

**ETHICS POLICIES
OF THE
WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY**

**ARTICLE I
CODE OF ETHICS**

1.01. Purpose

West Travis County Public Utility Agency (“WTCPUA” or the “Agency”) hereby adopts this Ethics Policy to encourage high ethical standards in official conduct by the directors, employees and representatives of the Agency; and to establish guidelines for such ethical standards of conduct.

1.02. Policy

It is the policy of the Agency that Agency directors, employees and representatives (collectively, the “Agency officials”) shall conduct themselves in a manner consistent with sound business and ethical practices; that the public interest shall always be considered in conducting Agency business; that the appearance of impropriety shall be avoided to ensure and maintain public confidence in the Agency; and that the Board of Directors of the Agency shall control and manage the affairs of the Agency fairly, impartially, and without discrimination, and in accordance with the stated purposes of the Agency.

1.03. Conflicts of Interest

- A. Every Agency official shall refrain from participating in any activity involving the Agency where he or she has a real or potential conflict of interest, or which is otherwise self-serving in a manner that is distinguishable from the effect of the activity on the public at large. In any matter coming before an Agency representative in which there exists for him or her such a real or potential conflict of interest or self-serving opportunity, the Agency representative shall make public note of the conflict and recuse himself or herself from participating in any discussions, votes or other decision-making on the matter.
- B. In recognition of the fiduciary duties of public servants, each Agency official must act in good faith and not allow his or her own personal interests to prevail over the interests of the Agency. Every Agency representative shall exercise that degree of care and loyalty that is expected of a person in a like fiduciary position under similar circumstances, and shall avoid even the appearance of impropriety.
- C. Without limiting the generality of the foregoing, an Agency official is prohibited by Chapter 171 of the Local Government Code from participating, directly or indirectly, in a vote or decision or from acting as a surety on any matter involving a business entity or real estate in which the official has substantial interest, if it is reasonably foreseeable that an action on the matter would confer an economic or any other benefit on the business entity or real estate.

For purposes of this Policy, a person has a “substantial interest” in a business entity if that person either (i) owns 10 percent or more of the voting stock or

shares of the business entity or owns either 10 percent or more, or \$15,000 or more, of the fair market value of the business entity; or (ii) funds received by the person from the business entity exceed 10 percent of the person's gross income from the previous year.

A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of \$2,500 or more.

- D. In cases of conflicts of interest, Agency officials shall disclose such conflicts and shall file with the Board secretary an affidavit stating the nature and extent of the conflict of interest. Thereafter, that Agency official shall abstain from participation in the matter as provided by law.
- E. Agency officials shall not disclose, without written legal authorization, confidential information to advance the financial or other private interests of him or others, or for any other reason.
- F. The Agency may not contract for the purchase of services or personal property directly with an Agency official or with a business entity in which an Agency official has substantial interest except as permitted by law.
- G. The Board shall take a separate vote on any budget item specifically dedicated to a contract with a business entity in which a director has a substantial interest. The director having the substantial interest may not participate in that separate vote, but may vote on a final budget if the separate budget item voted on does not exceed 10% of the total budget.
- H. A director of the Agency shall not contract with the Agency or be employed by an organization to which the Agency has awarded a contract for one year following the date the person ceases serving as a director.

1.04. Nepotism

The Board shall not confirm the appointment to any position, nor award a contract, to a person related to a member of the Board within the second degree by affinity (marriage) or within the third degree by consanguinity (ancestry) when the salary or other compensation of such appointee is paid, directly or indirectly, from Agency funds, except as provided by Chapter 573, Texas Government Code.

1.05. Acceptance of Gifts

- A. An Agency official shall not solicit, accept, or agree to accept any benefit or value from a person or business entity the Agency official knows is interested in or likely to become interested in any contract, purchase, payment, claim, or other transaction involving the exercise of their discretion as an Agency official or any matter before the Board, or likely to come before the Board of any decision, opinion, recommendation, or vote.
- B. The prohibition against gifts or favors in Section 1.05(A) shall not apply to:
 - (1) an occasional non-pecuniary gift, valued at less than \$50.00; or

- (2) an award publicly presented in recognition of public service.

1.06. Use of Agency Property

No Board member, officer, or employee shall permit any personal or unauthorized use of Agency-owned or Agency-controlled equipment, materials, supplies or property.

ARTICLE II
TRAVEL EXPENDITURES POLICY

2.01. Purpose

The Board hereby establishes policies for reimbursing Agency directors, officers, and employees for necessary and reasonable travel expenses incurred while conducting business or performing official duties or assignments.

- A. Authorized expenses include cost of meals, lodging, commercial travel, in some cases personal automobile mileage, and other necessary and reasonable costs incurred while on official business away from designated headquarters.
- B. Reimbursement for travel expenses shall be subject to approval by the Board. The reimbursement request shall include a statement of the business purpose of the travel, date, time, and place, and shall be accompanied by supporting receipts and invoices are required by the Board.

2.02. Fees of Office

Agency directors shall not be entitled to fees of office.

2.03. Meals and Lodging

Reimbursement to directors for actual expenses for meals and lodging shall not exceed the maximum amount allowed by law.

2.04. Transportation

Directors or employees who use personal vehicles while on Agency business travel may be reimbursed for actual miles driven at the current rate allowed by the Internal Revenue Service. Mileage will be computed by the most direct route, and the use of personal vehicles for Agency travel must be approved by the Board in advance. Directors or employees traveling by commercial transportation are entitled to reimbursement of the actual cost of necessary transportation for performing official business, except the reimbursement for air transportation shall not exceed the next lowest available airline fare below first class unless such is not available.

ARTICLE III
MANAGEMENT POLICY

3.01. Purpose

The Board desires to adopt a policy to ensure better use of management information, including the use of budgets in planning and controlling costs, the establishment of a functioning audit committee, and the use of uniform reporting requirements

3.02. Accounting Records

Agency accounting records shall be prepared on a timely basis and maintained in an orderly manner, in conformity with generally accepted accounting. Such records shall be available for public inspection during regular business hours at the Agency's office.

3.03. Audit Requirements

The Agency's fiscal accounts and records shall be audited annually at the expense of the Agency by a certified public accountant familiar with the appropriate rules, regulations, standards, and guidelines applicable to water utility audits.

3.04. Budget

The Agency shall annually adopt a budget for use in planning and controlling Agency costs. Such budget shall take into consideration all Agency revenues, including, but not limited to utility fees and surcharges, if any, and all projected Agency obligations and expenditures. The budget may be amended at any time but such amendment shall be approved in advance by the Board.

ARTICLE IV
INDEMNITY AND LEGAL COSTS

4.01 To the extent authorized by Texas law, the Board of Directors may provide through insurance policies, through reimbursement of costs and damages, through providing of legal services, or otherwise, at its option, for:

(a) the legal defense of any Director, officer or employee, past or present, in connection with any claim asserted against him, and

(b) the payment of any judgment rendered against any Director, officer or employee, past or present, in relation to matters arising out of the course of his duties, as to which he acted in good faith and had or has no personal interest.

ARTICLE V
VALIDITY OF POLICIES

5.1 Any provisions of these Policies in conflict with the laws governing special utility Agencies, or any act or law amendatory thereof, shall be of no force and effect.

ARTICLE VI
AMENDMENTS

6.1 These Policies may be amended or revised only at a meeting of the Board of Directors after notice of such amendment has been properly posted in accordance with the Texas Open Meetings Act.

ARTICLE VII
MISCELLANEOUS

7.01. Gender

Any references herein to the masculine gender shall also refer to the feminine gender in all appropriate cases.

7.02. Open Meeting

The Board officially finds, determines, and declares that these Policies were reviewed, carefully considered and adopted at a regular meeting of the Board and that a sufficient written notice of the date, hour, place, and subject of this meeting was posted in accordance with the Open Meetings Law, Chapter 551, Texas Government Code.

ARTICLE VIII
WHISTLEBLOWER AND RETALIATION POLICY

8.01. A whistleblower as defined by this policy is an employee of the Agency who reports an activity that he or she considers to be illegal or dishonest to one or more of the parties specified in this policy. The whistleblower is not responsible for investigating the activity or for determining fault or corrective measures; appropriate management officials are charged with these responsibilities.

Examples of illegal or dishonest activities are violations of federal, state or local laws; billing for services not performed; and other fraudulent financial reporting.

If an employee has knowledge of or a concern of illegal or dishonest fraudulent activity, the employee is to contact the Agency General Manager. The employee must exercise sound judgment to avoid baseless allegations. An employee who intentionally files a false report of wrongdoing will be subject to corrective up to and including discharge.

Whistleblower protections are provided in two important areas -- confidentiality and against retaliation. Insofar as possible, the confidentiality of the whistleblower will be maintained. However, identity may have to be disclosed to conduct a thorough investigation, to comply with the law and to provide accused individuals their legal rights of defense. The Agency will not retaliate against a whistleblower. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as discharge, compensation decreases, or poor work assignments and threats of physical harm. Any whistleblower who believes he or she is being retaliated against must contact the Agency General Manager

immediately. The right of a whistleblower for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated.

All reports of illegal and dishonest activities will be promptly submitted to the Agency General Manager who is responsible for investigating and coordinating corrective action.

Employees with any questions regarding this policy should contact the Agency General Manager.