Authority Code of Ethics and
Conflict of Interest and Disclosure Policy

The Authority adopts the following Code of Ethics to govern the conduct of its Members and Employees. Violations of the Code may subject a Member or Employee to discipline under the Authority's Corrective Action Policy or other appropriate civil or criminal proceeding as otherwise authorized by law. This policy is promulgated pursuant to the Public Authority Accountability Act, the "Act" (Public Authorities Law §2824).

The Code contains two parts. The first are the standards that Authority Members and Employees must following under the provision of the Act (*See,* PAL §2824). The second is the Authority's Conflict of Interest and Disclosure Policy (*See*, Authority Policy 202) and applies as provided therein. In the event of a conflict between the two, the stricter shall apply unless an employee is specifically exempt from the stricter provision.

I. Definitions

A. Authority means the Suffolk County Water Authority.

B. Employee means any person employed by the Authority and includes Interns, Temporary Employees, and Seasonal Employees.

C. Member means the persons appointed by the Suffolk County Legislature to the Authority Board.

II. Standards.

A. No Authority Member or Employee may:

1. Accept other employment which will impair his or her independence of judgment in the exercise of his or her Authority duties.

2. Accept employment or engage in any business or professional activity which will require him or her to disclose confidential information which he or she has gained by reason of his or her Authority employment.

B. No Authority Member and Employee should:

1. Disclose confidential information acquired by him or her in the course of his or her official duties nor use such information to further his or her personal interests.

2. Use or attempt to use his or her official position to secure unwarranted

privileges or exemptions for himself or herself or others, including but not limited to, the misappropriation to himself, herself or to others of the property, services or other resources of Authority for private business or other compensated non-Authority purposes.

3. Engage in any transaction as representative or agent of the Authority with any business entity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his or her Authority duties.

4. By his or her conduct give reasonable basis for the impression that any person can improperly influence him or her or unduly enjoy his or her favor in the performance of his or her Authority duties, or that he or she is affected by the kinship, rank, position or influence of any party or person.

C. Each Authority Member and Employee should:

1. Abstain from making personnel investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by him or her in his or her Authority duties, or which will otherwise create substantial conflict between his or her Authority duties and his or her private interest.

2. Endeavor to pursue a course of conduct in his or her Authority duties which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.

D. No Authority Member or Employee, nor any firm or association of which such Member or Employee is a member, nor corporation a substantial portion of the stock of which is owned or controlled directly or indirectly by such such Authority Member or Employee, should sell goods or services to the Authority.

III. Conflict of Interest and Disclosure Policy Policy

As a public benefit corporation, the Authority must conduct its operations in a professional manner. The Authority expects all officers, directors and employees to adopt a high ethical standard of conduct in the performance of their duties, observe all laws and regulations governing business transactions, and use Authority funds and resources only for legitimate and ethical purposes.

A. Prohibited Conduct

1. Interests in contracts are prohibited pursuant to Public Authorities Law

1087, as follows: “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 thereof which the Authority is empowered by this title to make.”

2. The Authority respects the rights of personnel in their activities outside their employment that are private in nature and which in no way conflict with or reflect upon the Authority. However, personnel must avoid conflicts of interest. A conflict of interest arises when the private interests of an employee (including Board Members and all full time, part time and temporary employees) of the Suffolk County Water Authority clash with their responsibilities as employees of the Authority.

3. Receipt, by a Member or an Employee or a member of the Member’s or Employee’s family (defined as related by blood, marriage, or domestic bond), of gifts, entertainment, discounts, services, loans or anything of value from suppliers, customers, or other persons with whom the Authority does business. Gifts must be returned to the donor with the explanation that Authority policy will not permit acceptance of the gift. The Authority will reimburse the expense of returning gifts.

4. Speculation or dealing in equipment, supplies, or materials normally purchased by the Authority.

5. Borrowing money from suppliers, customers, individuals or firms with whom the Authority does business loans or mortgages from banks or individuals doing business with the Authority are exempted if the terms are at current rates and the customary collateral for such transactions is provided.

6. Acquiring an interest in real estate in which it is known the Authority also has an interest, or which may improve in value because of the Authority’s activities in the vicinity of such property.

7. Misusing information to which individuals have access by reason of their position – such as by: disclosing confidential information (e.g., confidential information of a technical, financial, or business nature or other “inside information”) to others outside or inside the business (whether or not a consideration is received), or using such information for their own or family’s (as previously defined) benefit.

8. Soliciting funds or other items of value from Authority vendors, suppliers

or consultants for oneself or to benefit any other organization, club or person, be the organization, club or person charitable, religious, profit-making, etc.

9. Providing or being in any way or manner interested directly or indirectly in the provision of work, materials, supplies, labor or information for any off-duty plumbing or other services that require Authority inspection and/or approval (including but not limited to installing private service lines, installing backflow prevention devices and expediting water supply applications) to existing or future Authority customers.

B. Disclosure Procedure

All conflict of interest situations must be reported to the Chief Executive Officer. If there is any doubt as to whether a particular situation may give rise to a conflict of interest, the Member or Employee should consult with Human Resources. If in the opinion of Human Resources a conflict of interest may exist, the Chief Executive Officer shall present the case to the Authority Board Members. The following situations are some, but not all, of those situations that must be disclosed:

1. Holding more than one percent financial interest, directly or indirectly (as an owner, stockholder, securities holder in a publicly owned corporation, partner, joint ventures, creditor, guarantor, director, trustee, or beneficiary of a trust) in a firm that provides services or supplies materials or equipment to the Authority, or in a firm to which the Authority makes sales or provides services, or engaging in such activities with the Authority as an individual.

2. Serving as an employee, owner or consultant of another organization providing goods and/or services to the Authority or its customers or functioning individually and providing said services to the Authority or its customers.

3. Receiving compensation for services rendered to other employees (e.g., plumbing work, electrical work, legal services, accounting and tax services, etc).

4. Membership on or employment by any governmental or political board, commission, committee, council or other body that has jurisdiction within the area serviced by the Authority.

5. Membership on or employment with any entity where such employment,

service or Membership is incompatible with the proper discharge of official duties or would impair independent judgment or action in the performance of official duties.

6. Selling goods, services or other items of value to Authority vendors, suppliers or consultants for oneself, or to benefit any other organization, club or person be the organization club or person charitable, religious or profit making, etc.

C. Anti-Nepotism Provision

The Authority shall not employ relatives of employees as defined to mean an employee's spouse, child, stepchild, stepparent or direct descendant of grandparents of the employee as defined in the New York State General Municipal Law 810.

D. Prohibition on Management Holding Political Party Leadership Provision

An Employee in a position, other than one listed in the Authority's Collective Bargaining Agreements, may not hold political party leadership in Village, Town, County, State or Federal political organizations.

E. Annual Conflict of Interest and Disclosure Statement

Pursuant to Authority Policy 202, the Authority shall annually distribute the Conflict Policy and collect a completed Disclosure Statement from each Authority Member and Employee.