



California Fair Political Practices Commission

March 22, 1988

Mr. James S. Okazaki
Okazaki & Coontz
32222 Camino Capistrano, Ste. A
San Juan Capistrano, CA 92675

Re: Your Request for Advice
Our File No. A-88-083

Dear Mr. Okazaki:

You have asked for advice on behalf of the Capistrano Valley Water District concerning the conflict of interest disclosure provisions of the Political Reform Act.^{1/}

QUESTION

Must the board of directors of the Capistrano Valley Water District, who are members of the city council of the City of San Juan Capistrano, file separate statements of economic interests in addition to the statements they file as members of the city council?

CONCLUSION

If the District has adopted a conflict of interest code which requires members of the board of directors to file statements of economic interests, the members must file separate statements. If the District has not adopted a conflict of interest code, the members are not required to file separate statements at this time. However, the District must adopt a conflict of interest code which requires the board of directors to file statements of economic interests.

^{1/}Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations Section 18000 et seq. All references to regulations are to ^{title} 2, Division 6 of the California Code of Regulations.

FACTS

By telephone on February 26, 1988, you confirmed that you are the authorized representative of the Capistrano Valley Water District, which was formed pursuant to Water Code Section 55000. Since 1970, the District's governing board has been comprised of members of the city council for the City of San Juan Capistrano. A small portion of the District lies outside the limits of the city. The council members have not filed separate statements of economic interests as members of the District's governing board.

ANALYSIS

Sections 87200-87210 require city councilmembers, among others, to file periodic statements disclosing investments and sources of income which are located in or doing business in the jurisdiction, and interests in real property which are located in or within two miles of the city. "Jurisdiction" for a city councilmember means the city. (Section 82035.)

Section 87300 provides that "Every agency shall adopt and promulgate a Conflict of Interest Code...." The Code must enumerate the positions within the agency which must file statements of economic interests and the specific types of investments, business positions, interests in real property, and sources of income which are reportable. (Section 87302.)

In the past, the Commission has advised local government agencies that a conflict of interest code is not necessary if the board of directors of a particular agency is comprised solely of city councilmembers and the geographical jurisdiction for the agency does not extend beyond the city's boundaries. (Briggs Advice Letter, No. A-87-289, copy enclosed.)

However, if the jurisdiction of a local agency is greater than the jurisdiction of the city, the statements of economic interests filed by the city councilmembers pursuant to Section 87200 would not cover interests which may be affected by decisions made in their capacity as directors of the agency. Therefore, a conflict of interest code must be developed for a local agency whose jurisdiction is greater than the jurisdiction of the city. (Polonsky Advice Letter, No. A-86-123, copy enclosed.)

Because a portion of the Capistrano Valley Water District lies outside the city limits, the District must adopt a conflict of interest code requiring members of the board of directors, as well as any other employees of the District who have decisionmaking authority, to file statements of economic interests. To avoid duplicative reporting, the city councilmembers who sit on the

James S. Okazaki
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board of directors may include all of the information required to be disclosed for both positions on the statement of economic interests (Form 721) which they file pursuant to Section 87200 and may file that statement with both the City of San Juan Capistrano and the District. The statements filed with each agency must include an original signature. (Williams Advice Letter, No. A-87-067, copy enclosed.)

If you have any questions regarding this letter, please call me at (916) 322-5662. If you have questions regarding the procedures for adopting a conflict of interest code, please contact the Commission's Legal Division at (916) 322-5901.

Sincerely,

Diane M. Griffiths
General Counsel



By: Carla Wardlow
Political Reform Consultant

.Enclosures

OKAZAKI & GOONTZ
ATTORNEYS AT LAW

JAMES S. OKAZAKI

32222 CAMINO CAPISTRANO, SUITE A
SAN JUAN CAPISTRANO, CALIFORNIA 95222
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TELEPHONE
(714) 831-5222

February 18, 1988

Fair Political Practices Commission
428 J Street, Suite 800
Sacramento, CA 95814

Re: Request for Written Advice
Capistrano Valley Water District

Gentlemen:

We respectfully ask your advice concerning the following situation:

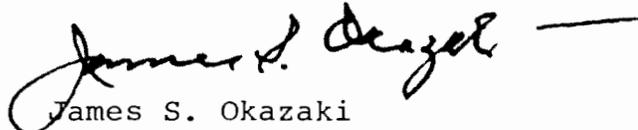
FACTS: The Capistrano Valley Water District is a County Waterworks District formed pursuant to Section 55000 et seq. of the Water Code. In March of 1970, the District became a subsidiary district of the City of San Juan Capistrano, a California general law city, and since that time, the District's governing board has been, ex officio, the members of the City Council of the City. The City and District boundaries are virtually the same, but not co-terminus. A very small portion of the District lies outside the limits of the City.

Since the City Council of the City of San Juan Capistrano is the ex-officio board of directors of the Capistrano Valley Water District, separate annual statements of economic interest were not filed by them as members of the Board of Directors.

QUESTION?: Must the Board of Directors of the Capistrano Valley Water District file separate annual statements of economic interest?

We appreciate your advice. Should there be any questions, please do not hesitate to call the undersigned at any time.

Very truly yours,


James S. Okazaki

JSO:yo

88-083

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ATTORNEYS AT LAW

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February 18, 1988

Fair Political Practices Commission
428 J Street, Suite 800
Sacramento, CA 95814

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Very truly yours,

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California Fair Political Practices Commission

February 25, 1988

James S. Okazaki
Okazaki & Goontz
Attorneys at Law
32222 Camino Capistrano, Suite A
San Juan Capistrano, CA 92675

Re: 88-083

Dear Mr. Okazaki:

Your letter requesting advice under the Political Reform Act was received on February 22, 1988 by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact me directly at (916) 322-5662.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or more information is needed, you should expect a response within 21 working days if your request seeks formal written advice. If more information is needed, the person assigned to prepare a response to your request will contact you shortly to advise you as to the information needed. If your request is for informal assistance, we will answer it as quickly as we can. (See Commission Regulation 18329 (2 Cal. Adm. Code Sec. 18329).)

You also should be aware that your letter and our response are public records which may be disclosed to the public upon receipt of a proper request for disclosure.

Very truly yours,

Jeanne Pritchard *ly plh*
Jeanne Pritchard
Chief

Technical Assistance and Analysis
Division

JP:plh