



ERIE COUNTY WATER AUTHORITY
INTEROFFICE MEMORANDUM
May 10, 2018

To: Terrence D. McCracken, Secretary to the Authority

From: Jerome D. Schad, Chairman

Subject: Ethics Board Issue – Possible Appointment of Three-Member Panel to Advise the Ethics Committee

The Authority's By-Laws provide, at Article III, Paragraph 7, that the members of the Authority "may adopt such rules and regulations for the conduct of their meetings and the management of the Authority as they may deem proper, not inconsistent with law or these By-Laws."

At its annual re-organization meeting on May 3, 2018, the members of the Authority approved the Finance Committee, Audit Committee, Governance Committee and Ethics Board as well as designating the board assignments with the further provision that "*the Chairman of the Erie County Water Authority will continue to be empowered to name new committees and assign members.*"

The Authority's existing Policy No. 11.0, Code of Ethics, provides in its PROCEDURES section, at Paragraph 3, that "*The Board may appoint a three member panel to advise on any question.*"

I believe that the existing Authority policy is a limitation on the Chairman's discretion with respect to the three-member panel mentioned in Paragraph 3 of the PROCEDURES section. Further, I believe that the Policy No. 11.0 reference in paragraph 3 to the "Board" is a reference to the Ethics Board members. The Ethics Board members, therefore, are the ones to decide whether to make an appointment to the panel and who the appointees would be.

At the present time, no advisory panel exists. I believe that the panel, if the members were appointed who were not employed by the Authority, would serve to assist the Ethics Board and, thus the Authority, to comply with its financial disclosure requirements and related obligations under Policy No. 11 (attached).

JDS:tf
Attachment

**ERIE COUNTY WATER AUTHORITY
HR Policies/Procedures**

Re:	CODE OF ETHICS	Policy No.	11.0
Application:	All Employees	Adopted:	06/16/05
		Amended:	05/11/06
			04/03/08
			05/21/09
			01/26/12
			08/22/13

PURPOSE

- To promote continued public confidence in the integrity of the Authority; and
- To accord the members and employees of the Authority clear guidelines as to the ethical standards required of them; and
- To establish and to maintain the standards and conduct expected of its members and employees.

POLICY

This policy is in addition to any and all other laws, restrictions, standards and provisions applicable to the conduct of the Authority's members and employees.

It applies to all full time or regular part time employees, hereafter called employees, as well as to the three members of the Authority appointed pursuant to Section 1053 of the Public Authority's Law to serve for a specific term, hereafter called members.

This policy shall be in compliance with the Public Authorities Accountability Act of 2005 Section 19.

MEMBERS AND EMPLOYEES OF THE AUTHORITY SHALL:

- 1) Endeavor to perform the duties of their position to the best of their ability and in a spirit of service to all persons and concerns for which the Authority was created;
- 2) Uphold the high standards of dedicated public service rendered over the years by Water Authority members and employees;

- 3) Support and encourage fellow employees in the proper execution of their duties;
- 4) When a question of conduct or regulation occurs, seek the advice of a supervisor or Counsel of the Authority.

NO MEMBER OR EMPLOYEE OF THE AUTHORITY SHALL:

- 1) Receive any compensation for or have an interest, financial or otherwise, direct or indirect, or incur any obligation that is in substantial conflict with the proper discharge of their duties with the Authority;
- 2) Engage in other employment that might impair the independence of their judgment in the execution of their duties with the Authority;
- 3) Disclose confidential information acquired in the course of official duties nor use such confidential information to further their own personal financial interests;
- 4) Directly or indirectly solicit any gift, or accept or receive any gift having a value of seventy-five dollars, or more, whether in the form of money, service, loan, travel, thing or promise, or in any other form under circumstances in which it could reasonably be inferred that the gift was intended as a reward for any official action on their part; excepting entertainment, meals or social invitations that are customary and proper under the circumstances and are wholly in keeping with good business ethics, and do not place the recipient under obligations.
- 5) Arrange for the extension of credit, or renew an extension of credit in the form of a personal loan from the Authority.

REGULATIONS:

Conflicts with the Authority's interest for an employee or member shall include, but not be limited to, the following:

- 1) Performing any water service work other than that required by the employee's position when such outside water service involves customers of the Authority and is done for personal monetary gain.
- 2) Releasing any data on competitive bids or any other information that is confidential to the Authority to anyone outside the Authority's employment.

Data on contract rates and the cost experience of the Authority, as well as other confidential information, shall not be released to anyone outside the Authority except when required by the Freedom of Information Law and except where this is deemed essential and appropriate by duly designated

management representatives and does not weaken the Authority's position in negotiating agreements with contractors and others for services and materials or otherwise affect the interest of the Authority.

- 3) Serving as an officer, director, or manager with another company or business organization directly or indirectly related to the Authority without specific authorization from the Authority.
- 4) It is considered to be in conflict with the Authority's interest for an employee, member of the Authority or any immediate family member (spouse or child),
 - a) To have a financial interest, in or a manager or director relationship with, any business organization that deals with the Authority where there is an opportunity for, or the appearance of an opportunity for, preferential treatment to be given or received by such organization except where the financial interest is limited to the insubstantial (less the 5%) ownership of the securities of widely held corporations that are quoted and sold on the open market.
 - b) To lease as a contractor or supplier any equipment to the Authority.

The foregoing is not intended as necessarily all encompassing of every situation where a conflict of interest may arise. If in doubt, inquiry is to be made to the Counsel of the Authority.

PROCEDURES

1. The Authority hereby establishes the three members of the Authority to act as the Ethics Board to interpret and make recommendations in regard to any question or purported violations of this code or any statutory enacted ethics standards affecting its members, officers or employees. On an annual basis, the voting members of the Authority shall appoint a Chairperson of the Ethics Board (Ethics Officer).
2. In the event the advice of the Board is sought by a member of the Authority, that member will abstain from the decisions and recommendations made by the Board of Ethics in that particular instance.
3. The Board may appoint a three member panel to advise on any question.
4. In all matters, a member may be excused from voting in any matter where a conflict might arise.
5. At its discretion, the Ethics Board may recommend appropriate disciplinary action which may include, but is not limited to, a reprimand,

suspension or termination of employment. Any such recommendation will only be final after any hearing required by Section 75 of the Civil Service Law or any applicable Collective Bargaining Agreement.

6. The Board may make and amend these rules, regulations and policies as it shall consider appropriate.
7. Each member and each employee in the Exempt Civil Service classification and those holding the following titles: Account Clerk, Director of Administration, Chief Business Office Manager, Sr. Distribution Engineer, Sr. Production Engineer, Distribution Engineer, Production Engineer, Lab Director, Director of Drinking Water Quality, Cash Management Manager, Director of Human Resources, Administrative Assistant, Sr. Stores Clerk, Construction Inspectors, Civil Engineer, Cashier, Coordinator of Employee Relations, Director of Employee Relations, Manager of Accounting Services, Assistant Manager of Accounting Services, Manager of Audits, Budget and Financial Analyst, Production Technician, Sr. Customer Service Representative/Cash Management and Administrative Engineer shall submit annually to the Board of Ethics,
 - a) A notarized statement listing any stock holdings, except where such holdings represent less than 5% ownership of a widely held corporation whose stock is quoted and sold on the open market, or other financial interest that he or she feels may constitute a conflict of interest;
 - b) Alternatively, a notarized statement that he or she has no outside interest or stock holdings that might create a conflict.
 - c) This disclosure statement is to be filed with the Authority's counsel annually by May 15, and is to be retained for one year by the Authority.
 - d) New employees must file within thirty days of employment.
 - e) This disclosure will also be filed with the Erie County Board of Ethics in accordance with the Public Authorities Accountability Act of 2005 Section 19.
8. This code is to be distributed to each member and employee of the Authority who shall acknowledge receipt thereof in writing.
9. This code is to be delivered to each new employee who shall acknowledge receipt thereof in writing.