



California Fair Political Practices Commission

January 6, 1986

Alan Ramo
Citizens For A Better Environment
942 Market Street, Suite 505
San Francisco, CA 94102

Re: Your Request for Advice,
Our file No. A-85-266

Dear Mr. Ramo:

This letter is to confirm the information I provided you, during our telephone conversation on December 4, 1985, concerning the Commission's inability to render formal written advice to you regarding Mr. Morrison's obligations under the Political Reform Act. (Sections 81000-91015 of the Government Code.)

Section 83114 of the Government Code authorizes the Commission to provide written advice to any person concerning his or her duties under the Act. Formal written advice may be requested only by the person whose duties under the Act are in question or by that person's authorized representative. (See, 2 Cal. Adm. Code Section 18329, copy enclosed.)

If you believe that a public official is about to violate a provision of the Act, you may wish to seek injunctive relief pursuant to Section 91003. If you believe that a public official has already violated a provision of the Act, you may wish to file a complaint with the Commission's Enforcement Division (forms enclosed) or the local district attorney's office.

If you have any questions regarding this letter, please contact me at (916) 322-5901.

Very truly yours,

A handwritten signature in cursive script that reads "Kathryn E. Donovan".

Kathryn E. Donovan
Counsel
Legal Division

KED:JG:nwm
Enclosures

F P P C
DEC 19 8 29 AM '85

December 17, 1985

Gary Grimm
Counsel
Regional Water Quality Control Board -
San Francisco Bay Region
1111 Jackson Street, Room 6040
Oakland, CA 94607

**CITIZENS
FOR
A
BETTER
ENVIRONMENT**

RE: Conflict of Interest inquiry,
Board Member Chris D. Morrison

Dear Mr. Grimm:

As we discussed by phone yesterday, Citizens for a Better Environment (CBE) has received information that indicates that it may be inappropriate for Board Member Chris Morrison to participate in and vote on any action regarding Chevron USA's NPDES permit, and perhaps regarding other refinery and chemical companies as well. It appears that Mr. Morrison's participation could cause questions concerning a potential conflict of interest under state law, or at least the appearance of a conflict of interest. The facts that have led to our concern are the following:

1. Mr. Morrison is reported to be the West Coast area manager for NALCO water treatment services, which has been described as the world's leading marketer of industrial chemicals and consulting services for all phases of water treatment.
2. Mr. Morrison was reported to have said that most of his local business is with Chevron USA and they are familiar with his qualifications. (Clippings attached.)
3. CBE was informed by Pete Williams, representing Chevron, that a product that would be utilized to achieve part of their exception proposal to a permit discharge prohibition, a non-metal anti-corrosion chemical, is sold by two sources, one of which is NALCO.
4. Mr. Williams has also claimed that many of CBE's proposals for resolving the Chevron permit controversy would not be feasible and that he was concerned that the refinery would have to shut down if costs increased.

Under the Political Reform Act, Mr. Morrison must disqualify himself from making or participating in any governmental decision in which he knows or has reason to know he has a financial interest. Section 87100. An official has a financial interest in a decision within the meaning of the Act if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on any business entity or real property in



Gary Grimm
December 17, 1985
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participation in this issue. It would seem a prudent act for Mr. Morrison to withdraw from participating in this and other similar cases.

Mr. Morrison has previously requested advice regarding conflict of interest when he ran for a seat on the Marin Municipal Water District. At that time, he was advised by attorneys for the District that while he could be a Board member, "that his best and safest course of action would be to abstain from participation and voting on any and all board matters concerning NALCO." (I have attached a copy of that opinion for your information as well as clippings concerning another allegation of conflicts of interest.)

In our view, Mr. Morrison should similarly be prudent as a Water Board member and avoid participating and voting on any matters concerning his major customers.

Thank you for your consideration of this matter. As the Chevron case will be heard soon as a permit matter, I believe there should be an expedited review. If you or Mr. Morrison have any facts or clarifications that you feel would allay our concerns, please do not hesitate to contact me.

Yours truly,



Alan Ramo
California Legal Director

cc: Chris Morrison
Fair Political Practices Commission ✓

COUNCIL MEMBERS

OCT 20 1984

dorse Paul Chignell

Paul Peterzell
Of the LI staff

Campaigns '84

Morrison replies:

I am not in the habit of responding to every letter to the editor, but the recent letter by H. K. Winters was erroneous in many important points.

- Dick Fox is far from credible. He is not opposed to the Peripheral Canal (opposed by 97 percent of Marin); he has not opposed logging on Mount Tam.

- Dick Fox is not a fiscal conservative. The MMWD budget is up 140 percent since 1980. Dick Fox was the proponent of management by objectives, giving large cash bonuses to employees for doing their job (opposed by 85 percent of MMWD consumers).

- The MMWD general manager is said that water conservation is the most viable answer (i.e., if we turn to the per capita usage rate of local '82-'83, we are well within our safe yield.)

My support is very broad, including many county supervisors, council-

cilmen, environmentalists, civic groups, etc. Why are they going against an eight-year incumbent? Because I have credibility and Dick Fox does not.

OCT 27 1984
Chris Morrison
San Rafael

Chignell, Democratic in the 9th Assembly has been endorsed by 28 Southern Sonoma city members. Paul Peterzell, who is challenging incumbent, Republican Bill was endorsed by:

Sausalito Mayor Alice Rogers and Councilwoman Carol Peltz; Belvedere Councilman Erwin Farley; Mill Valley Council members Kathleen Foote and Richard Spotswood; Corte Madera Mayor Bob Holmes and council members Pat Williams, Richard Skaff and Marta Sullivan; Larkspur Mayor Michael Wornum and council members Don Graff, Karen Kunze and Joan Lubamersky;

Fairfax Mayor Frank Egger and council members Gloria Duncan, Carol Sherman, Johanna Willmann and Ken Lippi; San Anselmo council members Bill Cordingly, Bill Ollinger and Anne Wolliever; Ross council members Roger Poore, George Dirkes and Anne Flemming;

San Rafael City Councilwoman Dorothy Breiner; Novato council members Susan Stompe and Ernie Gray; and Petaluma Councilman John Balshaw.

Other political news follows:
MMWD — Dick Fox, candidate for re-election as a Marin Municipal Water District director, has criticized his challenger, Chris Morrison, for stating in campaign literature and on the ballot that he is a "water engineer." Fox said the designation was "an attempt to gain votes by implying a relevant

technical expertise that is apparently quite dubious to say the least."

Morrison, noting his campaign literature also states his degree from the University of California at San Diego was in biology, said he "never tried to deceive anybody." Morrison said he has extensive experience in water engineering as an area manager for Nalco, which he added is the world's largest water treatment company.

Saying most of his local business is with Fox's employer, Chevron USA, Morrison suggested that Fox talk with his colleagues to determine Morrison's qualifications. Morrison also noted he was an invited speaker last June at the Dallas convention of 6,000 members of the American Water Works Association, which he said is the world's largest water organization.

Morrison, in turn, charged Fox with "throwing up mud and smokescreens" to avoid the real issues of water price and supply, he said the district "has a notoriously poor image in the public view, and he is fostering that poor view by his campaign tactics."

Jarvis — Marin Supervisor Robert Roumiguere has been named county chairman of the campaign against Proposition 36, the Howard Jarvis tax measure on the Nov. 6 ballot. The campaign committee coordinator, Reggie Winner, can be reached at 897-7218.

First round

I want to publicly thank Gary Giacomini for his successful leadership in halting the "first round" of logging Marin County. Supervisor Giacomini continues to excel as one of our county's finest elected officials — and his role in this logging arena is critical.

He has worked with MMWD, Marin Conservation League, and local citizens in this fight to ensure local control is maintained over logging.

Bravo!

DEC 7 1984

Chris Morrison
San Rafael

State of California



Fair Political Practices Commission

P.O. BOX 807 • SACRAMENTO, 95804 • • • 1100 K STREET BUILDING, SACRAMENTO, 95814

Technical Assistance • • Administration • • Executive/Legal • • Enforcement • • Statements of Economic Interest
(916) 322-5662 • • 322-3660 • • 322-3901 • • 322-6441 • • 322-6444

Nayus

*H 04-000
Phone*

March 23, 1982

Jeffrey Gunther
Assistant Attorney General
555 Capitol Mall, Suite 350
Sacramento, CA 95814

Dear Mr. Gunther:

We are writing in response to your request for assistance as attorney for the California Horse Racing Board. A question has been raised as to a possible conflict of interest under Government Code Section 87100^{1/} on the part of Board member Richard Groulx with respect to Hollywood Park's application for a license for the 1982 racing meetings. You anticipate being asked to advise the Board on this issue at its next meeting.

Mr. Papiano has made a written submission to the Commission, and I have spoken to Mr. Groulx and to Mr. Neil Papiano, attorney for Hollywood Park, as well as to yourself. Our advice is based on the information we have received from all parties. The facts, as we understand them, are as follows:

Mr. Groulx is the Executive Secretary of the Alameda County Central Labor Council of the AFL-CIO, a position he has held since 1970. The Alameda Council includes 150 unions, which represent approximately 62,000 employees. Six of these unions represent race track employees.

The Alameda Council is supported financially by its member unions, which contribute 35 cents for each union member on an annual basis. The amount each union contributes to the Alameda Central Council is computed solely on this per capita basis. The contribution does not depend on the wages of the union members.

^{1/} All statutory references made are to the Government Code unless otherwise noted.

Jeffrey Gunther
March 23, 1982
Page Three

dispute is, in the final analysis, the responsibility of Mr. Groulx.

Under the Political Reform Act, Mr. Groulx must disqualify himself from making or participating in any governmental decision in which he knows or has reason to know he has a financial interest. Section 87100. An official has a financial interest in a decision within the meaning of the Act if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on any business entity or real property in which the official has an investment of \$1,000 or more, or on any source of income of \$250 or more to the official within the previous 12 months. Section 87103. Since the Alameda County Central Labor Council is a source of income of over \$250 to Mr. Groulx, he must disqualify himself from decisions which will foreseeably have a material financial effect on the Council.

The Commission has interpreted the term "material financial effect" by regulation. 2 Cal. Adm. Code Section 18702. Applying this regulation, 2 Cal. Adm. Code Section 18702(b)(3), a decision of the Board (in which Mr. Groulx participated) would have a material financial effect on the Alameda Central Labor Council if:

(a) The effect of the decision would be to directly increase or decrease the income received by Mr. Groulx from the Council by \$100 or more;

(b) There is a "nexus" between the governmental decision and the purpose for which Mr. Groulx receives his income from the Council; or

(c) The decision will have a "significant effect" on the Council.

The first test - that the decision increase or decrease Mr. Groulx's income from the Council by \$100 or more - does not appear to be applicable.

The second test - whether there is a "nexus" between the government decision and Mr. Groulx's employment by the Council - should be considered. Stated as simply as possible, there is a nexus between a government decision and the purpose of an official's employment whenever the official, by an

Jeffrey Gunther
March 23, 1982
Page Five

nature, if any, of Mr. Groulx's present or anticipated role as executive secretary of the Alameda Council in the negotiations between Hollywood Park and the unions. This is, ultimately, a factual question which the Commission is not in a position to decide on the basis of the presently available information.

The third test - whether a decision has a "significant effect" on the Council - does not appear to be relevant on the basis of the information which we have received. The significant effect referred to in this test is a financial effect. Before Mr. Groulx could be disqualified on the basis of this test, it would be necessary to show that a Board decision would foreseeably affect the assets or income of the Council to a significant degree. As we understand the situation, the Council is supported by dues, assessed on a per capita basis, from its member unions. There is no indication that the terms of any contract which is negotiated would foreseeably affect the amount the Council would receive from any member union. Therefore, a Board decision which might influence the outcome of the negotiations would probably not have a foreseeable financial effect on the Council within the meaning of this test. There may, of course, be some Board decisions which could affect the Council financially. For example, if the Council (rather than the individual unions) maintains a strike fund, a Board decision which would foreseeably determine whether the Council would have (or not have) to expend this strike fund could have a significant financial effect on the Council.

As you can see from the foregoing analysis, there may be decisions from which, using the nexus test, Mr. Groulx would be required to disqualify himself. As you can also see from the analysis, Mr. Groulx does not have to disqualify himself from a decision which may have an effect on an AFL-CIO affiliated union, unless (a) there is a nexus between the particular decision in question and his role as executive secretary of the Alameda Council, or (b) the decision will have an identifiable, significant financial impact on the Alameda Council.

We would like to point out that tests described above for disqualification under the Act should be applied whenever there is a suggestion that a Board decision may affect a source of income of any Board member. In addition, a decision which may foreseeably have a material financial effect on an investment interest or real property interest of a Board member, including a business venture of a board member, may also require disqualification.



ROTH & THORNER --- ATTORNEYS AT LAW

1050 NORTHGATE DRIVE, P. O. BOX G, SAN RAFAEL, CA 94913 (415) 479-5623

May 3, 1988
4

Richard Rogers
Marin Municipal Water District
220 Nellen Avenue
Corte Madera, CA 94925

Re: Conflict of Interest questions re Board candidate Chris Morrison

Dear Dick:

You have requested an opinion as to whether the election of Chris Morrison, an employee of NALCO, to the MMWD Board of Directors would affect the District's ongoing business relationship with NALCO or create any conflict of interest problems for Mr. Morrison.

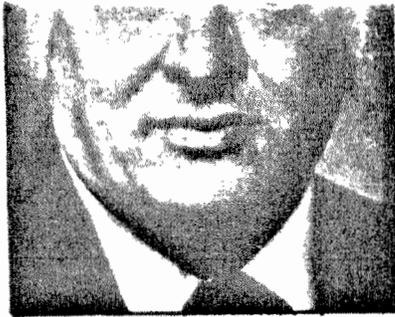
I am advised that Mr. Morrison has been an employee of NALCO for more than three years, that NALCO has been doing business with the MMWD for more than six years providing technical assistance and a polymers used in water treatment, that Mr. Morrison has regularly dealt with the District on behalf of NALCO during that time, and that NALCO has more than ten other employees.

Under Government Code §1090 and the District Conflict of Interest Policy district officers and employees may not be "financially interested" in any contract made by them in their official capacity, or by any body or board of which they are members. However "financial interest" as defined for this purpose in the Government Code and District policy specifically excludes any interest of an MMWD officer who is an employee or agent of the contracting party if he has been such an employee or agent for at least three years and the contracting party has at least ten other employees (Government Code §1091(b)(2)). Thus it would be proper for the MMWD to continue its business relationship with NALCO even if Mr. Morrison were elected to the MMWD Board.

on NALCO
Aug 6

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MMWD

WATER



Dick Fox
Cites conflict of interest



Chris Morrison
Charges 'sour milk'

FEB 1 - 1985

Water official accused of conflict of interest

By Paul Peterzell
Of the LI staff

A charge of a conflict of interest has been leveled at Marin Municipal Water District Director Chris Morrison by the man he defeated on the November ballot.

Dick Fox, who lost his seat to Morrison, told the Independent Journal that Morrison proposed a limit on the amount of aluminum in the district's water in order to increase the sale of an alternative chemical sold to the district by Morrison's employer.

Morrison countered that Fox's claim was "a distasteful case of sour milk" and that any shift to another chemical would not be to the product his employer sells the district.

Morrison proposed the aluminum limit last month, citing medical evidence of health hazards posed by aluminum traces in drinking water. Aluminum is used to help coagulate and remove dirt particles from water.

Asserting "there is no conflict," Morrison said the district buys an organic polymer from his employer. Any change in chemical treatment

would be from aluminum to another inorganic coagulant, he said.

"It would have no effect on the sales of my product," he said.

Morrison's employer, Nalco, is the world's largest supplier of water treatment chemicals, he said. Of \$700 million in sales last year, he said it sold the Marin district \$35,000 of organic polymer.

Attorneys for both the district and state Fair Political Practices Commission advised Morrison last year that his employment by Nalco would not be a conflict of interest if he were elected.

Fox, likening his criticism of Morrison to attacks on Attorney General-designate Edwin Meese III, said, "There is a step beyond legal — whether it's ethical or not. It may be perfectly legal, but I don't think it's ethical ... It certainly gives the wrong appearance and shows, at the very least, poor judgment."

District officials are studying the proposal by Morrison, who said the level of aluminum in its water occasionally exceeds maximums recommended by the water industry. No federal standard has been set for aluminum in water.

water dist

NOV 2 - 1984
By Jeff Greer
Of the LI staff

About the only thing the candidates agree on is that water is wet — and important to Marin Municipal Water District's customers.

Incumbent Richard Fox, a chemist who seeks a third term as the district's director for Division 2, is challenged by Chris Morrison, a water engineer. Both are San Rafael residents. Division 2 includes central San Rafael and the Point San Pedro Peninsula.

Fox, 57, who cites his eight years' experience on the water board, repeatedly has warned during his campaign that the district's customers may face rationing several times before the year 2000. He favors tapping outside sources such as Warm Springs.

Fox has stressed his leadership on the board in holding down customers' water bills and said he proposed a rebate last year as a political ploy to avert a proposed rate increase. The water board, which has split along environmental/development lines in the past, is working in unanimity now, he said.

Incumbent Fox also said he is not necessarily opposed to the Peripheral Canal, although 97 percent of Marin voters opposed the plan on a 1982 ballot. Saying he felt he lacked enough information on the issue to take a stand, he also noted that the canal is strongly urged by agri-business.

"I don't think we want to hassle that agri-business," Fox said. He predicted that in another Northern California drought, southern interests will be willing to let Marin have outside water again.

Morrison has argued that the district has ample water and should consider selling off some of its reservoirs — particularly Soulajule — to raise cash while still retaining

MAR 18 1985

Proposal dropped to limit aluminum

By Paul Peterzell

Of the 11 staff

A move to limit the amount of aluminum allowed in drinking water has been dropped by Marin Municipal Water District Director Chris Morrison.

Morrison proposed the limit in January but accepted the staff's finding last week that it could not be done without a major change in the way the district treats water.

Setting a limit, the staff cautioned, also "may give an unwarranted concern about aluminum levels or even concern about ingesting our water."

Because the amount of aluminum in the water generally does not exceed the recommended limit, it is not necessary to go through the expense of such a change, Morrison said.

The count of aluminum went over the limit by a small amount for two months in 1983 and three months last

year, the staff reported.

The federal government has not limited aluminum in water, but the American Water Works Association recommends that it be less than 50 parts per billion.

Aluminum in the district's water generally is below this count. Most of it comes from the chemical used as a coagulant to remove dirt particles during treatment. However, aluminum in the soil above Nicasio Reservoir also washes into the water system, the staff reported.

Instead of setting a limit, the water board unanimously adopted the staff's recommendation that it set a "treatment guideline" to keep the concentration of aluminum below 50 parts per billion.

Morrison, making his proposal shortly after taking his seat, cautioned in January that aluminum in drinking water "is potentially hazardous to personal health." Aluminum has been linked with diseases of the nervous system and Alzheimer's disease, he said.

At counts above 80 parts per billion, aluminum also causes problems with dialysis machines, Morrison noted.

"Marin's drinking water is among the finest and I want to continue to

keep it that way," he said.

The district's assistant general manager, Ron Theisen, told the board that while aluminum is undergoing close scrutiny, "it is unclear as to what role aluminum in drinking water plays."

He added that water is a far less significant source of aluminum

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