

ETHICS POLICY

VICTORIA COUNTY NAVIGATION DISTRICT

A. POLICY STATEMENT

The Board of Navigation and Canal Commissioners (the "Commission") of the Victoria County Navigation District (the "Navigation District") recognizes that acceptance of a position as a public official carries with it the acceptance of the public's trust that the official will work to further the public interest, and that maintaining the public trust is critical to the continued operation of good government. Further, the Commission supports the principles that public decision making should be open and accessible to the public at large. In order to further these ideals, and to preserve the public trust, the Commission has adopted the following five principles to which each Commissioner should adhere:

1. A Commissioner, when fulfilling his or her duties and responsibilities as a public official, should represent and work towards the public interest and not towards private/personal interests.
2. A Commissioner should accept and maintain the public trust.
3. A Commissioner should exercise leadership, particularly in the form of consistently demonstrating behavior that reflects the public trust.
4. A Commissioner should recognize the proper role of all government bodies and the relationships between various government bodies.
5. A Commissioner should always demonstrate respect for others and for other positions.

B. STANDARDS OF CONDUCT

No Commissioner shall direct or indirectly (i.e. by others on his/her behalf or at his/her request or suggestion):

1. engage in any private business, transaction or employment, or have any significant financial interest therein, which is incompatible or in conflict with the proper and impartial discharge of his/her duties on behalf of the Navigation District. A "significant financial interest" is any direct or indirect benefit to the decision-maker other than the interest that would accrue to him or her as a taxpayer or resident;
2. represent any private party before the Navigation District;
3. disclose without authorization or use to further personal interest, confidential information acquired in the course of official duties;

4. grant or influence the granting of special consideration, advantage or favor, to any person, group, firm or corporation, beyond that which is the general practice to grant or make available to the public at large;
5. with the exception of occasional, non-pecuniary gifts valued at less than \$100, accept anything of economic value such as money, service, gift, loan, gratuity, favor or promise thereof, the purpose and intent of which is to influence a Commissioner in the exercise of his/her official judgment, power or authority;
6. make personal use of staff, vehicles, equipment, materials or property of the Navigation District except in the course of his/her official duties or as duly authorized by the Commission;
7. participate in the appointment/employment, vote for appointment/employment, or discussion of appointment/employment of an immediate family member or business associate, or use his/her position, directly or indirectly, to effect the appointment/employment status of an immediate family member or business associate to any Navigation District office or position, paid or unpaid; or
8. receive or have any financial interest in any sale to the Navigation District of any real estate when such financial interest was obtained at a time and/or under circumstances which would lead a reasonable person to expect that the Navigation District intended to purchase, condemn or lease said real estate.

C. EX PARTE COMMUNICATIONS

In any quasi-judicial matter (e.g. personnel decisions, condemnation proceedings, matters involving issuance or approval of permits), or the award of a contract, before the Navigation District, a Commissioner shall not, outside of the Commission, communicate with or accept a communication from a person for which there are reasonable grounds for believing to be party to the matter being considered, if such communication is designed to influence the Commissioner's action on that matter. If such communication should occur, the Commissioner shall disclose it at an open meeting of the Commission prior to its consideration of the matter.

D. DISCLOSURE AND RECUSAL PROCEDURES

Whenever a matter comes before the Commission as to which any conflict of interest standard, as described in this policy, applies, the following provisions shall apply:

1. A Commissioner shall disclose the existence of any substantial interest in a business entity or real property involved in any decision pending before the Commission. To comply with this paragraph, the Commissioner shall, prior to any discussion or determination of the matter, either file an affidavit of disclosure as required by Section

171.004 of the Texas Local Government Code or, if not so required, shall publicly disclose in the official records of the Navigation District or to the legal counsel of the Navigation District the nature of the interest.

2. Following such disclosure, such Commissioner shall not participate in any consideration, discussion or vote on the matter before the Commission. If the Commissioner wishes to address the issue at an open public meeting, the Commissioner may participate as a member of the public. During the deliberation and vote on the matter, the official may participate as a member of the public. The Commissioner may attend an executive session to discuss the matter at the invitation of the Commission, if such attendance complies with the statutory requirements of the Texas Open Meetings Act.
3. The Commissioner shall not, during any part of the Commission meeting pertaining to the matter requiring disclosure, represent, advocate on behalf of, or otherwise act as the agent of the person or business entity in or with which the Commissioner has such an interest or relationship.

E. REPORTING OF ETHICS VIOLATIONS

The Commission shall have the primary responsibility for the enforcement of this code. The Commission may direct the Navigation District legal counsel to investigate any apparent or alleged violation of the code or it may employ any qualified attorney to investigate any violation or series of violations of this code by one or more persons. Any person who believes that a violation of any portion of the code has occurred may file written notice of such matter with the Commission who may then proceed as provided herein.

F. ADVISORY OPINIONS

Where any Commissioner has a doubt as to the applicability of any provision of this code to a particular situation, or as to the definition of terms used herein, he or she may request the Navigation District's counsel for an advisory opinion to be issued to the full Commission for consideration. The Commissioner shall have the opportunity to present his or her interpretation of the facts at issue and of the applicability of provisions of the code before such advisory opinion is made.

Until amended or revoked, the advisory opinion shall be binding on the Commission in any subsequent action concerning the Commissioner who sought the opinion and acted on it in good faith, unless material facts were omitted or misstated in the request for the advisory opinion. Such opinion shall not be binding in any action initiated by any private citizen.

G. RESOLUTION OF POTENTIAL VIOLATIONS

If, upon consideration of an investigation report from the Navigation District's legal counsel, the Commission finds merit to the reported ethic violation, the Commission may report the matter to the appropriate law enforcement agency for further investigation and handling, and may additionally exercise any applicable power(s) granted to the Commission by law.

During all stages of any investigation under this subsection, any Commissioner whose activities are under investigation shall be entitled to be represented by counsel of his or her own choosing. Except where otherwise provided by state law, it is not the intent of this code that violations hereof be subject to criminal penalty.

Any contract or transaction which was the subject of an official act or action of the Navigation District in which there is an interest prohibited by the code, or which involved the violation of a provision of this code shall be voidable at the option of the Commission.