
LCRA BOARD POLICY

106 – ETHICS

Dec. 11, 2018

106.10 PURPOSE

The purpose of this policy is to provide guidance to the LCRA Board of Directors regarding standards of ethical conduct and conflicts of interest.

106.20 POLICY

106.201 Ethical Standards of Conduct. LCRA directors must conduct themselves so as to bring continuing respect to LCRA and avoid any questionable conduct that could bring discredit to LCRA. In accordance with state law, no director should:

- A. Accept or solicit any gift, favor or service that might reasonably tend to influence him or her in the discharge of his or her official duties, or that he or she knows or should know is being offered to him or her with the intent to influence his or her official conduct;
- B. Accept or solicit employment or engage in any business or professional activity that he or she might reasonably expect would require or induce him or her to disclose confidential information acquired by reason of his or her official position;
- C. Accept or solicit other employment or compensation that could reasonably be expected to impair his or her independence of judgment in the performance of his or her official duties;
- D. Make personal investments that could reasonably be expected to create substantial conflicts between his or her private interest and the public interest;
- E. Intentionally or knowingly solicit, accept or agree to accept any benefit for having exercised his or her official powers or performed his or her official duties in favor of another; or
- F. Misapply or misuse LCRA property, services or personnel for personal benefit.

106.202 Conflicts of Interest. Directors will avoid conflicts of interest and conduct themselves so as to avoid even the appearance of conflicts of interest in the discharge of their official duties.

1. Before any vote or decision on a business entity or real property in which a director has a substantial interest, a director will publicly disclose the interest during a meeting of the Board, file a completed affidavit (available from the general counsel) with the secretary of the Board, and abstain from further participation in the matter if:
 - A. The action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or
 - B. It is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property that is distinguishable from its effect on the public.

The Board must take a separate vote on any budget item specifically dedicated to a contract in which a director has a substantial interest.

2. Any director who is also serving as a member of the Board of Directors of the Colorado River Land Trust shall abstain from any vote taken on a matter affecting the relationship between LCRA and the land trust.
3. With regard to hiring, no director will appoint, confirm the appointment, or vote for the appointment of any individual if that individual:
 - A. Is related to that director or any other director within the third degree of consanguinity or second degree of affinity (defined as a spouse, parent, child, sibling, aunt, uncle, niece, nephew, grandparent, grandchild, great-grandparent, great-grandchild, brother-in-law, sister-in-law, mother-in-law, father-in-law, son-in-law, or daughter-in-law); and
 - B. That individual will be compensated from LCRA funds.
4. Directors also must file a conflicts disclosure statement whenever a director becomes aware that a vendor or contractor of LCRA, or a potential vendor or contractor, has an employment or business relationship with a director or a family member of the director (defined as the director's spouse, parent, child, father-in-law, mother-in-law, sons-in-law, and daughters-in-law). The disclosure statement also must be filed in the following circumstances:
 - A. When a director or a family member of a director receives taxable income from an LCRA vendor or contractor or a potential vendor or contractor, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date a contract is signed or first considered by LCRA;
 - B. When a vendor has given to a director or a family member of a director one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date a contract is signed or first considered by LCRA; or

C. When a director has a family relationship with an LCRA vendor.

A director must sign the disclosure statement (available from the general counsel) before a notary, under oath, acknowledging that it applies to the director's family members, then file it with the LCRA records custodian by the seventh business day after the director becomes aware of facts requiring the form to be filed.

106.203 Annual Financial and Disclosure Statements. The GM/CEO and each member of the Board of Directors will file an annual financial statement with the Texas Ethics Commission in accordance with Texas Government Code, Chapter 572. In addition, the GM/CEO and each Board member will submit to the general counsel a disclosure statement by June 30 of each year. The annual disclosure statement will be in a form prescribed by the general counsel that incorporates business and financial information included in the Texas Ethics Commission annual financial statement and provides a reaffirmation of adherence to this policy.

106.204 Vendors and Contractors. Vendors and contractors of LCRA, their subcontractors, and their employees are expected to behave in a lawful and ethical manner in their business dealings with LCRA.

106.205 GM/CEO Authority. The GM/CEO is authorized to develop and enforce a written policy of ethical conduct – which may be more restrictive than this policy or state law – applicable to employees.

106.206 Constitutional Limits on Donations. LCRA will not give away public funds, property or services in violation of Article III, Section 52, of the Texas Constitution.

106.30 AUTHORITY

Texas Local Government Code, Chapters 171 and 176

Texas Government Code, Chapters 572 and 573

Texas Penal Code, Chapters 36 and 39

Texas Water Code, Section 49.199

LCRA bylaws, Section 2.01

30 Tex. Admin. Code, Chapter 292

EFFECTIVE: August 1987. Amended Oct. 18, 1990; March 19, 1992; Sept. 22, 1994; Sept. 20, 2000; and May 21, 2008. Reaffirmed April 20, 2011. Amended Sept. 21, 2016; and Dec.11, 2018.