

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

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| Re: | CODE OF ETHICS & CONFLICTS OF INTEREST POLICY | Policy No. | 11.0 |
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| Application: | All Employees | Adopted: | 06/16/05 |
| | | Amended: | 05/11/06 |
| | | | 04/03/08 |
| | | | 05/21/09 |
| | | | 01/26/12 |
| | | | 08/22/13 |
| | | Proposed: | 02/27/19 |

**ARTICLE I
DEFINITIONS**

Section 1: Definitions.

- (a) “Ad hoc member” means a committee member who is not a duly appointed Commissioner and who is appointed to serve as a non-voting committee member pursuant to the Authority’s By-laws.
- (b) “Authority” means the Erie County Water Authority.
- (c) “Attorney” means the Authority’s Attorney, who serves as its general counsel and chief legal advisor.
- (d) “Board” means the Authority’s Board of Commissioners.
- (e) “Code” means this Code of Ethics and Conflicts of Interest Policy.
- (f) “Employee” includes any Authority employee holding either a full-time position or a regular, part-time position.
- (g) “Ethics Committee” means a standing committee of the Board, as described in Article IV, section 4 of the Authority’s By-Laws.
- (h) “First degree” family members mean parents, step-parents, children, step-children, and siblings, including half- and step-siblings.
- (i) “Immediate family” means any first-degree family member related by blood or marriage.

- (j) “Interested Person” mean any member, ad hoc member, officer, or employee who has a direct or indirect personal financial interest.
- (k) “Independent Ethics Panel” or “IEP” means the entity whose powers are proscribed in Article VI, section 4, sub-section (e) of the Authority’s By-Laws.
- (l) “Members” mean the Commissioners, duly appointed pursuant to Public Authorities Law § 1053(1).
- (m) “Officers” mean the Chair, Vice Chair and Treasurer and other officers as may be appointed pursuant to Public Authorities Law § 1053(3), including but not limited to the Secretary to the Authority.
- (n) “Personal financial interest” means a financial interest benefiting a member, ad hoc member, officer, or employee, and/or his/her immediate family.
- (o) “Personal loan” means a loan to the member, ad hoc member, officer, or employee, or member of his/her immediate family.

ARTICLE II CODE OF ETHICS

Section 1: Purpose.

As a public benefit corporation, the Erie County Water Authority (the “Authority”) must conduct its operations in a manner that best serves the interests of its customers and the general public. Its mission is to provide its customers a plentiful supply of safe, high quality and affordable drinking water through a reliable infrastructure.

The Authority expects its members, ad hoc members, officers, and employees to observe high ethical standards of conduct in the performance of their duties, and in compliance with all laws and regulations governing the Authority’s operation. This Code of Ethics shall serve as a guide for official conduct and is intended to enhance the ethical and professional performance of the Authority’s members, ad hoc members, officers, and employees and to preserve the public confidence in the Authority’s mission.

Section 2: Policy.

Members, ad hoc members, officers, and employees shall perform their duties with transparency, without favor and refrain from engaging in outside matters of financial or personal interest, including other employment, that could impair independence of judgment, or prevent the proper exercise of one’s official duties.

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

Section 3: Standard of Conduct.

- (a) The Authority's members, ad hoc members, officers, and employees 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 Authority members, ad hoc members, officers, and employees;
 - (3) Support and encourage fellow employees in the proper execution of their duties;
 - (4) When a question of conduct or regulation occurs, address the question to either the Authority's Attorney, or the Chair of the Independent Ethics Panel (IEP).
- (b) Members, ad hoc members, officers, and employees shall conduct themselves at all times in a manner that avoids an appearance that they can be improperly or unduly influenced, that they could be affected by the position of, or relationship with, any other party, or that they are acting in violation of their public trust.
- (c) Members, officers, and employees shall manage all matters within the scope of the Authority's mission independent of any other affiliations or employment. Members, including ad hoc members, officers, and employees shall strive to fulfill their professional responsibility to the Authority without bias and shall support the Authority's mission to the fullest.

Section 4: Prohibited Conduct.

- (a) No member, ad hoc member, officer, or employee 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 or use such confidential information to further personal financial interests;
 - (4) Directly or indirectly solicit, 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.
- (b) Unless otherwise permitted by the IEP or the Ethics Committee, no immediate family member of a member, ad hoc member, officer, or employee may directly or indirectly solicit, accept, or receive any other items described in § 4(a)(4) of this Article.
- (c) Unless otherwise permitted by the IEP or the Ethics Committee, no member, ad hoc member, officer, employee or the immediate family of a member, ad hoc member, officer, or employee may engage in the following actions:
- (1) Speculating or dealing in equipment, supplies, or materials normally purchased by the Authority;
 - (2) Borrowing money from the Authority, suppliers, significant commercial customers, individuals or firms with whom the Authority does business (loans or mortgages from banks or individuals doing business with the Authority are exempt if the terms are at current rates and the customary collateral for such transactions is provided);
 - (3) Acquiring an interest in real estate in which it is known that the Authority also has a current or anticipated interest;
 - (4) Misusing information to which the individual has access by reason of his or her position – such as by disclosing confidential information (of a technical, financial or business

nature) to others outside or inside the business (whether or not a consideration is received), or using such information for one's own interest or the interest of an immediate family member;

- (5) Soliciting funds or other items of value from Authority vendors, suppliers or consultants for oneself or to benefit any other organization, club or person, whether such other persons or entities are charitable, religious or profit-making;
 - (6) 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; and
 - (7) Representing current or potential customers to submit applications, plans or other compliance information to the Authority for approval.
- (d) The prohibited actions and activities set forth in this section do not encompass every situation that may lead to a conflict of interest.

ARTICLE III CONFLICTS OF INTEREST POLICY

Section 1: Purpose.

- (a) The purpose of this Conflicts of Interest Policy is to protect the Authority's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a member, ad hoc member, officer, or employee of the Authority. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to the Authority.
- (b) A conflict of interest is just one example of a violation of ethical conduct. This policy is intended to complement the Authority's Code of Ethics by providing specific procedures to deal with conflicts of interest. To the extent that a matter falls within the scope of both this policy and the Authority's Code of Ethics, the provisions of this Conflicts of Interest Policy shall govern.

Section 2: Prohibition against Conflicts.

- (a) Section 1068 of the New York Public Authorities Law sets forth the following requirements with respect to conflicts of interest:

It shall be a misdemeanor for any of the members of the authority, or any officer, agent, servant or employee

thereof, employed or appointed by them to be in any way or manner interested directly or indirectly in the furnishing of work, materials, supplies or labor, or in any contract therefor which the authority is empowered by this act to make.

In the event the Authority discovers a violation of the above provision, the Authority shall conduct an investigation and, if warranted, report the offense to the Inspector General of the State of New York.

- (b) This Conflicts of Interest Policy provides additional guidance regarding actual or potential conflicts of interest, including circumstances not within the scope of Public Authorities Law § 1068.

Section 3: Personal Financial Interest.

- (a) A person has a personal financial interest if the person has, directly or indirectly, through business, investment or family:
 - (1) an ownership or investment interest in, or employment with, any entity with which the Authority has a transaction or arrangement; or
 - (2) a compensation arrangement with any entity or individual with which the Authority has a transaction or arrangement; or
 - (3) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Authority is negotiating a transaction or arrangement.
- (b) Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.
- (c) A personal financial interest is not necessarily a conflict of interest. No conflict of interest exists where a personal financial Interest arises solely from an immediate family member that holds a clerical, ministerial or low-level management position with an existing or potential vendor, lacks the power to influence the relationship between the business and the Authority and did not obtain his or her position as a means to influence a member, ad hoc member, officer, or employee of the Authority.
- (d) A person who has a personal financial interest may have a conflict of interest only if the Board determines that a conflict of interest exists pursuant to the enforcement and hearing procedures set forth in Article V, § 2 of this Code.

Section 4: Duty to Report.

- (a) An interested person must disclose the existence of his or her personal financial interest and all material facts surrounding the Financial Interest to the Authority's Attorney and to the IEP.
- (b) If the Authority's Attorney or the IEP have reasonable cause to believe an interested person has failed to disclose an actual or possible conflict of interest, they shall inform the interested person of the basis for such belief and afford him/her an opportunity to explain the alleged failure to disclose.
- (c) After disclosure of the personal financial interest, the Attorney and the IEP will interview the interested person and conduct whatever investigation is warranted by the disclosure.
- (d) After exercising due diligence, the IEP will report its findings and recommendation to the Ethics Committee. The Ethics Committee will review such findings and recommendations. If the Ethics Committee determines further action should be taken, it will forward the matter to the Board.

Section 5: Standard of Review.

- (a) After exercising due diligence, if the Ethics Committee determines the Authority can obtain an equal or more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest, then it will forward the matter to the Board with its recommendation.
- (b) If the Ethics Committee determines an equal or more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, then it will forward the matter for the Board to determine whether the transaction or arrangement should proceed or be terminated. A Board ruling to proceed shall include a determination that the transaction or arrangement is in the Authority's best interest, is done for its own benefit and is fair and reasonable to the Authority.

**ARTICLE IV
EMPLOYMENT RESTRICTIONS**

Section 1: One-Year Moratorium.

- (a) No person who has served as a member, officer or employee of the Authority shall within a period of one year after the termination of

such service or employment appear or practice before the Authority or receive compensation for any services rendered by the member, officer or employee through or on behalf of any person, firm, corporation or association in relation to any case or transaction with respect to which such person was directly concerned, or participated in, during the period of his or her service with the Authority.

- (b) Notwithstanding the foregoing, the one-year moratorium shall not apply to (i) normal business issues arising as a result of the person's status as a water customer of the Authority and (ii) professional services provided by such person pursuant to a written agreement with the Authority, to the extent such agreement is otherwise consistent with this Code of Ethics.

Section 2: Nepotism Policy.

- (a) In no event shall an immediate family member of a member be hired during the term of the member.
- (b) An immediate family member of an ad hoc member, officer, or employee may be considered for a permanent position only if all of the following conditions are met:
 - (1) The ad hoc member, officer, or employee had no role in approving or appointing the immediate family member, pursuant to HR Policy No. 92 (Employment Opportunities Posting and Hiring); and
 - (2) The immediate family member is an appointment from a Civil Service List; or
 - (3) There will be no supervisory relationship between the immediate family member and the related ad hoc member, officer, or employee, and the immediate family member and the related member, ad hoc member, officer, or employee will not work in the same department.
- (c) If current members, ad hoc members, officers, or employees marry, it may be necessary for the Authority to reassign one or both individuals, particularly in the case of close working, or direct supervisory relationships.
- (d) An immediate family member may be considered for summer or temporary employment only if all of the following conditions are met:
 - (1) There will be no supervisory relationship between the immediate family member and the related ad hoc member, officer, or employee; and

- (2) The immediate family member and the related ad hoc member, officer, or employee will not work in the same department.
- (e) In no event shall a related ad hoc member, officer, or employee participate in any decision to hire, promote, discipline, or discharge an immediate family member.
- (f) The effective date of this section is March 26, 2019. Immediate family members whose date of hire is before May 1, 2018 may continue in their current position or may be promoted despite the provisions set forth in this section.

ARTICLE V IMPLEMENTATION & ENFORCEMENT

Section 1: Distribution.

The Code shall be reviewed annually by the Ethics Committee and the Board and posted on the Authority's website. All members, ad hoc members, officers, and employees shall be given a copy of this Code upon appointment or commencement of employment and thereafter annually.

Section 2: IEP & Ethics Committee.

- (a) The Board designates the ad hoc members of the IEP as its Ethics Officers, who shall report to the Ethics Committee and Board.
- (b) The Ethics Committee shall prepare, review, update, and approve financial disclosure statements to be filed by members, ad hoc members, officers, and designated employees with the IEP.
- (c) The IEP shall have the following duties:
 - (1) Interpret and make recommendations with regard to any questions or purported violations of this Code and any statutory ethical standards affecting members, ad hoc members, officers, employees or their immediate family;
 - (2) Counsel in confidence all members, ad hoc members, officers, employees, and their immediate family, who seek advice about ethical behavior;
 - (3) Receive and investigate complaints about possible conflicts of interest and ethics violations;

- (4) Recommend the dismissal of any complaint found to be without substance;
 - (5) Prepare an investigation report of its findings and recommendations for the Ethics Committee to consider and to recommend such further action be taken by the Board;
 - (6) Record the receipts of gifts or gratuities of any kind, having a value of seventy-five dollars or more, received by any member, ad hoc member, officer, employee or immediate family member, who shall notify the IEP within 48 hours of receipt of such gifts and gratuities.
- (d) Any reports or recommendations made by the IEP must list those ad hoc members who concur or dissent with the report or recommendation.
 - (e) Members, ad hoc members, officers, and employees are required to report possible unethical behavior by a member, ad hoc member, officer, or employee to the IEP and the Authority's Attorney. Such a complaint may be filed anonymously and protects the reporting member, ad hoc member, officer, or employee from retaliation. Any form of retaliation is prohibited under this Code and constitutes an ethical violation of this Code.
 - (f) At its discretion, the Ethics Committee may recommend to the Board appropriate disciplinary action, which may include, but is not limited to, a reprimand, suspension or termination. No disciplinary action may be taken without affording the person due process to be heard and to respond to the complaint of unethical behavior. Such hearing may also be subject to the applicable provisions, if any, of Civil Service Law § 75 or the applicable provisions, if any, of a collective bargaining agreement.

Section 3: Records of Proceedings.

The IEP shall keep records of all proceedings, including:

- (a) Names of the persons who disclosed or otherwise were found to have a personal financial interest in connection with an actual or possible conflict of interest, the nature of the personal financial interest, any action taken to determine whether a conflict of interest was present, and the Board's ruling, if any, as to whether a conflict of interest in fact existed.
- (b) Names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken or written rulings made in connection with the matter.

**ARTICLE VI
FINANCIAL DISCLOSURE STATEMENTS**

Section 1: Erie County Board of Ethics.

- (a) Pursuant to Public Authorities Law § 2825 (3) and Article 18 of the General Municipal Law, members, officers, and designated employees must file an [annual financial disclosure statement](#) with the Erie County Board of Ethics on or before the fifteenth day of May with respect to the preceding calendar year.
- (b) A member, officer, or designated employee who has timely filed an application for automatic six-month extension with the Internal Revenue Service (“IRS”) may file a supplemental statement of financial disclosure seven days after the expiration of the six-month automatic extension with the IRS. This six-month extension does not extend the May 15th deadline but does allow an individual to file a supplemental financial statement, correcting any representations made in the initial financial statement.
- (c) The following members, officers, and employees are required to file annual disclosure statements with the Erie County Board of Ethics: Commissioners, the Secretary of the Authority, the Executive Director, the Deputy Director (or the person designated by the Board as Chief Financial Officer), the Attorney, and Executive Engineer.
- (d) The following members, officers, and employees are required to file an [Employee Disclosure](#) Form with the Erie County Board of Ethics within 10 days of appointment: Commissioners, the Secretary of the Authority, the Executive Director, the Deputy Director (or the person designated by the Board as Chief Financial Officer), the Attorney, and Executive Engineer.

Section 2: In-House Financial Disclosure Statements

- (a) The members, ad hoc members, officers, and designated employees are required to file an in-house financial disclosure statement with the Authority’s IEP within ten days of appointment or commencement of employment and thereafter annually.
- (b) In-house financial disclosure statements shall be filed by all members, all employees holding an “exempt” job title, and other employees holding certain job titles:
 - (1) Exempt Job Titles

- i. Associate Attorney;
- ii. Associate Attorney RPT;
- iii. Attorney;
- iv. Comptroller;
- v. Comptroller (Part time);
- vi. Deputy Administrative Director ECWA;
- vii. Executive Director;
- viii. Executive Engineer;
- ix. Secretary to the Authority.

(2) Designated Job Titles

- i. Administrative Assistant;
- ii. Assistant Business Office Manager;
- iii. Assistant Manager of Accounting Services;
- iv. Automotive Mechanic Crew Chief;
- v. Business Office Manager;
- vi. Cash Manager;
- vii. Chemist and Chief Water Treatment Plant Operator;
- viii. Chief Business Officer Manager-Budget Director;
- ix. Chief Customer Service Representative;
- x. Claims Representative-Risk Manager;
- xi. Construction Inspector;
- xii. Coordinator of Employee Relations;
- xiii. Deputy Associate Attorney;
- xiv. Deputy Director/Chief Financial Officer;
- xv. Director of Administration;
- xvi. Director of Employee Relations;
- xvii. Director of Equal Employment Opportunity (ECWA);
- xviii. Director of Human Resources;
- xix. Director of Purchasing & Inventory Management;
- xx. Director of Operations;
- xxi. Distribution Engineer;
- xxii. Electrical Engineer;
- xxiii. Employee Benefits Specialist;
- xxiv. Manager of Accounting Services;
- xxv. Municipal Liaison ECWA (Part time);
- xxvi. Production Engineer;
- xxvii. Production Technician;
- xxviii. Security Officer (ECWA);
- xxix. Senior Distribution Engineer;
- xxx. Senior Micro Technical Support Specialist (ECWA);
- xxxi. Senior Production Engineer;
- xxxii. Senior Stores Clerk; and
- xxxiii. Any other position designated by Board resolution.

- (c) The Attorney or the Independent Ethics Panel may direct any other employee who procures goods and services on the Authority's behalf to file a financial disclosure statement.
- (d) All members, ad hoc members, officers, and designated employees have the ongoing obligation to immediately report any conflict of interest that they or any member of their immediate family may have.
- (e) Members, ad hoc members, officers, and designated employees must annually file an in-house financial disclosure statement with the IEP on or before the fifteenth day of May with respect to the preceding calendar year. In-house financial disclosure statements shall be placed in a sealed envelope and addressed to the Independent Ethics Panel, c/o Legal Department, 295 Main Street, Room 350, Buffalo, New York 14203.
- (f) The Authority shall retain all in-house financial disclosure statements for a period of seven years from the required filing date.