

CODE OF ETHICAL STANDARDS - REVISION 1

December 3, 2018

OWNER

Name	Group
Nancy Belinsky	Legal

APPROVERS

Name	Title	Initials	Date
Robert R. Puente	President/CEO	<i>RRP</i>	12-12-18
Nancy Belinsky	VP, General Counsel	<i>NB</i>	11/30/18
Sharon De La Garza	VP, Human Resources	<i>SDG</i>	11/30/18

San Antonio Water System CODE OF ETHICAL STANDARDS

Table of Contents

I.	Statement of Policy	1
II.	Ethical Standards for Current SAWS Employees	1
A.	Reporting and Preventing Violations	1
1.	Reporting Requirements	1
2.	Adequate Controls	2
3.	Investigations	2
4.	No Retaliation	2
5.	Violations Through Other Individuals	2
B.	Conflicts of Interest	2
1.	Conflicts of Interest	2
2.	Recusal	3
C.	Prohibited Contracts and Business Relationships with SAWS	3
1.	Employees Prohibited from Contracting with SAWS	3
2.	Presumed Financial Interests	3
3.	Pre-Existing Contracts	3
D.	Unfair Advancement of Private Interests	3
1.	Impartiality	3
2.	Acquisition of Private Interest in Matter Pending before SAWS	4
E.	Associations with Suppliers, Contractors and Customers	4
F.	Code of Conduct for Selection Committee Members on Discretionary Service Contracts	4
G.	Financial Disclosure	4
1.	Financial Disclosure for Certain Executive Level Employees and Contracting Officers	4
2.	General Provisions Relating to Financial Disclosure Forms	5
H.	Confidential Information	5
1.	Protection of Confidential Information	5
2.	Permitted Release of Confidential Information	5
3.	Protection of Certain Information	5
4.	Written Request of Confidentiality	5
I.	Outside Employment	5

1. Policy on Outside Employment	5
2. Prior Written Approval	5
3. Outside Employment Cannot Adversely Affect SAWS	6
J. Endorsements	6
K. Political Activity	6
1. Definitions	6
2. Policy on Political Activity	6
3. Political Activity Prohibitions for City of San Antonio Offices	6
4. General Political Activity Prohibitions	7
5. Permissible Political Activities	7
6. Other Activities Involving Political Candidates	7
L. Use of SAWS Assets or Resources	8
1. Definitions	8
2. Policy on Prohibited Use of SAWS' Assets	8
3. SAWS Assets or Resources Shall Not Be Used for Private Purposes	8
4. SAWS Assets Shall Not Be Sold by SAWS Employees	8
M. Gifts or Benefits	8
1. Gifts or Benefits that Create the Appearance of Impropriety	8
2. Specifically Prohibited Gifts or Benefits from Outside Sources	8
3. Permissible Gifts or Benefits from Outside Sources	9
4. Specifically Prohibited Gifts or Benefits to Outside Sources	9
5. Permissible Gifts or Benefits to Outside Sources	9
6. Gifts or Benefits between SAWS Employees and Trustees	9
7. Alcoholic Beverages	10
8. Hospitality and Business-Related Events	10
9. Disposal of Prohibited Gifts	10
10. Honoraria	10
11. Door Prizes, Raffles and Games of Chance	10
III. Ethical Standards for Former SAWS Employees	11
A. Prior Participation in Negotiation or Award of Contracts	11
B. Representation of Private Interests before SAWS	11
C. Continuing Confidentiality	11
D. Representation in Litigation Adverse to SAWS	11
E. Endorsements	11

San Antonio Water System CODE OF ETHICAL STANDARDS

I. Statement of Policy.

All SAWS employees are stewards of the public trust. It is paramount that SAWS carries out its mission with utmost integrity. Employees shall conduct themselves in a manner that will maintain public trust and confidence, and avoid the appearance of impropriety or undue influence. Using resources wisely and centering decisions on the best interests of the community without personal conflicts of interest promotes the public's confidence in SAWS' mission.

These ethical standards are intended to identify and prohibit conduct that is incompatible with the best interests of SAWS. These standards provide guidance and direction for situations that public servants commonly face. SAWS employees should act with integrity and honesty in all circumstances and shall also comply with any laws, rules or regulations that apply to SAWS employees that are in addition to or more restrictive than those provided in these standards. SAWS urges that each employee not only adhere to these standards, but also strive to avoid even the appearance of conflict or impropriety at all times, regardless of the literal application of these provisions. Failure to comply with these standards may result in disciplinary action, up to and including termination.

No policy statement can anticipate or address all circumstances which could lead to the perception of a breach of ethical standards or a conflict of interest. Employees are encouraged to evaluate each situation to determine if the actions they are taking or intend to take are in accordance with the intent of these standards. Supervisory staff, human resources and/or legal staff may also provide guidelines in those situations where the employee is unable to determine whether an activity is permitted.

In those rare instances where a variance to these ethical standards will not compromise the policy behind these ethical standards, a variance may be considered and granted by the President/CEO in consultation with SAWS Chief Ethics Officer.

These ethical standards apply to current and former SAWS employees as noted herein. Members of the SAWS Board of Trustees, as appointed by the San Antonio City Council, are subject to The City of San Antonio Ethics Code, as in effect from time to time.

II. Ethical Standards for Current SAWS Employees.

A. Reporting and Preventing Violations.

1. **Reporting Requirements.** Employees shall report any violation of the law or these ethical standards of which he or she has actual knowledge to their immediate supervisor, the Vice President of Human Resources, the Chief Ethics Officer, or the Chief of Internal Audit. If an employee reports a violation of these ethical standards to his or her superintendent, manager or person higher in the chain of command, the recipient of such report shall have ultimate responsibility for ensuring that the Vice President of Human Resources, the Chief Ethics Officer, or the Chief of Internal Audit is made aware of the report, so that the report can be investigated, as appropriate.

SAWS employees may also report behaviors believed to be in violation of these ethical standards by calling the ethics hotline toll-free at 1-800-687-1918 or on-line at www.reportit.net (username: saws1 and password: ethics). This hotline is managed by an independent, third party. While calls may be made anonymously, identifying oneself or specifically requesting a follow up option when reporting can help better facilitate communication and investigation.

Failure to report violations may lead to disciplinary action, up to and including, termination. All reports must be made in good faith. It is a violation of these ethical standards to knowingly make a false accusation.

2. **Adequate Controls.** Employees in supervisory positions should model appropriate conduct consistent with these standards and ensure that others in the organization understand their importance. Employees in supervisory positions are also responsible for being familiar with the types of unethical or illegal activity that may occur in their areas of supervision, and implementing and managing adequate controls to deter such activity.

3. **Investigations.** SAWS takes all reports of possible violations seriously and will conduct a prompt and thorough investigation. All employees shall fully cooperate in any investigation, and maintain any requested confidentiality regarding the investigation, unless otherwise required by law. Refusal to cooperate with an investigation may lead to disciplinary action, up to and including termination.

4. **No Retaliation.** Retaliation against personnel for reporting violations of the law or these ethical standards in good faith or participating in any investigation is strictly prohibited.

5. **Violations Through Other Individuals.** No employee shall intentionally or knowingly assist, coerce or persuade any person to violate the law or these ethical standards, nor shall he or she violate these ethical standards through the actions of another person.

B. Conflicts of Interest.

A conflict of interest is defined as an activity that impairs, or gives the appearance of impairing, an employee's ability to deal objectively and impartially with regard to SAWS' business transactions and sponsored activities. Employees should avoid taking any action on any SAWS matter that may undermine public trust or confidence.

1. **Conflicts of Interest.** A SAWS employee has a conflict of interest when his or her private interests interferes with SAWS interests, including without limitation, when he or she knows that a matter pending before SAWS, that is not a matter of general application (such as rates, impact fees and compliance matters), is likely to specifically and materially affect the economic interests of the following:

- (a) the employee;
- (b) the employee's parent, child, spouse, domestic partner or other family member within the second degree of consanguinity (blood) or affinity (marriage), for example, grandparents, grandchildren, siblings and the spouse of each of those relatives;
- (c) any family member who lives with the employee or who is otherwise financially dependent on the employee, or on whom the employee is financially dependent;
- (d) the employee's outside client or employer;
- (e) any outside employer or client of the employee's parent, child, spouse, domestic partner, or other member of the household, unless the child or other household member is a minor younger than eighteen (18) years of age;
- (f) an entity in which the employee knows that any individual listed in this section holds a ten percent (10%) or greater ownership interest;
- (g) an entity which the employee knows is an affiliated business or partner of an entity in which any individual listed in this section holds a 10% or greater ownership interest;
- (h) an entity, including not-for-profits, for which the employee serves as an officer, director, executive or in a policy-making position, unless the employee has been appointed to the entity to represent the best interests of SAWS, or the employee is working on SAWS' sponsorships for the not-for-profit entity;
- (i) any person or entity with whom the employee or his or her spouse or domestic partner has:
 - (i) applied for or received an offer of employment that is currently pending; or

- (ii) accepted an offer of employment.

A conflict of interest may also arise when an employee, or a member of his or her family, receives improper personal benefits as a result of his or her position with SAWS. All employees should avoid situations or transactions that could involve a conflict of interest or give the perception of a conflict of interest. Employees are expected to use good judgment in considering whether a conflict of interest exists and encouraged to ask their immediate supervisor when in doubt.

2. **Recusal.** When an employee has a conflict of interest concerning a matter involving SAWS, he or she shall recuse himself or herself from the matter and shall not participate in or have discussions with any SAWS employee or Trustee regarding the matter as soon as the conflict is or should have been recognized. The employee shall promptly report the conflict to his or her supervisor; the supervisor shall reassign responsibility for the matter to another employee, and notify the person to whom it is reassigned of the existence of the conflict of interest. Failure to report or recuse oneself may lead to disciplinary action, up to and including termination.

C. **Prohibited Contracts and Business Relationships with SAWS.**

1. **Employees Prohibited from Contracting with SAWS.** Except as addressed below, all SAWS employees are prohibited from having or acquiring a personal financial interest, direct or indirect, in any contract or subcontract with SAWS. Any violation of this Section C, with the knowledge, express or implied, of the person or entity contracting with SAWS shall render the contract involved voidable by the President/CEO or the Board of Trustees, as applicable.

2. **Presumed Financial Interests.** An employee is presumed to have a prohibited personal financial interest in a contract with SAWS if any of the following individuals or entities is a party to the SAWS contract or is a subcontractor on a SAWS contract:

- (a) the employee;
- (b) the spouse or domestic partner of the SAWS employee; or
- (c) an entity in which any of the individuals in Subsection 2 (a) or 2 (b) own ten percent (10%) or more of the voting stock or fair market value of the entity.

3. **Pre-existing Contracts.** Any contract already in place at the time an individual becomes a SAWS employee, and thereby subject to this contract prohibition, may remain in place and continue to be in effect until the contract expires or the transaction is completed, without creating a prohibited financial interest. Amendments, change orders and other revisions would constitute a new agreement that would be subject to the prohibitions of this provision.

D. **Unfair Advancement of Private Interests.**

1. **Impartiality.** An employee shall not use his or her position to unfairly advance or impede private interests, or to obtain, or attempt to obtain for any person (including the employee), any form of special consideration, treatment, exemption or advantage beyond that available to other individuals.

2. **Acquisition of Private Interest in Matter Pending before SAWS.** An employee shall not acquire an interest in or be in a position to be personally affected by any contract, transaction or other SAWS action, other than actions or matters that generally affect all or a substantial part of the SAWS customer base that includes the employee.

E. Associations with Suppliers, Contractors and Customers.

An employee, and his or her spouse, domestic partner, child, parent, sibling or member of the same household, shall not, as a result of the employee's position at SAWS, give, solicit, or accept any of the following from existing or potential suppliers of land, material, equipment or services to SAWS:

- Advances or loans, other than through recognized business channels, such as banks and credit unions;
- Sensitive and/or unlawful payments; for example, kickbacks or bribery, or any other similar kind of payment, benefit or transfer of value;
- Discounts, benefits or gifts, unless in accordance with this Code of Ethical Standards or in connection with programs that generally affect all or a substantial part of the service provider's customer base;
- Any unusual favors or arrangements; or
- Any item that could be construed as an attempt to influence the employee in the conduct of SAWS' business.

F. Code of Conduct for Selection Committee Members on Discretionary Service Contracts.

To avoid any potential bias or other conflicts of interest related to the award of discretionary contracts by SAWS, employees who are materially involved in the award of discretionary contracts will be required to sign a statement certifying among other things, that they have no existing relationship or financial interest in any entity whose proposal they will be evaluating, and agreeing to a code of conduct during the period of review for those respondent proposals. The form shall be promulgated by the Director of Contracting and approved by the Chief Ethics Officer.

G. Financial Disclosure.

1. **Financial Disclosure for Certain Executive Level Employees and Contracting Officers.** Executive management, directors and employees that have material involvement in the contracting and purchasing processes for SAWS, as identified by the member of the Executive Management Team over the department, must file an annual financial disclosure report no later than the final business day of February of each calendar year in which the employee is employed by SAWS. The report shall include the following information for the preceding calendar year and up through the date of the report:

- (a) the name of the employee filing the report;
- (b) the name of any entity, including self-employment, in which the employee or his or her spouse or domestic partner holds any ownership interest, other than (i) mutual funds or (ii) publicly traded corporations for which the ownership interest is less than ten percent (10%) of the value of the entity;
- (c) the name of any entity which the employee knows is a partner, parent or subsidiary entity of an entity owned, operated or managed by the employee, spouse or domestic partner;
- (d) each source of income, other than dividends or interest, amounting to \$5,000 or more received by the employee or spouse or domestic partner, unless the source of that income has been reported under another subsection of the financial disclosure report;
- (e) all real estate located in the State of Texas in which the employee, spouse or domestic partner has a leasehold interest, a contractual right to purchase, or an interest, such as a fee simple owner, partnership owner, joint owner with an individual or entity, or owner of more than 25% of a corporation or partnership that has title to real property;
- (f) the name of persons or entities to whom the reporting party or spouse or domestic partner owes a debt of more than \$5,000, other than debts for:
 - (i) money borrowed from a family member from his or her own assets; or
 - (ii) revolving charge accounts; and
- (g) whether the employee is aware of any fraud, waste, or abuse that is occurring at SAWS.

2. **General Provisions Relating to Financial Disclosure Forms.** The Chief Ethics Officer shall prepare the forms to be used in this section and may amend or revise forms as deemed appropriate upon approval by the President/CEO.

H. Confidential Information.

1. **Protection of Confidential Information.** An employee shall protect and refrain from disclosing Confidential Information, except as provided in subsection 2 below. As used in this section, “Confidential Information” means non-public information obtained by an employee through his or her employment at SAWS:

- that includes data, lists or information that is related to other SAWS employees and customers;
- that involves strategic and business plans;
- that is protected by law or contractual agreement; or
- that is identified or marked as confidential.

2. **Permitted Release of Confidential Information.** Nothing in this section is intended to limit or shall prohibit employees from (i) complying with any applicable laws (including without limitation, the Texas Public Information Act); (ii) reporting illegal or unethical conduct under these standards or otherwise, or (iii) providing truthful testimony under oath.

3. **Protection of Certain Information.** An employee shall not use his or her position at SAWS to obtain information about any person or entity for any purpose other than the performance of his or her duties for SAWS.

4. **Written Request of Confidentiality.** Pursuant to Section 552.024 of the Texas Government Code, an employee shall choose whether to allow public access to the information in SAWS custody that relates to the employee’s home address, home telephone number, emergency contact information, or social security number, or that reveals whether the employee has family members. Each employee should have been presented with the opportunity to make such an election at the time he or she started employment with SAWS. An employee who wishes to close or open public access to the information may request in writing that its Human Resources Business Partner close or open access.

I. Outside Employment.

1. **Policy on Outside Employment.** SAWS is the primary employer of all full-time employees. Secondary or “outside” employment will be permitted *only if* it does not adversely affect the best interest of SAWS.

2. **Prior Written Approval.** Any SAWS employee (including a full-time, part-time or temporary employee, but excluding a contractual employee) who wishes to accept outside employment must give prior written notice to the member of the SAWS Executive Management Team (“EMT”) over his or her department, providing the name of the outside employer, the nature of the employment, the time commitment required for the employment, and any other information reasonably requested by said member of the EMT. The employee must receive prior written approval from said member of the EMT before engaging in the outside employment. The member of the SAWS EMT analyzing the request for outside employment may seek input from the employee’s direct supervisor, who must determine that the outside employment will meet the requirements of this policy before recommending approval to the member of the SAWS EMT. A SAWS EMT member may delegate his or her rights, duties and obligations in this paragraph to one or more directors in his or her chain of command by an express, written delegation to said director(s).

3. **Outside Employment Cannot Adversely Affect SAWS.**

- (a) Outside employment:
- (i) must be performed outside the employee’s regular work hours for SAWS;
 - (ii) must be performed without the use of any SAWS equipment, office space, or other property or resource (including other SAWS employees); and

- (iii) cannot interfere with or impair the employee's work for SAWS.
- (b) A SAWS employee cannot be employed or retained to work for an outside employer on any SAWS contract or project.
- (c) Public disclosure of the outside employment or terms or conditions of such employment cannot create the appearance of a conflict of interest to a reasonable person or put SAWS in a negative or unfavorable light.

J. Endorsements.

An employee shall not use SAWS' name or logo in such a manner that suggests an institutional endorsement by SAWS without the prior written consent of the President/CEO.

K. Political Activity.

1. **Definitions.** As used in Sections K and L, the following definitions apply:

SAWS Assets. Includes, but is not limited to equipment, facilities, vehicles, computer systems and software, multi-function copy machines, tools, supplies, materials, employees' work product, keys and uniforms, or any other thing provided by SAWS for employees to carry out their responsibilities as SAWS employees.

SAWS Property. Buildings and property owned or controlled by SAWS, such as parking lots; SAWS vehicles, private vehicles while used for SAWS business; and locations where the employee is representing SAWS (such as during conferences, workshops or residential community meetings).

SAWS Time. Period of time that a SAWS employee is on duty or on call for SAWS.

SAWS Uniform. Item of clothing bearing the SAWS logo.

2. **Policy on Political Activity.** SAWS employees are encouraged to participate in the political process. To protect SAWS employees from political pressure in carrying out their duties for SAWS, to ensure that personnel decisions are made on the basis of qualifications and merit, and to avoid the appearance of bias or favoritism in carrying out public policy, certain limitations on political activity are required. The limitations are not intended to prevent SAWS employees from expressing their political opinions in private or while on their own time. SAWS employees are encouraged to vote for the issues and candidates of their choice. No employee shall be restrained in the exercise of rights as a citizen to express an opinion and to cast a vote.

3. **Political Activity Prohibitions for City of San Antonio Offices.** SAWS employees may not take part in the management or affairs of a political campaign of any candidate for City of San Antonio office. Taking part in the management or affairs of a political campaign of a candidate for City of San Antonio office includes:

- (a) serving as campaign manager or in an administrative or decision-making role in an election or campaign activity;
- (b) directly or indirectly giving, receiving or soliciting any contribution for any City Council candidate or officeholder, including organizing, selling tickets to, or promoting a fund-raising event;
- (c) block walking;
- (d) distributing campaign literature;
- (e) poll watching on behalf of a candidate;
- (f) circulating petitions to support or oppose placement of a candidate on the ballot;
- (g) leading, organizing or conducting political rallies or parades promoting or opposing a candidate;
- (h) giving public speeches on behalf of or against a candidate;
- (i) writing letters or articles for publication;

- (j) endorsing or opposing a candidate in a political advertisement, a broadcast, campaign literature or similar material;
- (k) driving voters to the polls on behalf of a candidate; or
- (l) other active forms of vote solicitation for or against a candidate.

SAWS employees in the course of their duties for SAWS may provide factual information to members of the public regarding city elections.

4. General Political Activity Prohibitions. For any political campaign for a candidate or City of San Antonio ballot measure, SAWS employees shall not:

- (a) wear campaign buttons or distribute campaign literature on SAWS Time, in a SAWS Uniform or on SAWS Property;
- (b) display or fail to remove any campaign materials on any SAWS Property, including SAWS vehicles, under his or her control;
- (c) use or permit the use of SAWS Property, SAWS Assets, SAWS personnel or SAWS Time for political purposes;
- (d) use his or her position within SAWS to coerce the political action of another employee; or
- (e) dismiss or cause to be dismissed, or threaten to dismiss, or make any attempt to procure the dismissal of, or in any manner change the rank or compensation of another SAWS employee because of political opinions or affiliations.

5. Permissible Political Activities. Employees may participate in the political process on personal time, but without the use of any SAWS' Assets or SAWS personnel and within the limitations set forth Subsections (3) and (4) above. Specifically, SAWS employees may vote; express personal political opinions on issues or candidates at a private or non-political public gathering, such as neighborhood association or service club meetings; sign petitions; display political pictures, stickers, badges, yard signs or buttons on personal time and on personal property, but not on SAWS Time or SAWS Property; accept employment as an election or polling judge with the county or federal election authorities; and make political campaign contributions for non-city council candidates or officeholders. Campaign materials affixed to personal vehicles that are parked on SAWS Property are permissible.

6. Other Activities Involving Political Candidates. Nothing in this section prohibits employees in the course of their duties for SAWS from providing information or briefings on issues affecting SAWS to political candidates.

L. Use of SAWS Assets or Resources.

1. **Definitions.** As used in this Section L, the terms SAWS Assets, SAWS Property, SAWS Time and SAWS Uniform shall have the definitions set forth in subsection K.1 above.

2. **Policy on Prohibited Use of SAWS Assets.** SAWS provides SAWS Assets for employees to carry out their required duties and responsibilities. Unauthorized use, removal or destruction of SAWS Assets is prohibited.

3. **SAWS Assets or Resources Shall Not be Used for Private Purposes.** An employee shall not use, request or permit the use of SAWS Assets, SAWS Time or personnel at any time for private purposes (to include the personal benefit of the employee or anyone other than SAWS), or at any time during an employee's regular work hours for SAWS, except:

- (a) as expressly allowed under a SAWS policy (such as the Acceptable Use policy); or
- (b) to the extent and according to the terms that these SAWS Assets are also available to the public or SAWS' customer base (such as any of the conservation programs); or
- (c) occasional and *de minimis* (insignificant or minimal amount) use of the computer systems and software, phone, or multi-function copy machine.

4. **SAWS Assets Shall Not Be Sold by SAWS Employees.** An employee shall not sell, trade or barter any SAWS Assets, all of which shall remain the property of SAWS at all times. All such SAWS Assets that have reached the end of their useful life shall be disposed of in accordance with applicable laws and SAWS policies for disposition. Any SAWS uniforms, clothing or equipment with the SAWS logo acquired by and owned by a SAWS employee shall not be contributed to charity, reused or resold, unless to another SAWS employee.

M. Gifts or Benefits.

1. **Gifts or Benefits that Create the Appearance of Impropriety.** A gift is almost anything of monetary value, such as cash, meals, trips, event tickets or services. The term "gift" does not include modest refreshments, such as a cup of coffee or items of nominal value of \$50 or less. In order to maintain the highest standard of ethics, SAWS employees are prohibited from providing or accepting any gift or other benefit which could be construed by a reasonable person as creating a conflict of interest, or could compromise, or appear to compromise, an employee's ability to make objective business decisions in SAWS' best interest. No policy can anticipate or address the full range of possible circumstances. Employees are encouraged to evaluate whether the receipt or solicitation of a gift or benefit is in keeping with SAWS' mission to deliver sustainable, affordable water services and to avoid any appearance of impropriety or favoritism.

2. **Specifically Prohibited Gifts or Benefits from Outside Sources.** Except as provided in the following Subsection 3 below, employees are expressly prohibited from soliciting, accepting or agreeing to accept gifts or benefits from outside sources. Prohibited gifts include gifts of cash or cash equivalents, such as gift cards. An outside source is any person or entity who is:

- (a) a party to any contract with SAWS;
- (b) a subcontractor to a discretionary contract with SAWS;
- (c) a partner, a parent or a subsidiary entity to a SAWS contractor or subcontractor;
- (d) seeking to do business with SAWS;
- (e) regulated or inspected by SAWS;
- (f) a person or an individual who has an interest that may be substantially affected by the performance or non-performance of the employee's duties for SAWS; or
- (g) an attorney, consultant or other agent hired or retained by a person or entity listed in Subsections (a) through (f) to assist in seeking or conducting business with SAWS or in seeking regulatory action from SAWS.

3. **Permissible Gifts or Benefits from Outside Sources.** Employees may accept the following gifts or benefits from outside sources, provided that it does not create the appearance of impropriety or a conflict of interest:

- (a) a business meal of a value of \$75 or less, and no more than one meal from a single source per week;
- (b) a gift based solely on a family relationship or personal friendship that is in keeping with the closeness of the relationship;
- (c) admission, meals, and with approval of the President/CEO, reasonable transportation and/or accommodations, to an event in which the employee is participating in connection with SAWS duties, including conferences, training and widely-attended community or civic events, all in accordance with SAWS procedures and guidelines established from time to time related to travel;
- (d) awards for meritorious service or professional achievement that have been previously reviewed by the Chief Ethics Officer and approved by the SAWS President/CEO; or
- (e) solicitations by an employee for civic or charitable causes.

4. **Specifically Prohibited Gifts or Benefits to Outside Sources.** Except as provided in the following Subsection 5, SAWS employees are expressly prohibited from providing or offering gifts or benefits to the following outside sources:

- (a) any person or entity which regulates SAWS; or
- (b) any person who is in a position that may influence or be perceived to influence an employee's employment with SAWS.

5. **Permissible Gifts or Benefits to Outside Sources.** SAWS employees may provide the following gifts or benefits to outside sources, provided that it does not create the appearance of impropriety or a conflict of interest:

- (a) meals up to \$75 in value in connection with SAWS business and not more than once per week;
- (b) admission, meals, and with the approval of the President/CEO, reasonable transportation and/or accommodations to an event connected with SAWS business, including conferences, training and widely-attended community or civic events;
- (c) mementos related to SAWS business or accomplishments; or
- (d) a gift based solely on a family relationship or personal friendship and in keeping with the closeness of the relationship.

6. **Gifts or Benefits between SAWS Employees and Trustees.** SAWS employees shall not (1) provide or offer a gift or benefit to his or her immediate supervisor or anyone above the immediate supervisor in the chain of command or any member of the San Antonio Water System Board of Trustees, or (2) accept a gift or benefit from anyone who reports to him or her in the chain of command, except:

- (a) on unique or special occasions for which gifts are customarily provided or received such as birthdays, Boss's Day, retirement, weddings, funerals, birth or adoption of children and annually occurring holidays, which are of a value reasonable and suitable to the event;
- (b) food and refreshments shared in the office among employees;
- (c) personal hospitality in the employee's home;
- (d) host or hostess gifts given in appreciation for hospitality by another employee of a value reasonable and appropriate to the event;
- (e) a gift based solely on a family relationship or personal friendship and in keeping with the closeness of the relationship; or
- (f) meals shared on occasion in connection with SAWS business, and in keeping with the standards of a reasonable and appropriate business meal that does not create the appearance of impropriety.

SAWS employees may provide to or receive gifts from other employees other than supervisors in their chain of command, but should be mindful that the value of the gift should be reasonable and appropriate for the occasion for which the gift is given or received and whether it creates the appearance of a conflict of interest.

7. **Alcoholic Beverages.** Gifts to SAWS employees of alcoholic beverages, at any time and for any occasion, are prohibited and shall be returned to the donor or destroyed. Employees shall not consume alcoholic beverages during the course of the employee's working hours, including lunch or break periods.

8. **Hospitality and Business-Related Events.** A SAWS employee may accept food and beverages in connection with attendance at a business-related event within the limits set out in Subsection 3 above regarding permissible gifts from outside sources. Business-related events include, without limitation, an event that takes place outside the employee's working hours, such as holiday gatherings, conference receptions, or community events to which the employee has been invited or is participating in his or her capacity as a representative of SAWS. SAWS does not encourage its employees to consume alcoholic beverages but recognizes that alcoholic beverages may be offered at some business-related events. An employee's decision to choose to consume alcohol at a business-related event within the restrictions of this section is the employee's responsibility alone. SAWS will bear no responsibility whatsoever for an employee's actions or physical condition resulting from the consumption of alcohol. In no event shall any consumption of alcohol at a business-related event interfere with or compromise the employee's ability to maintain the highest professional decorum consistent with SAWS' best professional image. Conduct unbecoming to a representative of SAWS, especially when wearing an item of clothing with the SAWS logo or when attending a business-related event at which the employee is known to be an employee of SAWS, shall result in disciplinary action, up to and including termination.

9. **Disposal of Prohibited Gifts.** If a SAWS employee receives a gift that is prohibited under this section, he or she must:

- (a) pay to the donor the market value for the gift;
- (b) if perishable, share with others in the office or donate the gift to charity;
- (c) return the gift to the donor; or
- (d) destroy.

10. **Honoraria.** Honoraria for employee participation at an event belong to and shall be turned over to SAWS. An honorarium may be donated to Project Agua.

11. **Door Prizes, Raffles and Games of Chance.** An employee may accept a door prize, raffle prize or prize from any other game of chance from an outside source that is of nominal value of \$50 or less, including those provided in connection with attendance at a business-related event. Business-related events include, without limitation, breakfast gatherings, luncheons, educational events, networking events, holiday gatherings, conference receptions, or community events, to which the employee has been invited or is attending in his or her capacity as a representative of SAWS, whether it takes place within or outside the employee's working hours. In the event the door prize, raffle prize or other game of chance from an outside source exceeds a value of \$50, the gift shall not be accepted by the employee. This section applies only to door prizes, raffles and games of chance from an outside source, as defined in subsection 2 above and not to door prizes, raffles and games of chance from a person or entity who is not an outside source.

III. Ethical Standards for Former SAWS Employees.

A. Prior Participation in Negotiation or Award of Contracts.

A former employee cannot, within two (2) years of terminating employment, perform work on a compensated basis relating to a discretionary contract if he or she personally and substantially participated in the negotiation or awarding of the contract.

B. Representation of Private Interests before SAWS.

A former employee cannot represent for compensation any person, private group or entity (other than themselves, or their spouse or minor children) before the SAWS Board of Trustees or SAWS staff for a period of two (2) years after termination of employment. This rule does not prohibit the new employer of a former SAWS employee from bidding or seeking discretionary contracts from SAWS during said two (2) year period, but it does prohibit the former employee from personally negotiating said contract with SAWS staff or representing the new employer before the SAWS Board or SAWS staff during said two (2) year period. This rule does not apply to a former employee seeking a personal services contract with SAWS. This rule also does not apply to a former employee employed by a governmental entity performing their job functions with SAWS staff.

C. Continuing Confidentiality.

A former employee shall continue to protect confidential information acquired during service as a SAWS employee. Nothing in this section is intended to or shall prohibit former employees from (i) complying with any applicable laws (including without limitation, the Texas Public Information Act); (ii) reporting illegal or unethical conduct, or (iii) providing truthful testimony under oath.

D. Representation in Litigation Adverse to SAWS.

A former employee cannot, absent written consent from SAWS, represent any person, group or entity (other than themselves, or their spouse/domestic partner or minor children) in any litigation to which SAWS is a party, if the interests of that person, group or entity are adverse to the interests of SAWS and the matter is one in which the former employee personally and substantially participated prior to cessation of employment.

E. Endorsements.

A former employee shall not use SAWS' name or logo in such a manner that suggests an institutional endorsement by SAWS without prior consent of the President/CEO.