COUNTY COUNSEL LOUIS B. GREEN

CHIEF ASS'T. COUNTY COUNSEL EDWARD L. KNAPP

PRINCIPAL ASS'T COUNTY COUNSEL PATRICIA E. BECK

DEPUTY COUNTY COUNSEL
JUDITH M. KERR
REBECCA C. SUDTELL
PAULA F. FRANTZ
MICHAEL J. CICCOZZI

OFFICE OF THE COUNTY COUNSEL



COUNTY GOVERNMENT CENTER 330 FAIR LANE PLACERVILLE, CA 95667 (530) 621-5770 FAX# (530) 621-2937

DEPUTY COUNTY COUNSEL
DAVID A. LIVINGSTON
SCOTT C. STARR
TERI M. MONTEROSSO
LESLEY B. GOMES

July 15, 2009

Board of Supervisors County of El Dorado 330 Fair Lane Placerville, CA 95667

Re: Review of Conflict of Interest Code of Showcase Ranches CSD

Honorable Board:

SUBJECT: Review and Approval of updated and revised conflict of interest code received from Showcase Ranches Community Services District dated June 2, 2009.

RECOMMENDATION: County Counsel recommends that the Board review and approve the attached revised conflict of interest code received from Showcase Ranches Community Services District.

REASON FOR RECOMMENDATION: Every two years, local public entities operating within the county must review their conflict of interest codes and determine whether changes should be made in order to bring them up to date. Under state law, the Board of Supervisors is the "code reviewing body" and must review and approve the local public entities' revised conflict of interest codes. Recently the Showcase Ranches Community Services District has updated and revised its conflict of interest code to meet the present requirements of state law, and has submitted it to the county for review and approval. County Counsel's office has reviewed the Showcase Ranches CSD's new conflict of interest code adopted by the CSD on June 2, 2009, and finds that it is in conformance with state law.

FISCAL IMPACT: None.

ACTION TO BE TAKEN FOLLOWING APPROVAL: The approval by the Board of Supervisors of the updated conflict of interest code makes it effective. Notice of the BOS approval will be transmitted to the CSD. No further action by the Board is necessary.

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DISCUSSION: The Political Reform Act, Government Code §81000 *et seq.*, contains several sections dealing with conflicts of interest of public officials, including a prohibition on participating in a decision in which the official has a financial interest, a requirement that the official disclose certain economic interests, and a prohibition on receiving gifts and honoraria. Government Code §87300 requires that each local public agency¹ shall adopt its own local conflict of interest code, which must contain certain specified provisions, including a designation of specific employment positions with the public entity that make decisions which may have an effect on economic interests, and a description of the type of economic interest each designated employee must disclose on his or her statement of economic interest. In order to simplify the process for local public entities, state law permits a local public entity to adopt a particular state regulation, Title 2, California Code of Regulations (2 CCR) §18730, as its conflict of interest code, and attach to it an appendix of designated employees plus an appendix of disclosure categories for each of the designated employees. The incorporation of the state regulation into a county's code means that the code is automatically updated if the regulation is changed in the future.

Local conflict of interest codes must be updated periodically to account for changes in employment positions and job duties, and the updated code must be submitted to the designated "code reviewing body" for review and approval. Government Code §82011(b) designates the county Board of Supervisors as the code reviewing body for "any local government agency, other than a city agency, with jurisdiction wholly within the county." The Board of Supervisors must therefore review the conflict of interest codes for local agencies that operate wholly within the county. Government Code §87303 requires that the code reviewing body shall either approve the revised code as submitted, revise the proposed code and approve it as revised, or return the proposed code to the agency for revision and resubmission. Every two years the local public agencies in the County submit their revised and updated conflict of interest codes to the County for review and approval. County Counsel's Office reviews the updated conflict of interest codes submitted by the agencies, and makes recommendations to the Board for approval or rejection of the revised codes.

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Government Code §87300 requires every "agency" to adopt a conflict of interest code. "Agency" is defined in §82003 to include "any . . . local government agency." "Local government agency" is defined in §82041 to include a "county, city or district of any kind including school district, or any other local or regional political subdivision, or any department, division, bureau, office, board, commission, or other agency of the foregoing."

² "Jurisdiction" is defined, somewhat circularly, in §82035 for a local government agency as "the region, county, city district or other geographical area in which it has jurisdiction."

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The Showcase Ranches CSD code was previously rejected since it had not been revised in a number of years and had become outdated. The CSD amended its code to bring it into conformance with present state law. County Counsel has reviewed the code adopted by the CSD on June 2, 2009, and recommends approval. The Board's approval makes the updated codes legally effective. Staff will transmit a record of the Board's approval to the CSD for its records.

Very Truly Yours,

LOUIS B. GREEN County Counsel

Edward L. Knapp

Chief Ass't. County Counsel

ELK:km