irrigation District</i></p>	<p><i>Nepotism – District Practice/Policy: The East Contra Costa Irrigation District does not have a formal (adopted) policy for filling vacancies or an adopted nepotism (or anti-nepotism) policy. However, the District does follow basic hiring guidelines when filling positions within the District. Those guidelines include posting a notice describing the available position, accepting applications for a specific period of time, reviewing the applications and resumes submitted (including those on file with the District for the past two years), interviewing potential candidates by an impartial selection committee.</i></p> <p><i>Conflict of Interest – District Practice/Policy: The District has an adopted Conflict of Interest Code which specifically “prohibits designated employees from participating in making, or in any way attempting to use his or her official position to influence the making of, any governmental decision which will have a reasonably foreseeable material financial effect... on the official or a member of his or her immediate family.”</i></p> <p><i>Ethics – District Practice/Policy: The Members of the Board of Directors are in compliance AB 1234, requiring at least two hours of training in public service ethics laws and principles every two years. The training covers ethics issues, including government transparency laws and financial interest disclosure requirements, laws relating to fair processes, competitive bidding requirements and disqualification from participating in decisions affecting family members.</i></p> <p><i>On July 12, 2011, Board of Directors considered the Findings and Recommendations made by the Grand Jury and determined that current District practices and policies adequately addressed the concerns reported by the Grand Jury and that no changes were warranted at this time.</i></p>

<i>Responding Agency</i>	<i>Comments</i>
Bethel Island Municipal Improvement District	<p><i>The recommendation has been implemented.</i></p> <p><i>a) The District's nepotism policy is contained in the Employee handbook and is identified as Policy #2060, Employment of Relatives.</i></p> <p><i>b) Both the Employee handbook and the Board Policy handbook contain conflict-of-interest policies; Employee Policy #3060, Conflicts of Interest and Board Policy #1020, Conflict of Interest.</i></p> <p><i>c) The District's ethics training policy is contained in the board Policy handbook and is identified as Policy #2010, Code of Ethics.</i></p> <p><i>Additional note: The above-reference policies are included for your review. These policies are reviewed and updated (as needed) by the Board of Directors biennially following the board elections every even numbered year. These policies were last reviewed and updated April 2011.</i></p>
Ambrose Recreation and Park District	<p><i>A. Nepotism policy; The District has recently (March 19, 2009) updated and adopted a new Personnel Manual for employees and a new Policy Manual and By Laws for the Board. Within the new manual in SEC. 309 is contained the Districts (sic) Nepotism Policy (Attachment #1) which I believe conforms to your concerns.</i></p> <p><i>B. Conflict of Interest Policy; this policy was also updated in 2009 (Attachment #2). This policy is found in SEC. 1307 of the Personnel Manual and Rule IV-15 of the Board Policy Manual and By-Laws (Attachment #3). Also in September 2002 the Board adopted Resolution #08/09-02 (Attachment #4) adopting a Conflict of Interest Code at its September Board meeting.</i></p> <p><i>C. District follow (sic) State Law, AB 1234 and makes sure that the Board of Directors and Admin staff take Ethics training every two years.</i></p> <p><i>The Ambrose Recreation and Park District agrees that [sic] with the Grand Jury's efforts in this latest action and hope that the information above is adequate response to your inquiry.</i></p>
Pleasant Hill Recreation and Park District	<p><i>Pleasant Hill Recreation & Park District is in agreement with the findings that the Grand Jury recommended that each of the 19 cities, 28 including special districts should report to the County regarding: a) Nepotism Policy, b) Conflicts of Interest, and c) Ethics Training Policy. Attached to this correspondence is the Pleasant Hill Recreation & Park District's nepotism policy (see Code of Ethic, 4010.25), conflicts of interest policy and ethics training policy. The District already has these policies in place and they are attached for the Grand Jury's review. These actions have already been implemented prior to the Grand Jury Report.</i></p>
Byron Sanitary District	<p><i>In addition to complying with Government Code Section 53232, et seq., the Byron Sanitary District will also formally adopt policies regarding nepotism, conflicts of interest and ethics training by the end of Fiscal Year 2011-2012.</i></p>
Central Contra Costa Sanitary District	<p><i>a) Nepotism Policy: The District's nepotism policy is set forth in the District's Memoranda of Understanding with its employee groups and is strictly adhered to. Members of the immediate family (mother, father, brother, sister, son, daughter, in-laws, grandparents) of elected officials</i></p>

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	<p><i>and/or employees are not eligible for employment at the District. This also applies to temporary employees.</i></p> <p><i>b) Conflict of Interest Policy: As required by the Fair Political Practices Commission (FPPC) and Contra Costa County, the District reviews its Conflict of Interest Code biennially and files updates with the County for approval. Designated filers file Form 700s annually in compliance with FPPC and County regulations. The District is in 100% compliance.</i></p> <p><i>c) Ethics Training Policy: The District conducts biennial Ethics Training for elected officials and staff, and is fully compliance with AB 1234.</i></p>
Ironhouse Sanitary District	<p><i>a) Nepotism policy</i> <i>The ISD Board operates pursuant to a set of Bylaws first adopted by the Board on May 6, 2003 which the Board reviews on a regular basis. The Bylaws contain a code of conduct at Article 5, Section 5.7 which at paragraph 15 states: "Nepotism is prohibited." The Board last reviewed the nepotism policy on March 16, 2011 and determined it to be adequate.</i></p> <p><i>b) Conflict-of-interest policy</i> <i>As previously noted, the ISD Board operates pursuant to a set of Bylaws first adopted by the Board on May 6, 2003. In addition, the ISD Board adopted a Conflict of Interest Code, Resolution No. 06-23, on October 3, 2006 which the Board reviews on a regular basis. The Bylaws contain a code of conduct at Article 5, Section 5.7. The ISD conflict of interest policy is set forth in the ISD Bylaws, Article 5, Section 5.7, paragraph 11 and Article 10, Section 10.4 Conflict of Interest.</i> <i>Section 5.7, paragraph 11 states: "Declare conflicts of interest into the public record."</i> <i>Section 10.4 states: "All Board Members are subject to all provisions of California law relative to conflicts of interest and to conflict of interest codes adopted by the Board. Any Board Member prevented from voting because of a conflict of interest shall refrain from debate and voting. Such Board member may chose [sic] to leave the Board chambers during debated[d] and voting on issued [sic]."</i></p> <p><i>c) Ethics training policy</i> <i>The five members of the ISD Board of Directors and the General Manager participate in ethics training in accordance with AB 1234, which requires at least two hours of training every two years. It is each Director's and the General Manger's responsibility to complete the required training and to ensure that the proper reports are being maintained by ISD.</i></p>

<i>Responding Agency</i>	<i>Comments</i>
Mt. Diablo HealthCare District	<p><i>The District agrees that avoiding the appearance of unethical behavior, especially with regard to conflicts of interest and nepotism, is crucial to public confidence in governance.</i></p> <p><i>The Board agrees with the recommendation</i></p> <ul style="list-style-type: none"> <i>a) The Board will establish a separate policy concerning nepotism. The use of the conflict-of-interest policy and the Bylaws refer negatively to nepotism but a more concise policy should be in place.</i> <i>b) The Board has a comprehensive conflict-of-interest policy that is reviewed and signed in February of each year and kept on file for each Board member.</i> <i>c) Every Board member must have a current ethics training certificate of (sic) file at the District office. The training is required every two years and Board members are reminded in February or March of the requirement.</i>
Mt. View Sanitary District	<ul style="list-style-type: none"> <i>a) Nepotism policy – The District’s past practice has always been to avoid nepotism. The Board has adopted a Board Policy stating that its members shall refrain from any action that is or could have the appearance of advancing the interests of a Board Member or a Board Member’s Family. The District is in the process of reviewing and updating it (sic) District Policy and Procedures Manual which will include a detailed policy addressing nepotism in the employment environment.</i> <i>b) Conflict-of-Interest Policy – The District has and continues to conduct the required bi-annual review and updating of its Conflict-of-Interest Code as required by law. All required reporters have timely submitted required reports.</i> <i>c) Ethics training policy – The Board has timely conducted ethics training since it was required by the adoption of Assembly Bill 1234. The Board has also adopted as part of its Board Policies and Procedures, a Policy stating that “All Board members shall complete ethics training as required by California Government Code 53235.”</i>
Rodeo Sanitary District	<ol style="list-style-type: none"> <i>1. The Rodeo Sanitary District (RSD) developed and implemented an anti-nepotism policy prohibiting appointment by RDS Board of Directors of unqualified relatives, domestic partners, and individuals with shared business interests to members of the Board.</i> <i>2. The recommendation concerning a conflict-of-interest policy has not yet been implements, but such policy is presently being researched and developed. The nature of the further analysis and study concerns the appropriate scope of the policy. Upon completion not to exceed six months from May 26, 2011, the policy will be implemented.</i> <i>3. The recommendation concerning an ethics training policy has not yet been implemented, but such policy is presently being researched and developed. The scope of the further analysis and study primarily</i>

<i>Responding Agency</i>	<i>Comments</i>
	<p><i>concerns the appropriate subject matter to be covered by such policy in light of Government Code Sections 53232, et. seq. as well as the type, availability and anticipated costs of training in such matters. Upon completion not to exceed six months from May 26, 2011, the policy will be implemented.</i></p>
<p>Stege Sanitary District</p>	<p><i>Stege agrees with the overall finding that avoiding unethical behavior, especially with regard to conflict of interest and nepotism, is crucial to public confidence in governance.</i></p> <p><i>The overall recommendation has been implemented by Stege.</i></p> <ul style="list-style-type: none"> <i>(a) Stege has an existing nepotism policy included in the District Personnel Policy. The existing policy is adequate.</i> <i>(b) Stege has a conflict-of-interest policy, or Conflict of Interest Code, which incorporates the FPPC standard conflict of interest code by reference. The existing policy is adequate.</i> <i>(c) Stege has an existing ethics training policy that is consistent with AB 1234 and is adequate.</i> <p><i>Also, the Stege Board has developed a Board of Governance Policy Manual that includes policy sections regarding ethics and integrity, a Conflict of Interest Code, and Code of Ethics. These policies are periodically reviewed by the Board in their public meetings.</i></p>
<p>West County Wastewater District</p>	<ul style="list-style-type: none"> <i>a) Nepotism: The District adopted a formal policy many years ago that addresses the employment of related persons. Members of the immediate family of elected or appointed officials are prohibited from employment by the District. Employment of members of the immediate family of regular employees is allowed only if the department manager makes a determination that the efficiency or mission of the Dist will not be adversely affected by such employment. A District policy related to the procurement of materials, supplies, equipment and services contains similar restrictions.</i> <i>b) Conflict of Interest: The District adopted the Model Conflict of Interest Code as allowed by 2 CCR 18730. The Model Code is subject to biennial review. The designation of employees subject to the Model Code and the formulation of disclosure categories are updated not less than every two years and more frequently as circumstances require. The most recent review and update of the District's conflict of interest code was completed in 2010.</i> <p><i>The District has a very strict policy that regulates the procurement of equipment, materials, supplies and services. That policy requires all procurement activities to be conducted with absolute integrity and in compliance with all applicable laws, rules and regulations and imposes the highest of ethical standards on all involved in the process. Among other things, the policy precludes individuals involved in procurement from having any material financial interest or from accepting</i></p>

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	<p><i>compensation or gratuities of any kind from vendors.</i></p> <p><i>c) Ethics Training Policy: The District requires compliance with AB 1234 for its elected officials and designated employees. An ethics training compliance schedule is maintained to make sure that District Directors and designated employees remain in compliance. District personnel keep abreast of training conferences and seminars. All District travel and expense policies have been adopted in compliance with AB 1234.</i></p> <p><i>d) Implementation: The Grand Jury's overall recommendation has been implemented as detailed above. The District's nepotism, conflict of interest and ethics training policies are adequate. However, policies of this nature need periodic review and updating. The District is committed to undertaking periodic review and updating of its policies and intends to require the highest of ethical standards from its elected officials, consultants and employees.</i></p>
Contra Costa Water District	<p><i>Nepotism Policy – CCWD's Nepotism Policy (Attachment 1) is contained within the District's Administrative Procedures and was established in 1990 and has been updated periodically since that time, most recently in 1999. Consequently, the recommendation made in Report #1105 has been fully implemented.</i></p> <p><i>Conflict of Interest Policy - CCWD's Conflict of Interest Policy (Attachment 2) is contained within the District's Code of Regulations and was established in 1992 and has been updated periodically since that time, most recently in 2003. This policy is pursuant to the amendments to the Government Code enacted in 2002 and the regulations adopted by the Fair Political Practices Commission in May, 2003. Consequently, the recommendation made in Report No. 1105 has been fully implemented.</i></p> <p><i>Ethics Training Policy – CCWD's Ethics Policy (Attachment 3) is contained within the District's Code of Regulations and was established in 1992. In addition, since Government Code Section 53232, et seq (AB1234) became effective January 1, 2006 the CCWD Board of Directors have fully complied with the training requirements and renewed their training every two years thereafter. Consequently, the recommendation made in Report No. 1105 has been fully implemented.</i></p>
Diablo Water District	<p><i>Response to Recommendation 1a: Respondent agrees with finding. The recommendation has not yet been implemented, but the District will adopt a nepotism policy by the end of 2011.</i></p> <p><i>Response to Recommendation 1b: Respondent agrees with finding. The recommendation has been implemented. The District already has a Conflict of Interest Code consistent with the requirements of the Fair Political Practices Commission.</i></p> <p><i>Response to Recommendation 1c: Respondent agrees with finding. The recommendation has been implemented. The District's elected officials last received the ethics training required by Assembly Bill 1234 in the Fall of 2010 and are scheduled to receive training again in the Fall of 2012.</i></p>

<i>Responding Agency</i>	<i>Comments</i>
Byron-Brentwood-Knightsen Union Cemetery District	<p data-bbox="391 275 1398 380"><i>We do not have a written policy regarding nepotism, nor have we ever needed on. We have always used good, sound judgment regarding the showing of favoritism based on kinship. We simply do not do it.</i></p> <p data-bbox="391 422 1409 600"><i>In addition to our annual submission of Statement of Economic Interests From 700, our conflict-of-interest policy is very detailed and is given to each new employee and trustee upon hire. It makes clear the need to bring any uncovered question to the District Manager for clarification. We are including a copy for your review.</i></p> <p data-bbox="391 632 1312 705"><i>This District maintains a strict ethics and compliance training policy as required by the California Government Code 53234.</i></p>