

**AUSTIN COUNTY WATER SUPPLY CORPORATION
BOARD OF DIRECTORS CONFLICT OF INTEREST POLICY**

Austin County Water Supply Corporation (ACWSC) prohibits improper or unlawful discrimination of race, religions, sex (including pregnancy), age, national origin, disability, or other legally protected characteristics in conducting business by or as a board member.

No board member may participate in any decision-making process (such as, but not limited to, discussions (pros and cons), debates, voting and or any process that could naturally introduce a bias) pertaining when said person or members of his or her immediate family, or any party, group or organization to which said person has allegiance, may have an interest or direct or indirect financial interest in the assets, leases, business transactions or professional services of the program that may be seen as competing with the interests or concerns of ACWSC.

All board members must carefully weigh all circumstances in which there exists the possibility of accusations of competing interest. Therefore, it is required that all board members upon entry onto the board and every year thereafter complete a Conflict-of-Interest Questionnaire, provided by ACWSC, to disclose any potential conflict of interest. All potential conflicts of interest will be presented to the board of directors and will be made available to all ACWSC members (customers) in accordance with The Open Meetings Act (Government Code, Chapter 551). Any conflict of interest will require all documentation (such as but not limited to financial, business, investment, and any other pertinent documentation) from the current date (current date is the date the conflict of interest is introduced) to the past five years and will be advertised on the corporation's website and be made available, per request, to any member of the corporation. Any conflict of interest will require that the affected board member to be recused from the pending decision-making process and to be excused from the room in all matters relevant to the pertaining matter. To clarify, any board member with a conflict of interest may not participate in any decision-making process related to the matter in which there may be a conflict of interest. Any individual that fails to disclose the conflict of interest prior to becoming involved in a transaction or decision affected by the conflict shall be dismissed from their position immediately.

Board of Directors

When a board member who has a potential conflict of interest is present during a board meeting, the minutes of the board meetings shall reflect that the conflict of interest was disclosed and that the interested person was not present during the deliberation and decision on the matter of interest. In the event of possible conflict of interest in a decision-making process, the Board President shall convene a special vote with remaining board members in an executive session to determine the way forward for that specific decision-making process. If a quorum for the meeting has been met, but a conflict of interest arises resulting in the remaining members to enter an executive session, then the validity of the executive session shall and will be valid based on the initial quorum status prior to the executive session. At no time will an executive session and subsequent vote determined in such session be denied based on the number of remaining members for the executive session. If a tie for an executive session vote is presented, then the Board President shall have the deciding vote. Additionally, shall the conflict of interest pertain to the Board President then the Board Vice President or next member per ranking order shall head the executive session and shall have the deciding vote if a tie arises.

When there is doubt as to whether a conflict of interest exists, the matter shall be resolved by a vote of the executive committee, excluding the person(s) who may have the possible conflict. However, a member with a potential conflict of interest may recuse themselves from the decision-making process.

So as not to create any conflict of interest, ACWSC does not purchase items of value or contract for services with any member of the Board of Directors.

All members of the Board of Directors serve as volunteers and receive no compensation for their service to ACWSC.

Staff and Paid Consultants/Contractors

ACWSC employees (staff members, paid consultants/contractors) shall not be a voting member of the Board of Directors and shall report any potential conflict of interest, as stated above, to the Board of Directors President. Any potential conflict of interest will be presented to the Board of Directors by the Board President for resolution. Employees do not require the completion of a conflict-of-interest questionnaire as Board of Director members are responsible for identifying and notifying of potential conflict of interest.

Discipline

Failure to comply with ACWSCs policy governing conflict of interest will result in dismissal from the ACWSC's board of directors.

Policy Review

The policy shall be provided at the first meeting of duly elected directors and with all staff, paid consultants/contractors upon hiring, signing of contracts, or re-signing of contracts. Additionally, this policy shall be reviewed and signed annually by the board members, staff members, volunteers, and paid consultants. Copies of this policy shall be given to each board member, staff member, or paid consultants/contractors for their records and maintained digitally at ACWSC.

This document was reviewed/approved by Board of Director President Dean Carey on April 11, 2023.