

Agenda Item: 7B

November 6, 2024

TO: BOARD OF DIRECTORS

Mike Gardner, President
Laura Roughton, Vice President
Director Fauzia Rizvi, Secretary/ Treasurer
Director Brenda Dennstedt
Director Gracie Torres

FROM: Jeffrey S. Ballinger, Legal Counsel

CONSIDER AD HOC ADVISORY COMMITTEE FINDINGS AND RECOMMENDATION FOR BOARD ACTION REGARDING DIRECTOR GRACIE TORRES' VIOLATION OF POLITICAL REFORM ACT

RECOMMENDATION:

The advisory committee ("Committee"), comprised of Directors Rizvi and Roughton, recommends that the Board of Directors:

1. Consider the April 15, 2024 action by the California Fair Political Practices Commission ("FPPC"), finding that Director Torres violated the Political Reform Act, by failing to timely disclose contributions totaling \$2,100 and expenditures totaling \$127.31 on semi-annual campaign statement by the July 31, 2023 due date; and that the Board strongly recommends that Director Torres take training regarding filing obligations under the Political Reform Act no later than six (6) months following the date of this Board action.

EXECUTIVE SUMMARY:

This agenda item provides the Board of Directors with an opportunity to consider the FPPC's findings and conclusions, contained in an April 15, 2024 Warning Letter to Gracie Torres and her Committee for County Supervisor, and for the Board to determine an appropriate disciplinary action, if any, that may be warranted under the District's Ethics Policy.

BACKGROUND:

On September 19, 2023, Complaint No. 09192023-02837 was filed with the FPPC against Director Torres and two of her campaign committees (one for County Supervisor and one for the Western Municipal Water District). The Complaint alleged violations of the Political Reform Act, namely:

- Failure to Disclose Contributions and Expenditures (County Supervisory Committee)
- Failure to Disclose Income on Annual Statement of Economic Interests
- Failure to Disclose Income on Assuming Office Statement of Economic Interests
- Failure to Disclose Contributions and Expenditures (Western Board Committee)

The FPPC opened Case No. 2023-00759 on November 2, 2023.

President Gardner established a subcommittee at the Board's December 6, 2023, regular meeting to investigate reports that the complaint had been lodged. The Committee is comprised of Directors Rizvi and Roughton. At the January 17, 2024 Board meeting, the Board considered possible action under Western's Ethics Policy, regarding Boardmember obligations to self-report any pending or completed enforcement actions by any enforcement agency. (Western Municipal Water District Code, § 2.15.180(B)(2)(d).) At that Board meeting, the Board voted, 4-1, to reprimand Director Torres for failing to report the FPPC's pending action.

On April 15, 2024, the FPPC issued a Warning Letter to Director Torres and the Gracie Torres for [County] Supervisor. The FPPC concluded that Torres' Committee failed to timely disclose contributions and expenditures for the reporting period of January 1 through June 30, 2023, by the due date of July 1, 2023. In addition, the FPPC concluded that Torres' Committee filed a Statement of Organization (Form 410) Amendment with an incorrect committee qualification date. Director Torres notified Western's Legal Counsel of this FPPC action on April 15, 2024, and disclosed the FPPC action at the April 17, 2024 Board meeting during Boardmember comments.

The FPPC found that Torres' Committee violated the Political Reform Act because the Committee failed to timely disclose contributions totaling \$2,100 and expenditures totaling \$127.32 on the semi-annual campaign statement for the reporting period of January 1, 2023 through June 30, 2023, by the July 31, 2023 due date. The FPPC further found that Torres' Committee violated the Act by failing to disclose the correct date the Committee qualification threshold was met. However, the FPPC's Enforcement Division decided to close this case with a warning letter, rather than a fine, for the following reasons:

- Torres amended the semi-annual campaign statement and filed a corrected Form 410 Amendment after Torres was contacted by the FPPC;

- Torres reported minimal activity on the semi-annual campaign statement;
- The activity was unrelated to an election, and
- The FPPC found that Torres had no history of violating this section of the Act.

At the May 1, 2024 Board meeting, Board President Gardner requested that the Committee that he had previously established also look at the FPPC's action and report back to the full Board with a recommended Board action.

Under Western's Ethics Policy, Board members are obligated to comply with applicable laws regulating their conduct, including conflict of interest, financial disclosure, and open meetings laws. (WMWD, § 2.15.030.) The Ethics Policy goes on to state,

“Board members shall reflect the following behaviors and qualities at all times:

- a. Complying with both the letter and the spirit of all federal, state, Fair Political Practices Commission (FPPC), and district laws, regulations, rules, resolutions, ordinances, and policies affecting operations of the district and performance of their duties as members of the board...” (WMWD, § 2.15.180(A)(2).)

Board members who fail to observe the minimum behavior requirements referenced above may be reprimanded or formally censured by the Board, lose seniority or committee assignments (both within Western or with Western's inter-government agencies), or have official travel restricted. Infractions of these behavior requirements could also lead to other sanctions as deemed appropriate by the Board, such referral to the FPPC or to the Riverside County district attorney, including, if applicable, the public integrity unit and/or civil grand jury if the conduct is egregious or allegedly criminal in nature. (WMWD, § 2.15.180(B)(1).)

The Subcommittee has met several times over the past few months to consider the FPPC's April 15, 2024 action. The Committee looked at the material provided by the FPPC with regard to the subject complaint. The Committee also reviewed the past actions by the Board regarding Director Torres (Attachment #1), including the following:

- October 2, 2019. Under Western's Ethics Policy – A prior violation was issued by the FPPC and a fine imposed on Director Torres for 2 counts on June 13, 2019 in the amount of \$586 for FPPC Case No. 2019-00027, in violation of Government Code Section 84200.5. At the discretion of the then Board President, Director Torres was cautioned under the Ethics Policy to comply with all campaign finance rules, regulations and laws. No further action was imposed on Director Torres.

- October 20, 2021. The Board took action under Western's Ethics Policy to formally reprimand Director Torres. Under the Ethics Policy, and considering this was the second action taken by the FPPC against Director Torres, a vote was taken for a formal reprimand to be given as it was the next step in progressive discipline for the second violation by Director Torres.
- December 7, 2022. The Board took action under Western's Ethics Policy to formally censure Director Torres. The censure was based on actions other than Political Reform Act violations, although the Board did consider the Board's previous progressive discipline against Director Torres stemming from Political Reform Act filing obligations.
- January 17, 2024. The Board voted to reprimand Director Torres based on her failure to report the FPPC's then pending action.

The Committee also took into consideration the fact that Director Torres and her Committee corrected the information on the State-required forms, once she was alerted to the errors. Based on the material reviewed by the Committee and the actions of Director Torres, the Committee is recommending that no formal action, such as reprimand or censure, be taken by the Board. However, the Committee would suggest that the Board strongly recommend to Director Torres that she take training regarding filing obligations under the Political Reform Act. For instance, there is a training for Local Campaign Filing Officers on the FPPC website <https://www.fppc.ca.gov/learn/training-and-outreach/filing-officers.html> with printable slides. This sort of training would help ensure that Director Torres is informed of her and her Committee's reporting obligations under the Political Reform Act. The Committee would further recommend that Director Torres report back to the Board, within no later than six (6) months, regarding the Board's recommendation for training.

BUDGET IMPACT:

The recommended action is not likely to have any significant budgetary impact.

LEGAL COUNSEL REVIEW:

Legal Counsel has provided legal counsel to the Committee and assisted in the drafting of this report on behalf of the Committee and at its direction

Respectfully submitted by:

Jeffrey S. Ballinger, General Counsel

Attachments:

1. Past Board Actions
2. FPPC Training for Filing Officers webpage (.pdf)