

## 1.0 Purpose and Need

As a public body, gaining and keeping the trust of the public is paramount. HRSD Commissioners and employees are committed to maintaining high ethical standards in every aspect of their business as members of a public body. As a political subdivision of the Commonwealth, HRSD Commissioners and employees are committed to complying with all applicable laws and regulations governing ethics and conflicts of interest. **This policy is applicable to all HRSD Commissioners and employees.**

## 2.0 Definitions

**Conflict of Interest** – A situation in which a person is in a position to derive personal benefit from actions or decisions made in their official capacity.

**Gift** – Any goods, meals, services, loans, tickets to events, greens fees, travel, lodging or similar items with monetary value or discounts, favors, gratuities, hospitality, forbearance, etc. This includes prizes awarded from drawings or similar games of chance at events attended in an official capacity. This also includes wreaths, candy, cookies, fruit baskets, etc., whether addressed to an individual or to HRSD.

**Not a Gift** – For the purposes of this policy the following are not considered gifts:

- Offer of a ticket, coupon, admission or pass if such item is **not** used;
- Honorary degrees;
- Food or beverage consumed and mementos received at an event at which an individual is performing official duties or is a speaker;
- Registration or attendance fees (not travel costs) at an event at which individual is a speaker or event coordinator;
- Unsolicited awards of appreciation or recognition (plaque, trophy, wall or desk memento);
- Gifts from relatives or Personal Friends;
- Travel paid for by the United States government of the or any of its territories, or any state or political subdivision of such state;
- Travel, meals and activities directly associated with and paid for by a professional association that HRSD pays dues to on behalf of the agency or individual as part of their official duties;
- Scholarships awarded competitively;
- Travel related to an official meeting of HRSD; and
- Travel, lodging, meals, activities and logo clothing and related similar items associated with recruitment activities for permanent employment outside of HRSD while employed in an intern position

**HRSD Commissioner** – A non-salaried citizen member of the HRSD Commission.

**Immediate Family** – Includes spouse, children, parents, brothers and sisters, and any other person living in the same household as the employee. (*Code of Virginia*, § 2.2-4368).

**Intern Positions** – On-the-job experience for high school students, college and university students, or post-graduate adults, hired on a part-time seasonal or part-time temporary basis.

**Official Responsibility** - Administrative or operating authority, whether intermediate or final, to initiate, approve, disapprove or otherwise affect a procurement transaction, or any claim resulting therefrom.

**Pecuniary Interest Arising from the Procurement** - A personal interest in a contract as defined in the State and Local Government Conflict of Interests Act (§ [2.2-3100](#) et seq.).

**Personal Friend** – An individual whose relationship with an HRSD employee or HRSD Commissioner pre-dates employment/appointment with HRSD and the relationship has a history of gift exchange or with whom a personal relationship developed totally unrelated to the employee's or HRSD Commissioner's position with HRSD.

**Procurement Transaction** - All functions that pertain to the obtaining of any goods, services or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.

**Public employee** - Any person employed by a public body, including elected officials or appointed members of governing bodies.

**Widely Attended Event** – An event to which at least 25 persons have been invited or there is a reasonable expectation that at least 25 persons will attend the event and the event is open to individuals (i) who are members of a public, civic, charitable or professional organization, (ii) who are from a particular industry or profession, or (iii) who represent persons interested in a particular issue. Golf outings are never considered a widely attended event or a part of a widely attended event.

### **3.0 Guiding Principles**

All HRSD employees having official responsibility for Procurement Transactions shall conduct business in a fair and impartial manner with the avoidance of any impropriety or appearance of impropriety. Transactions relating to the expenditure of public funds require the highest degree of public trust.

Except as may be specifically allowed by the *Code of Virginia* § 2.2-3112, subdivisions B 1, 2, and 3, no HRSD employee having official responsibility for a Procurement Transaction shall participate in that transaction on behalf of HRSD when the employee knows that:

- The employee is contemporaneously employed by a bidder, offeror, or contractor involved in the Procurement Transaction; or,
- The employee, the employee's partner, or any member of the employee's immediate family holds a position with a bidder, offeror, or contractor such as an officer, director, trustee, partner or the like, or is employed in a capacity involving personal and substantial participation in the Procurement Transaction, or owns or controls an interest of more than five percent; or
- The employee, the employee's partner, or any member of the employee's immediate family has a pecuniary interest arising from the Procurement Transaction; or
- The employee, the employee's partner, or any member of the employee's immediate family is negotiating, or has an arrangement concerning prospective employment with a bidder, offeror, or contractor.

No HRSD employee having administrative or operating authority, whether intermediate or final, to initiate, approve, disapprove, or otherwise affect a Procurement Transaction, or any claim resulting there from:

- Shall solicit, demand, accept, or agree to accept from a bidder, offeror, contractor, or subcontractor any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal or minimal value present or promised, unless consideration of substantially equal or greater value is exchanged; (*Code of Virginia*, § 2.2-4371)
- Shall accept employment from any bidder, offeror, or contractor with whom the employee dealt in an official capacity concerning Procurement Transactions for a period of one year from the cessation of employment by HRSD unless the employee or former employee provides written

notification to HRSD prior to commencement of employment by that bidder, offeror, or contractor. (*Code of Virginia, § 2.2-4370*)

HRSD Commissioners and employees shall conduct themselves beyond reproach. Improprieties or the appearance of improprieties will not be tolerated. The following prohibitions apply to HRSD Commissioners, employees and their Immediate Families:

- Soliciting, accepting or receiving any Gift from any entity or person seeking to contract with HRSD subject to exemptions for Gifts from relatives or Personal Friends.
- Having a Personal Interest in or benefiting from any contract with HRSD other than the employee's own employment contract. Where such interest pre-exists, it shall be disclosed and the HRSD Commissioner or employee shall refrain from voting on or acting on behalf of HRSD in any manner in relation to the contract.
- Participating in a transaction with HRSD where the employee has a Personal Interest in or may benefit from the transaction.. Such interest shall be disclosed and the HRSD Commissioner or employee shall refrain from voting on or acting on behalf of HRSD in any manner in relation to the transaction.
- Engaging in transactions (excluding those associated with connection, payment or maintenance of a sewer service account or related activities available to all HRSD customers) with HRSD for a period of 12months post-employment or appointment (excluding employees in Intern Positions).

Food, beverages, mementos, entertainment or the cost of admission may be accepted when such a Gift is accepted or received while in attendance at a Widely Attended Event and is associated with the event.

Gifts shall be returned whenever practicable. If return is not practicable, perishable gifts may be shared with the entire work center. Non-perishable gifts shall be collected and distributed to local charities as appropriate.

#### **4.0 Procedures**

This policy shall be communicated and provided to all HRSD Commissioners and employees upon commencement of appointment/employment and an acknowledgement of such shall be retained permanently in each employee's personnel file [Enterprise Resource Planning (ERP) System]. HRSD

**COMMISSION ADOPTED POLICY**  
*Ethics*



Adopted: October 27, 2015	Revised: September 28, 2021 Effective: October 1, 2021	Page 5 of 5
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Commissioners' acknowledgements shall be retained by the Commission Secretary.

HRSD Commissioners or employees who have a Personal Interest in a company doing business with HRSD, or believe they have any other conflict requiring disclosure, shall disclose those interests immediately upon discovery of the personal interest in a company doing business with HRSD or other potential conflict. The Conflict of Interest Disclosure Form will include name and address of company doing business with HRSD, name and position of person at the company, as well as start and end date of the conflict.

HRSD Commissioners or employees who receive gifts at widely attended events that exceed \$100 in value shall disclose those gifts within 60 days of receiving a gift. The Gift Disclosure Form will include the name of the company/vendor giving the gift, estimated value and date received.


Employee disclosure forms will be available in the ERP system. HRSD Commissioner disclosure forms shall be obtained through, filed with and retained by the Commission Secretary. All disclosure forms may be reviewed by legal counsel.

Training on the Ethics Policy shall be provided to all HRSD employees on a biannual basis with records of attendance maintained in the ERP system. Training on the Ethics Policy will be provided to HRSD Commissioners at time of appointment and periodically thereafter.

**5.0 Responsibility and Authority**

This policy shall be reviewed annually by the Operations and Nominations Committee and revised as required to conform to current law and regulations.

Approved:  9/28/21  
Frederick N. Elofson, CPA  
Commission Chair  
Date

Attest:  9/28/2021  
Jennifer L. Cascio  
Commission Secretary  
Date