

302 EMPLOYEE STANDARDS OF CONDUCT AND CODE OF ETHICS

This Employee Standards of Conduct and Code of Ethics Policy clarifies TRWD's expectations of all employees in the conduct of District business. TRWD expects its employees to comply with all Board-adopted policies, TRWD administrative procedures and guidelines, and all local, state, and federal laws, regulations, and rules governing their conduct in the workplace.

TRWD also expects its employees to maintain the highest standard of ethics and integrity to ensure the business of TRWD is carried out lawfully, ethically, and in a manner that upholds the District's important public mission and maintains the confidence of the public.

302.1 Purpose. The purpose of this Employee Standards of Conduct Policy is to establish expectations and guidelines regarding employee standards of conduct for the workplace. The General Manager or designee shall establish administrative procedures that emphasize TRWD's expectation that employees fully comply with all Board-adopted policies, TRWD administrative procedures and guidelines, and all applicable laws.

The purpose of this Code of Ethics is to establish guidelines for the sound business and ethical conduct of all TRWD employees in the conduct of the District's business.

302.2 Scope. This Policy applies to all departments, divisions, and offices within TRWD, and to all TRWD employees (including, for purposes of this Policy, independent contractors).

302.3 General Policy Regarding Employee Standards of Conduct. TRWD is committed to striving for the highest standards of conduct from its employees. TRWD employees will be honest, fair, and trustworthy in all District activities and relationships. All TRWD employees have an obligation to conduct themselves and their work for TRWD in a manner that merits the trust and confidence of the District's customers and members of the general public. TRWD employees shall recognize and respect the rights of other employees and members of the public and shall work cooperatively with others to serve the best interests of TRWD.

All TRWD employees must perform their job duties and conduct themselves in accordance with Board-adopted policies, TRWD administrative procedures and guidelines, and local, state, and federal laws, regulations, and rules.

TRWD expects its employees to know the Employee Standards of Conduct Policy, and the administrative procedures and guidelines established and implemented under this Policy, and conduct themselves accordingly.

302.3.1 Development of Procedures for Employee Standards of Conduct. The General Manager or designee shall establish and implement

administrative procedures or guidelines that set forth the standards of conduct all TRWD employees must follow. The administrative procedures or guidelines shall include, at a minimum, standards of conduct that address the following:

1. TRWD's prohibition on employees engaging in discrimination or harassment (including sexual harassment) against other employees, vendors/contractors, members of the Board of Directors, or members of the public;
2. TRWD's prohibition on employees retaliating against an employee who makes a claim of discrimination or harassment or serves as a witness or participates in an investigation regarding an employee claim of discrimination or harassment;
3. TRWD's prohibition on employees engaging in workplace bullying;
4. TRWD's prohibition on retaliating against an employee who in good faith reports a violation of law by TRWD or a TRWD employee to an appropriate law enforcement authority;
5. TRWD's prohibition on employees engaging in threatening behavior or other behavior which disrupts or hinders the promotion of a safe work environment;
6. The Board-adopted policy regarding nepotism and employment of relatives, domestic partners, and romantic relations;
7. The Board-adopted policy regarding romantic or sexual relationships in the workplace;
8. Employee work and performance expectations including, but not limited to, employee attendance, as well as paid and nonpaid time off and employee leave, work schedules, work quality, and work quantity;
9. Adherence to a drug and alcohol-free workplace;
10. Adherence to TRWD safety rules and regulations and reporting unsafe conditions or practices to the appropriate TRWD personnel;
11. Compliance with proper and acceptable use and protection of TRWD Information Services resources;
12. Maintenance of TRWD's confidential and propriety information;
13. Maintenance of TRWD records;
14. TRWD's prohibition on the misuse, destruction, or theft of TRWD property;

15. Ethical and professional behavior;
16. The duty to keep accurate records;
17. TRWD's prohibition on financial impropriety;
18. Conflicts of interest; and,
19. Other policy and legal compliance.

The General Manager or designee shall also establish and implement administrative procedures or guidelines that provide for the discipline, including discharge, of any employee. The administrative procedures may include, but are not required to include, progressive discipline.

302.3.2 Violations. Violations of this Employee Standards of Conduct Policy or the administrative procedures or guidelines establishing employee standards of conduct under this Policy by a TRWD employee may result in disciplinary action up to and including discharge as determined by the General Manager or designee.

302.4 Employee Code of Ethics.

302.4.1 Definitions. The following definitions apply to this Code of Ethics:

Business Entity - Any business, proprietorship, firm, partnership, or person in a representative or fiduciary capacity, association, venture, trust, corporation, or any other entity recognized by law.

Contract – A written agreement for sale or purchase of real property, goods, or services, including professional services.

Employee - Any person who is hired in a full-time, part-time, or temporary capacity in a position of employment with TRWD, including an independent contractor.

Family Member – A person related to another person within the first degree by consanguinity or affinity, as described by Texas Government Code Chapter 573, Subchapter B.

Family Relationship – A relationship between a person and another person within the third degree by consanguinity, as described by Texas Government Code § 573.023, or second degree by affinity, as described by Texas Government Code § 573.025.

Gift – A benefit offered by a person to a TRWD Official or employee, or family member of the TRWD Official or employee, including food, lodging, transportation, and entertainment accepted as a guest. A gift does not include a benefit offered on account of kinship or a personal, professional, or business relationship independent of the official status of the recipient.

Official Act or Action - Any legislative, administrative, appointive, or discretionary act of any Director, TRWD Official, or TRWD employee or agent, or any Board Committee.

TRWD Official – Any employee or agent of TRWD who exercises discretion in the planning, recommending, selecting, or contracting of a vendor.

Substantial Interest - A substantial direct or indirect pecuniary or material benefit accruing to a TRWD Official or employee as a result of a contract or transaction which is or may be the subject of an official act or action by or with the District. For the purposes of this Code of Ethics, a TRWD Official or employee shall be deemed to have a substantial interest in the affairs of:

1. Any person related to him or her in the second degree or closer of consanguinity or affinity; or
2. Any business entity or real property if:
 - The interest is ownership of ten percent (10%) or more of the voting stock or shares of the business entity; or ownership of \$15,000 or more of the fair market value of the business entity;
 - The interest is equitable or legal ownership in real property and the fair market value of the interest is \$2,500 or more; or
 - The funds received by a TRWD Official or employee from the business entity exceed ten percent (10%) of the TRWD Official's or employee's gross income for the previous year or which exceed \$2,500 during the preceding twelve (12) months.

Vendor – A person, including the vendor's agent, who enters or seeks to enter a contract with TRWD.

302.4.2 Interest of TRWD Official in Contract or Transaction. No TRWD Official having the power or duty to perform an official act or action related to a contract or transaction which is or may be the subject of an official act or action of TRWD or the power to exercise discretion in the planning, recommending, selecting or contracting of a vendor shall:

1. Have or thereafter acquire a substantial interest in such contract or transaction; or
2. Have a substantial interest in any business entity or real property involved in such contract or transaction; or
3. Have solicited or accepted present or future employment with a person or business entity involved in such contract or transaction.

302.4.3 Incompatible Service. No TRWD Official or employee shall engage in or accept private employment or render service for a private interest when such employment or service is incompatible with the proper discharge of his or her official duties, or would possibly impair his or her independence of judgment or action in the performance of his or her official duties, unless otherwise permitted by law.

302.4.4 TRWD Official Conflict Disclosure. A TRWD Official must file a Local Government Officer Conflicts of Disclosure Statement, Form CIS, with TRWD's Records Management Officer within seven business days after the TRWD Official becomes aware that a vendor contract has been signed or is being considered if any of the following are present:

1. The vendor has an employment or business relationship with the TRWD Official or a family member of the TRWD Official that results in the TRWD Official or family member of the TRWD Official receiving taxable income, other than investment income, that exceeds \$2,500 during the twelve months preceding the date the TRWD Official becomes aware that:
 - A contract between TRWD and the vendor has been executed; or
 - TRWD is considering entering into a contract with the vendor.
2. The vendor has given gifts to the TRWD Official or a family member of the TRWD Official that have an aggregate value of more than \$100 in the 12-month period preceding the date that the TRWD Official becomes aware that:
 - A contract between TRWD and the vendor has been executed; or
 - TRWD is considering entering into a contract with the vendor.
3. The vendor has a family relationship with the TRWD Official.

A TRWD Official is not required to file a Local Government Officer Conflicts of Disclosure Statement, Form CIS, with respect to a gift accepted by the TRWD or family member of the TRWD Official if the gift is a political contribution as defined by Title 15 of the Election Code or food accepted as a guest.

302.4.5 Gifts and Benefits. TRWD Officials and TRWD employees shall not solicit or accept any gift, favor, or service from a current or potential vendor that might reasonably tend to influence the TRWD Official or employee in the exercise or performance of official duties in conducting TRWD business, or that the TRWD Official or employee knows or should know is being offered with the intent to influence their official conduct. TRWD Officials and employees are prohibited from accepting from current or potential vendors:

1. Vacations or pleasure trips;
2. Discounts not available to the general public;
3. Products or services not available to the general public under similar circumstances;
4. Loans or advances (other than normal loans from financial institutions);
5. Entertainment at a discount unavailable to the general public; or
6. Other unusual favors not available to the general public at the same cost.

Any TRWD Official or employee receiving such offers shall immediately report such offers to the General Manager or Board of Directors.

A "gift" does not include a reasonable meal accepted as a guest, or a promotional item of nominal value, typical of items given at vendor booths at conferences. The prohibition on gifts, likewise, does not apply to food, lodging, transportation, or entertainment accepted as a guest, if the donee is required by law to report those items and reports those items.

302.4.6 Confidentiality. No TRWD Official or employee shall disclose confidential information to advance the financial or other private interests of himself, herself, or others regarding any contract or transaction which is or may be the subject of an official act or action of TRWD without proper legal authorization.

302.4.7 Responsibilities of TRWD Officials and Employees. All TRWD Officials and employees are expected to comply with this Code of Ethics. TRWD employees shall report to their immediate supervisor any situation that appears to be in violation of this Code of Ethics. Supervisors shall evaluate any alleged violations and take appropriate corrective action including, if deemed necessary, reporting the situation to the next level of supervision. Supervisors shall report any alleged violations of the Code of Ethics to the Human Resources Department.

If the General Manager appears to be in violation of this Code of Ethics, the matter should be reported to the Board President or the Administration and Policy Committee for consideration and to advise the Board.

302.4.8 General Manager's Administration of Code of Ethics. The General Manager shall be responsible for administering this Code of Ethics in a fair and equitable manner. Common sense and good judgment shall be utilized in arriving at reasonable conclusions consistent with the intent of this Code of Ethics. The General Manager or designee is also authorized to establish administrative procedures or guidelines to implement this Code of Ethics and may issue interpretation or seek legal counsel to interpret this Code of Ethics and TRWD's ethical obligations under local, state, or federal law, rules, or regulations.

The General Manager shall evaluate any violation of this Code of Ethics by a TRWD Official or employee that is reported to or otherwise known by the General Manager and take appropriate corrective or disciplinary action, including reporting the situation to the Board of Directors as appropriate.

302.4.9 Board of Directors' Evaluation of Violations of this Code of Ethics. The Board shall evaluate any violation of this Code of Ethics that is reported to the Board or is otherwise known by the Board and take appropriate corrective action, including sanctions and initiation of lawsuits, as deemed appropriate.

302.4.10 Violations. A TRWD Official or employee who violates this Code of Ethics shall be subject to appropriate corrective, legal, or disciplinary action as determined by the General Manager or designee. If the General Manager violates this Code of Ethics, the General Manager shall be subject to appropriate corrective, legal, or disciplinary action as determined by the Board.

302.4.11 Conformity to Applicable Law. This Code of Ethics is intended to implement and conform to applicable law, including Chapters 171 and 176 of the Texas Local Government Code and Chapter 49 of the Texas Water Code. This Code of Ethics shall be automatically deemed to be amended to conform to any future changes in applicable local, state, or federal law.

The General Manager or designee shall regularly review this Code of Ethics and bring this Code of Ethics to the Board of Directors to consider and adopt any necessary changes to ensure it fully complies with applicable law.