

UPPER COLORADO RIVER AUTHORITY  
*GENERAL OPERATING POLICIES AND PROCEDURES*

**ARTICLE I**

**1.01: Purpose**

The operating policies and procedures of the Upper Colorado River Authority shall serve as the official guidelines for activities affecting the District and the conduct of Board members, employees and consultants. District officials and employees shall conduct themselves in a manner consistent with sound business and ethical practices; that the public interest shall always be considered in conducting District business; that the appearance of impropriety shall be avoided to ensure and maintain public confidence in the District and that the Board shall control and manage affairs of the District fairly, impartially, and without discrimination in accordance with enabling legislation which created the District as well as applicable other state or federal laws.

**1.02: Qualifications of Directors**

A person shall not serve as a director if he or she is not qualified to do so under the provisions of the District's enabling legislation. Any director not qualified to serve on the board, who willfully occupies an office and exercises the powers and duties of that office, may be subject to penalties under the Texas Water Code.

**1.03: Conflicts of Interest**

- A. A Board member is prohibited from participating, directly or indirectly, in a vote or decision or from acting as a surety on any matter involving a business entity in which that official has substantial interest.
- B. In cases of a conflict of interest, the official must disclose that interest to the Board or Directors and excuse himself or herself from any deliberation or discussion of the matter with other members of the Board.
- C. The District may not contract for the purchase of services or personal property with a District official or with a business entity in which a District official has a substantial

interest, as defined by state law and except as permitted by state law.

- D. The Board shall take a separate vote on any budget item, revenue or expenditure, relating to a contract with a business entity in which a Director has a substantial interest. The director having the substantial interest may not participate in that separate vote, but may participate in the vote of the total budget providing that budget item does not exceed 10 per cent of the total budget.

#### **1.04: Nepotism**

The Board shall not confirm the appointment to any position, nor award a contract to a person related to a member of the Board within the second degree by affinity (marriage) or within the third degree by consanguinity (ancestry) when the salary or other compensation of such appointee is paid from District funds, unless otherwise provided by state law.

#### **1.05: Use of District Property**

No Board member, officer or employee shall permit any personal or unauthorized use of District owned property, equipment or materials.

#### **1.06: Travel Expenditure and Compensation Policies**

- A. Board members, employees and consultants, with approval of the Board of Directors, shall be reimbursed for travel, meals, lodging, mileage and other necessary or reasonable costs incurred by that official, employee or consultant while that person was conducting business for the District.
- B. Mileage shall be reimbursed at the current federal rate per mile, round-trip from the most direct route from the hometown of the Board member, employee or consultant to the destination where business was conducted. Each Board member shall receive a compensation the sum of \$100 for each regular or special called meeting.
- C. In cases where air travel was authorized by the Board, the actual cost of coach fare air ticket is reimbursable.

- D. Unless restricted by state legislation, the actual costs of meals and lodging shall be reimbursable.
- E. No reimbursement of any kind for Directors, employees or consultants shall be made unless actual receipts for any eligible reimbursement has been submitted to the District for verification and payment.

**1.07: Investments**

- A. District funds which are invested shall be so and secured in order to preserve principal, investment District's and loan principal, of issued the United (3) any districts  
 earn interest and comply with various provisions of state law relating to the and security of the District's funds. Any funds invested or reinvested by the investment officer shall be in national or state banking associations or savings associations located within the State of Texas or in federal treasury bills. The plus interest shall not exceed FDIC insurance limits unless collateral securities market value totaling the investment has first been pledged to the District by the financial institution receiving the District's investment. Those collateral securities acceptable to the District shall include: (1) governmental securities obligations State of Texas, it agencies or political subdivisions; (2) direct obligations of State of America, backed by the full faith and credit of the U. S. Government; (3) other obligations or securities authorized to be collateral securing funds of under the laws or the State of Texas approved by the Board of Directors.
- B. The investment officer shall ensure that the custodian of the collateral shall be an independent third party Texas financial institution and the investment officer shall obtain safe-keeping receipts from the Texas financial institution regarding same.

**ARTICLE II**

**2.01 Management, Employee and Professional Services Policies**

- A. The Board of Directors shall approve the hiring of all employees, consultants, legal counsel and agents of the District as well as determine salary, health insurance or other fringe benefits. The Board shall annually review the performance of any employee, consultant or legal counsel for continuation, salary adjustment or termination.
  
- B. The Board in the conduct of District affairs shall utilize an annual budget for the purpose of controlling and accounting for costs, planning, establishing functions and programs for the district. The District shall adopt an annual budget in accordance with applicable state laws. This budget may be amended from time to time by the Board of Directors. Such budget shall be a true reflection of the District's anticipated annual expenditures and revenues.
  
- C. An annual audit of the District's finances shall be performed by an outside independent certified audit company in accordance with state and applicable federal laws.
  
- D. The Board may establish special or standing committees to deal with specific programs, tasks, reviews or operations of the District.