

WATER AUTHORITY OF GREAT NECK NORTH

CODE OF ETHICS

(As adopted on October 19, 2015)

1. Conflicts of Interest.

1.1. A conflict of interest is a situation in which the financial, familial, or personal interests of a director, officer, or employee comes into actual or perceived conflict with such person's duties and responsibilities with the Authority. Perceived conflicts of interest are situations where there is the appearance that a director, officer, or employee can personally benefit from actions or decisions made in such person's official capacity, or where a director, officer, or employee may be influenced to act in a manner that does not represent the best interests of the Authority. The perception of a conflict may occur if circumstances would suggest to a reasonable person that a director, officer, or employee may have a conflict. The appearance of a conflict and an actual conflict should be treated in the same manner for the purposes of this Policy.

1.2. Directors, officers, and employees must conduct themselves at all times in a manner that avoids any 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.

2. Intent.

2.1. It is the intent of the Board of Directors in adopting this Code of Ethics to conform to the requirements of the Public Authorities Accountability Act of 2005 and the Authority Budget Office's "Board Meetings: Best Practices Guide for Public Authorities", dated January 27, 2015, with regard to conflicts of interest, and in doing so, to attempt to assure that the directors, officers, and employees of the Authority continue to act in an appropriate fiduciary manner in carrying out their respective duties; to provide guidelines when certain issues and decisions may confront such persons; to eliminate, to the extent practicable, conflicts of interest and unethical behavior; and to provide confidence to the general public that the directors, officers, and employees of the Authority are carrying out their duties in the best interests of the public.

2.2. This Code of Ethics shall apply to all directors, officers, and employees of the Authority unless otherwise expressly restricted.

2.3. Ethical requirements to which the directors, officers, and employees of the Authority are bound are also set forth in Public Officers Law § 74, Public Authorities Law § 1197-o, General Municipal Law Article 18, and Not-for-Profit Corporation Law § 715-a. While it is the intent of this Code to include those provisions to the extent that they apply to the Authority and to add thereto such other ethical requirements as the directors of the Authority deem appropriate, in the event that there is any discrepancy between the ethical requirements of said § 74, § 1197-o, Article 18, and § 715-a, to the limited extent that such Article 18 and § 715-a apply to local public authorities, or any other ethical requirement to which the directors, officers, and employees of the Authority are bound, the stricter of the requirements shall always control.

3. Conflicts of interest of directors, officers and employees of the Authority.

3.1. No directors, officer, or employee of the Authority shall:

3.1.1. have any interest in any contract, or take any action or otherwise involve him or herself in any activity which, pursuant to Article 18 of the General Municipal Law, would be deemed a conflict of interest for a municipal officer or employee holding a position with a municipality similar to the position held by the director, officer, or employee with the Authority;

3.1.2. have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his or her duties in the public interest;

3.1.3. accept other employment which will impair his or her independence of judgment in the exercise of his or her official duties;

3.1.4. 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 official position or authority;

3.1.5. 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;

3.1.6. use or attempt to use his or her official position to secure unwarranted privileges or exemptions for him or herself or others;

3.1.7. 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 official duties;

3.1.8. by his or her conduct give reasonable basis for the impression that any person can improperly influence his or her official duties or unduly enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by the kinship, rank, position, or influence of any party or person; nor

3.1.9. receive, directly or indirectly, any credit or extension of credit in the form of a personal loan or equivalent thereof from the Authority.

3.1.10. have an interest in any contract with the Authority, when he or she, individually or as a member of a board of the Authority, has the power or duty to;

3.1.10.1. negotiate, prepare, authorize, or approve the contract or authorize or approve payment thereunder;

3.1.10.2. audit bills or claims under the contract; or

3.1.10.3. appoint an officer or employee who has any of the powers or duties set forth above; and

3.2. No chief fiscal officer, treasurer, or his or her deputy or employee, shall have an interest in a bank or trust company designated as a depository, paying agent, registration agent, or for investment of funds of the Authority.

3.3. The governing structure of the Authority is somewhat unique, in that, by statute, the Board of Directors is composed of the appointees of the chief executive officers of each of the eight municipalities within the Authority District and, throughout the course of the history of the Authority, for the most part, the Mayor's of the seven villages within the Authority District have appointed themselves to be members of the Board of Directors of the Authority. Moreover, the Public Authorities Law specifically provides that:

“Nothing herein shall be construed as preventing a chief executive officer of a municipality from appointing himself or herself to be a member of the board of directors.”

Accordingly, in no event shall any of the provisions of § 2.1 or of any other provisions of this Code of Ethics be interpreted, because of such status with a municipality within the Authority District:

3.3.1. to prevent a chief executive officer from acting as a director and/or as an officer of the Authority;

3.3.2. to prevent a director and/or an officer of the Authority from acting as a chief executive officer of a municipality within the Authority District;

3.3.3. to prevent any contracts or other relationships between the Authority and any municipality the chief executive officer of which is a director or an officer of the Authority; or

3.3.4. to prevent a director who is the chief executive officer of a municipality within the Authority District from voting on or with regard to any contract or other relationship between the Authority and such municipality, either as a Director of the Authority or as the chief executive officer of such municipality, or in both capacities, on both the board of such municipality and on the Board of Directors, on the same contract and/or relationship, with the sole exception that, in the event that the contract or relationship is solely between the Authority and such municipality, (and not one, for example, of general applicability to two or more municipalities, even though the application of such contract or relationship with two or more municipalities may be different based upon the size, water consumption, assessed value, or amount, number, or value of hydrants, mains, or other facilities within a municipality, or other unique attributes of a municipality), then, and in that event, such person may not vote as a Director with regard to such contract or relationship, but may vote in such person's capacity as the chief executive officer of such municipality.

The provisions herein with regard to chief executive officers shall apply to the same extent to trustees of a village and to members of a town board who may be appointed as Directors of the Authority by the chief executive officer of the municipality in which they are serving.

3.4. The provisions of § 2.1.10 and § 2.2 shall in no event be construed to preclude the payment of lawful compensation and/or necessary expenses of any Authority director, officer, or employee in one or more positions of public employment, the holding of which is not prohibited by law.

3.5. The following are hereby deemed to be exceptions from the provisions of § 2.1.10 and § 2.2.

3.5.1. A contract with a person, firm, corporation, or association in which he or she has an interest which is prohibited solely by reason of employment as a director, officer, or employee thereof, if the remuneration of such employment will not be directly affected as a result of such contract and the duties of such employment do not directly involve the procurement, preparation, or performance of any part of such contract;

3.5.2. The designation of a newspaper, including but not limited to an official newspaper, for the publication of any notice, resolution, ordinance, or other proceeding where such publication is required or authorized by law;

3.5.3. The purchase by the Authority of real property or an interest therein, provided the purchase and the consideration therefor is approved by order of the supreme court upon petition of the Board of Directors;

3.5.4. The acquisition of real property or an interest therein, through condemnation proceedings according to law;

3.5.5. A contract with a membership corporation or other voluntary non-profit corporation or association;

3.5.6. The sale of bonds and notes pursuant to § 60.10 Of The Local Finance Law;

3.5.7. A contract in which a director, officer, or employee has an interest if such contract was entered into prior to the time he or she was elected or appointed as such director, officer, or employee, but this section shall in no event authorize a renewal of any such contract;

3.5.8. A contract with a corporation in which he or she has an interest by reason of stockholdings when less than five per centum of the outstanding stock of the corporation is owned or controlled directly or indirectly by such person;

3.5.9. A contract for the furnishing of public utility services when the rates or charges therefor are fixed or regulated by the public service commission;

3.5.10. A contract in which a director, officer, or employee has an interest if the total consideration payable thereunder, when added to the aggregate amount of all consideration payable under contracts in which such person had an interest during the fiscal year, does not exceed the sum of seven hundred fifty dollars.

3.5.11. A contract with a member of a private industry council established in accordance with the federal job training partnership act or any firm, corporation, or association in which such member holds an interest, provided the member discloses such interest to the council and the member does not vote on the contract.

3.6. It shall not be deemed a conflict of interest for a person to simultaneously hold a position as a director and as any officer of the Authority. Each of the officers of the Authority may, but need not be, members of the board of directors.

3.7. All directors, officers, and employees shall:

3.7.1. abstain from making personal investments in enterprises which they have reason to believe may be directly involved in decisions to be made by them or which will otherwise create substantial conflict between their duties in the public interest and their private interest; and

3.7.2. endeavor to pursue a course of conduct which will not raise suspicion among the public that they are likely to be engaged in acts that are in violation of his or her trust.

3.8. No director, officer, or employee nor any firm or association of which such director, officer, or employee is a member nor corporation a substantial portion of the stock of which is owned or controlled directly or indirectly by such director, officer, or employee, shall sell goods or services to the Authority.

4. Disclosure of interest.

4.1. Any director, officer, or employee who has, will have, or later acquires an interest in or whose spouse has, will have, or later acquires an interest in any actual or proposed contract, purchase agreement, lease agreement, or other agreement, including oral agreements, with the Authority, shall publicly disclose the nature and extent of such interest in writing to his or her immediate supervisor, and to the Board of Directors as soon as he or she has knowledge of such actual or prospective interest. Such written disclosure shall be made part of and set forth in the official record of the proceedings of the Board.

4.2. No director, officer, or employee with a conflict of interest shall be present at or participate in any Board or committee deliberation or vote on the matter giving rise to such conflict.

4.3. No director, officer, or employee with a conflict of interest may participate in deliberations or voting on the matter giving rise to such conflict; provided that nothing in this section shall prohibit the Board from requesting that such director, officer, or employee present information concerning the transaction at a Board meeting prior to the commencement of deliberations or voting relating thereto.

4.4. No director, officer, or employee with a conflict of interest shall attempt to influence improperly the deliberation or voting on the matter giving rise to such conflict.

4.5. The existence and resolution of any conflict of interest shall be documented in the Authority's minutes of the meeting at which the conflict was discussed and/or voted upon.

4.6. Notwithstanding the provisions of § 3.1, disclosure shall not be required and the other requirements of this section shall not be applicable in the case of an interest in a contract described in § 2.5.7, § 2.5.8, § 2.5.9, or § 2.5.10.

5. Contracts void.

5.1. To the maximum extent provided by law, any contract willfully entered into by or with the Authority in which there is an interest prohibited by this Code shall be null, void, and wholly unenforceable.

6. Certain interests prohibited.

6.1. No director shall have any interest in the development or operation of any real property located within Nassau County and developed or operated by any membership corporation originally formed for purposes among which are the following:

6.1.1. to plan for, advise, recommend, promote and in all ways encourage, alone or in concert with public officials and bodies and interested local associations, the development and establishment of any lands in Nassau County publicly owned with particular emphasis on industrial, business, commercial, residential, and public uses, the augmentation of public revenues and furtherance of the public interest of the citizens of Nassau County;

6.1.2. to conduct studies to ascertain the needs of Nassau County as pertains to such publicly owned lands and supporting facilities and in Nassau County generally for the purpose of aiding the County of Nassau in attracting new business, commerce, and industry to it and in encouraging the development and retention of business, commerce, and industry;

6.1.3. to relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities and instruct or train individuals to improve or develop their capabilities for such jobs;

6.1.4. to implement and engage itself in plans of development of such publicly owned lands and other areas in connection with private companies and citizens and with public bodies and officials, and to participate in such operations, leasehold, loans, ownerships with respect to land, buildings, or public facilities, or interest therein as may be lawful and desirable to effectuate its corporate purposes and the best interests of the people of Nassau County.

7. Certain action prohibited.

7.1. No director, officer, or employee shall:

7.1.1. directly or indirectly, solicit any gift, or accept or receive any gift, whether in the form of money, service, loan, travel, entertainment, hospitality, thing, or promise, or in any other form, under circumstances in which it reasonably could be inferred that the gift was intended to influence him or her in the performance of his or her official duties or as a reward for any official action on his or her part. The foregoing shall not be deemed to prohibit: (1) the acceptance of food or beverages while on a construction site, at a holiday party, or otherwise, so long as the cost of such does not exceed \$75 per occasion or \$500 for a calendar year; or (2) being a guest at a golf or other sports outing or entertainment event held within 75 miles of the Authority or at a water convention that the person was authorized by the Authority to attend, wherever such convention might be held; with the aforesaid caveat that such acceptance is only permitted so long it reasonably could not be inferred from the circumstances around such acceptance that the gift was intended to influence him or her in the performance of his or her official duties or as a reward for any official action on his or her part;

7.1.2. disclose confidential information acquired by him or her in the course of his or her official duties or use such information to further his or her personal interests;

7.1.3. receive, or enter into any agreement, express or implied, for compensation for services to be rendered in relation to any matter before the Authority; or

7.1.4. receive, or enter into any agreement, express or implied, for compensation for services to be rendered in relation to any matter before the Authority, whereby his or her compensation is to be dependent or contingent upon any action by the Authority with respect to such matter, provided that this section shall not prohibit the fixing at any time of fees based upon the reasonable value of the services rendered.

8. Related party transactions.

8.1. The Authority shall not enter into any related party transaction unless the transaction is determined by the Board to be fair, reasonable, and in the Authority's best interest at the time of such determination. Any director, officer, or key employee who has an interest in a related party transaction shall disclose in good faith to the Board the material facts concerning such interest.

8.2. Definitions:

8.2.1. "Relative" of an individual means his or her

8.2.1.1. spouse, ancestors, brothers, and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren, great-

grandchildren, and spouses of brothers, sisters, children, grandchildren, and great-grandchildren; or

8.2.1.2. domestic partner as defined in §2994-a of the Public Health Law.

8.2.2. "Related party" means

8.2.2.1. any director, officer, or key employee of the Authority;

8.2.2.2. any relative of any director, officer, or key employee of the Authority; or

8.2.2.3. any entity in which any individual described in § 7.2.2.1 or § 7.2.2.2 has a thirty-five percent or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent.

8.2.3. "Related party transaction" means any transaction, agreement, or any other arrangement in which a related party has a financial interest and in which the Authority is a participant.

8.2.4. "Key employee" means the Superintendent and the Assistant Superintendent.

8.3. No related party may participate in deliberations or voting relating to matters set forth in this section; provided that nothing in this section shall prohibit the Board from requesting that a related party present information concerning a related party transaction at a Board meeting prior to the commencement of deliberations or voting relating thereto.

9. Determining Whether a Conflict of Interest Exists.

9.1. The Governance Committee shall advise any individual who is unsure and who is concerned or who appears to have a conflict of interest how to proceed.

9.2. The Governance Committee should seek guidance from counsel, or if counsel is the individual seeking guidance, New York State agencies, such as the Authorities Budget Office, State Inspector General, or the Joint Commission on Public Ethics (JCOPE) when dealing with cases where they are unsure of what to do.

10. Penalties and presumption for violations of this Code of Ethics.

10.1. In addition to any penalty contained in any other provision of law, any director, officer, or employee who shall knowingly and intentionally violate any of the provisions of this Code of Ethics may be fined, suspended, or removed from office or employment to the extent permitted and in the manner provided by law.

10.2. Any such violation that occurs after the adoption of this Code of Ethics, to the extent permitted by law, shall be deemed an irrevocable offer of resignation for a period of thirty days from the date that the person or body which has the authority to accept such resignation becomes aware of such violation. With the consent of the violator, such thirty-day period may be extended for additional periods, each of such periods not to exceed thirty days, while the person or body authorized to accept such resignation investigates such violation and deliberates as to the appropriate remedy to be imposed for such violation. The failure to accept such resignation shall not be a bar to enforcing the Authority's powers pursuant to § 7.1 or as otherwise provided by law.

11. Posting and notice.

11.1. A copy of the Code of Ethics shall be:

11.1.1. distributed to every director, officer, and employee of the Authority;

11.1.2. posted publicly and conspicuously in the main office of the Authority;

11.1.3. posted on the Authority's website;

11.1.4. included in the Authority's annual report; and

11.1.5. maintained as a record subject to public inspection.