

Item 6 – District Bylaw Amendment | Director Conflict of Interest

During the 88th Legislative Session, HB 1971 was passed, and now wording must be incorporated into the District bylaws related to director conflict of interest. This wording and directive fit appropriately into the bylaws rather than the rules.

Following is a red-lined markup of the proposed bylaw amendment.

It is the recommendation by the General Manager the proposed bylaw amendment related to Director Conflict of Interest be approved.

to create a work product for Board and/or full committee review and input.

- F. Members of committees who miss three or more consecutive committee meetings may, at the request of the committee chair, be replaced by the appointing director.

SECTION 4. CODE OF ETHICS

4.1. Conflict of Interest.

All members of the Board, employees, and agents shall disclose any conflicts of interest that may exist between the personal interests of that board member, officer, employee, or agent and to avoid taking responsibility for District decisions related to areas in which those conflicts exist. Section 36.058, as amended, states:

- (a) A director of a district is subject to the provisions of Chapters 171 and 176, Local Government Code, relating to the regulation of conflicts of officers of local governments.
- (b) If a director is required to file an affidavit under Section 171.004(a), Local Government Code, the director may not:
 - (1) attend a closed meeting related to the matter for which the director is required to file the affidavit; and
 - (2) vote on a matter for which the director is required to file the affidavit unless a majority of the directors are also required to file an affidavit related to a similar interest on the same official action.

- A. Board Action. Each District official shall comply with Chapter 171 of the Texas Local Government Code to the extent applicable. Board members shall, pursuant to the standards of Texas Local Government Code ' 171.001, et seq., disclose any conflict of interest with matters pending before the Board execute an Affidavit disclosing such interest, and refrain from participation in the discussion on such matters.
- B. Directors, employees, and agents. Any director, employee, or agent of the District, using the standards specified by Texas Local Government Code ' 171.001, et seq., shall disclose to his supervisor any conflict of interest that exists with regard to District business for which that director, agent, or employee has responsibility. The General Manager shall make a written record of the conflict and be responsible for independently reviewing all decisions made by the director, employee, or agent in that area.

4.2. Standards of Conduct.

- A. No director or employee should accept or solicit any gift, favor, or service that might reasonably tend to influence him in the discharge of his official duties or that he knows or should know is being offered him with the intent to influence his official conduct.