


Effective Date: 6/1/2023	Version: 10 Supersedes: 9	Related Documents: Code of Ethics Committee, Outside Employment Attestation Form, Conflict of Interest Disclosure Form
 <div style="text-align: center;">DISTRICTWIDE POLICY</div>		
Approved by: Commission	Regulation: RCW Chapter 42, RCW 9.46.0237, RCW 9.73.030, Resolution 9015	
Policy Owner: Ethics Officer	Policy Category: Ethics, Integrity, and Legal Compliance	

EX-SOC-POL-540 – CODE OF ETHICS

1. Scope

This policy provides guidance to all employees including Officers and Commissioners regarding conduct. Hereinafter this group shall be referred to as “employees”.

2. Employees are expected to exhibit high ethical standards when conducting Grant PUD business.

All employees are expected to comply with the ethics provisions contained in this policy. Employees are responsible for disclosures of possible conflicts of interest, both in fact and appearance, and are responsible for asking for guidance from their supervisor or the Ethics Officer if a question of ethics exists.

RCW Chapter 42.23, Code of Ethics for Municipal Officers, may restrict activities more than this policy. “Municipal officer” and “officer” shall each include all elected and appointed officers of a municipality, together with all deputies and assistants of such an officer, and all persons exercising or undertaking to exercise any of the powers or functions of a municipal officer. The absence of specific situation discussed herein does not relieve an employee from the responsibility to exercise high ethical standards involving utility business.


3. The General Manager will appoint Grant PUD’s Ethics Officer.

The Ethics Officer will be responsible for ensuring that employees have adequate training and communication on the Code of Ethics, and assembling the Ethics Committee to review ethics issues that require interpretation. The Ethics Officer is responsible for leading the investigation process of reports of violations of the Code of Ethics.

The Ethics Committee will review questions related to this policy and make recommendations as appropriate. The Ethics Committee membership is defined in EX-SOC-REF-541, Code of Ethics Committee.

4. All employees, officers, and Commissioners are responsible for being in compliance with the following items:

- A. **Use of Position:** Whether specifically prohibited elsewhere in this policy or not, employees shall also not create the appearance of impropriety by:
- Using public employment for private gains, privilege, favor, or advantage;
 - Giving preferential treatment to any person;
 - Knowingly impeding utility efficiency or productivity; or,
 - Affecting adversely the confidence of the public in the integrity of Grant PUD.

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B. Use of Grant PUD Resources: Grant PUD resources will not be used for private benefit or gain unless within an allowable exception as determined by the Ethics Officer or the Ethics Committee. Grant PUD resources include but are not limited to Grant PUD facilities, vehicles, information systems, materials, financial resources, equipment, and staff time. The de minimis standard will be used to determine what an allowable exception use of resources is. To be considered de minimis, all of the following must be true:


- There is little or no cost to Grant PUD;
- There is no interference with the performance of official duties;
- The use is brief in duration and frequency;
- The use does not compromise the security or integrity of Grant PUD information systems or software;
- The use is not for the purpose of conducting an outside business, in furtherance of private employment, or to realize a private financial gain; and
- The use is not for supporting, promoting the interests of, or soliciting for an outside organization or group.

C. Records: All Grant PUD records including time sheets must be prepared accurately. Preparing a false or misleading report or record is a serious offense and violation of this policy. A record or report includes, but is not limited to, any "public record" as defined by RCW 42.56.010. "Public record" includes any writing containing information relating to the conduct of government or the performance of any governmental or proprietary function prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics.

D. Confidentiality: Employees must maintain the confidentiality of confidential information entrusted to them, except when disclosure is required by Washington State public records request laws or authorized by Grant PUD's General Counsel or required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors or harmful to the PUD or its customers if disclosed. It also includes information that suppliers and customers have entrusted to Grant PUD. It is expected employees apply the same level of integrity to both documents intentionally sent to the employee and those indirectly or that are encountered by accident. The obligation to preserve confidential information continues even after employment ends.

Records containing personal or confidential information will be disclosed only to authorized personnel having a "need to know" or as may be required by law.

E. Funds/Monetary Assets: Employees who have control over utility funds (e.g., credit cards, accounts payable, payroll, special fund/petty cash drawers) are strictly accountable for such funds. Every expenditure of funds shall be reasonable, necessary and within policy. Anyone approving or certifying the correctness of any voucher or bill is required to have knowledge that the expense and amounts involved are justifiable and proper.

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- F. Protection and Proper Use of Grant PUD Assets:** Grant PUD property shall not be sold, used for personal benefit, loaned, given away, intentionally damaged, destroyed, or otherwise disposed of, regardless of condition or value.


The obligation of employees to protect Grant PUD's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, certain payroll data information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Grant PUD policy and result in discipline including up to termination. It could also be illegal and result in civil or criminal penalties.

All dispositions of property shall be in accordance with the surplus property policy and procedures. Employees who have input into the decision and approval process pertaining to the declaration of property as surplus to the needs of the utility shall not participate directly or indirectly in the purchase of such surplus property, nor shall they have any direct or indirect financial interest with any person or entity which purchases such property. Executive level management staff (Senior Manager and above), shall not, in any event, participate in the purchase of surplus property.

- G. Procurement Ethics:** It is the policy of the utility to award business solely on merit, at the lowest reasonable price, and when required, on a competitive basis.

Employees with procurement responsibilities or control over or access to project specifications shall not benefit, directly or indirectly, in any contractual agreement which may be made by, through or under the employee, in whole or in part, or which may be made for the benefit of the employee. Employees shall not accept, directly or indirectly, any compensation, gratuity, or reward in connection with such contractual agreement.

- H. Gifts, Gratuities, and Favors:** Individuals covered by this policy shall not solicit or accept, directly or indirectly, gifts, gratuities, or favors from a supplier, prospective supplier, customer or their employees or agents; provided however, that gifts of cookies, candies or other food items received and shared with other employees in the recipient's work area are not prohibited. The intent of this exception is to sensibly accommodate receipt of such items that arrive unsolicited from vendors during holidays or as an occasional thank you such that no one individual employee benefits. All employees who conduct negotiations with current or prospective suppliers, contractors or customers will make certain that their representatives are fully informed of the utility's policy. For the purpose of this policy, advertising items of a nominal value are not considered gifts (calendars, water bottles, bags, shirts, notepads, hats, etc.). Items of nominal value may be accepted so long as they do not have an aggregate value in excess of \$50 from a single source in a calendar year. The value of the item given to an employee's family will be attributed to the employee for the purpose of determining whether the limit has been

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exceeded. Accepting gifts of cash or cash equivalents (i.e., gift cards) is prohibited regardless of the amount.


- I. **Entertainment and Hospitality:** Offers of entertainment, hospitality, business courtesies, tickets, hotel accommodations, passes or other favors from customers, current or prospective suppliers or other persons or entities whose interests may be substantially affected by the performance of the employee's official duty, no matter how innocent in appearance, may not be accepted. An employee may accept food or refreshments of nominal value on infrequent occasions in the ordinary course of a meeting, conference, or during an inspection tour where an employee may properly be in attendance.
- J. **Outside Employment:** Grant PUD employees will only be prohibited from engaging in outside employment while employed by Grant PUD if the Ethics Committee determines there is a conflict of interest. Outside employment includes working as an employee or associate with an outside entity, intellectual property rights (such as creating a marketable item or owning an idea for/with the individual or business where there is a potential for profit), owning or operating a partnership, corporation or other private or public business, a home-based business and instances where the work or services are not actually conducted or performed by the employee but in which the employee has a beneficial interest such as work performed by family members. As used in this policy, the term "outside employment" should be understood to mean outside employment, outside business activity and/or an outside business relationship.

Grant PUD employees that have employment outside of Grant PUD must report the employment using the Outside Employment Attestation Form.

Grant PUD employees that are performing work for their outside employment during their scheduled work shift must be on approved leave.

Grant PUD may prohibit employees from engaging in outside employment while employed by Grant PUD if the Ethics Committee determines there is a conflict of interest. When reviewing outside employment requests, the Ethics Committee will consider:

- Does the outside employment relate to an employee's official duties, or involve transactions with Grant PUD that relate to the employee's official duties?
- Does the employee's outside employment involve an employer that has a contractual or other business relationship with Grant PUD, or have an interest that may be affected by the employee's performance or nonperformance of their official duties?
- Will the employee's official position with Grant PUD be used to obtain compensation or other benefits for the employee or the outside employer?
- Will the demand of outside employment detract from the employee's ability to satisfactorily meet their position's performance objectives?

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K. Off Duty Conduct: Grant PUD employees must notify their CXO when legal consequences of their off-duty conduct affects their ability to perform their assigned job duties. The employee will report:

- Within 24 hours after receiving court-imposed sanction or conditions, or before their next scheduled work shift (whichever occurs first). Court imposed sanctions is a penalty or other means of enforcement used to provide incentives to obey the law, rules and regulations (such as an arrest or restraining order). Parking tickets and traffic tickets do not need to be reported so long as there are no restrictions placed on the employee's driver's license.
- Within 48 hours after an arrest, or before returning to work (whichever occurs first).


If the court-imposed sanction or conditions creates a conflict of interest with an employee's Grant PUD job duties, Grant PUD may reassign the employee to another role or terminate the employee from Grant PUD. If the employee is convicted of a crime that is incompatible with employment at Grant PUD, Grant PUD reserves the right to terminate the employee's employment. Crimes that include dishonesty or fraud are examples of crimes that are incompatible with employment at Grant PUD. Human Resources, the Chief Legal Officer, and the CXO will decide if an employee's legal issues are incompatible with employment with Grant PUD. Grant PUD will not make a final determination until any charges have resulted in a conviction.

L. Post-Employment Representation: Without prior approval from their CXO and the Manager of Human Resources, no Grant PUD employee shall accept employment or engage in any business or activity which might require the employee to disclose confidential Grant PUD information. Violation of this provision may cause any contract in existence to be invalidated. Employees and consultants may be required to sign a confidentiality, non-disclosure, and post-employment agreement.

M. Gambling: Gambling is prohibited on Grant PUD property and/or during an employee's compensated work time. Gambling means staking or risking something of value upon the outcome of a contest of chance or a future contingent event not under the person's control or influence, upon an agreement or understanding that the person or someone else will receive something of value in the event of a certain outcome (RCW 9.46.0237).

Examples include, but are not limited to raffles, sports pools, check pools, or any activity defined as "gambling" by the Washington State Gambling Commission.

N. Recording Private Communications: Recording conversations with cell phones or any other recording device, whether these conversations are by telephone, radio, in person, or by any other means, is prohibited and may violate state criminal law, unless done with the consent of all parties involved (see RCW 9.73.030).

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O. Employment of Relatives: Grant PUD may hire relatives of current employees except when there is a conflict of interest such as:

- The employment of the individual would violate the Code of Ethics for Municipal Officers (see RCW Chapter 42.23);
- A spouse or relative would have the authority or practical power to supervise, appoint, remove, or discipline the other spouse or relative;
- A spouse or relative would be responsible for auditing the work of the other spouse or relative;
- A spouse or relative would be in the supervisory chain of command;
- Other circumstances exist, which would place the spouse or relative in a situation of actual or reasonably foreseeable conflict between Grant PUD's interests and those of the spouse or relative;
- Necessary in the case of Grant PUD Officers to avoid the reality or appearance of improper influence or favor; or,
- Necessary in the case of Grant PUD Officers to protect Grant PUD confidentiality.

If employees become relatives or spouses during their course of employment with Grant PUD, Grant PUD reserves the right to reassign an employee to eliminate a conflict of interest. Reassignments will be made based on the needs of Grant PUD. For the purpose of this policy, a relative is defined as a person related to another person by blood, marriage, domestic partner, or legal adoption (spouse, son, daughter, grandchild, parent, sibling, niece, nephew, aunt, uncle, in-law, stepchild, grandparent, foster child, first cousin).


If an employee is transferred, promoted, or otherwise moved to a position where it would conflict with this policy, it is the responsibility of the employee to notify their supervisor, manager, CXO, or the Ethics Officer of the conflict.

P. Contacts with Members of Congress and Federal Employees: Federal officials and their staff are subject to a rule that prohibits a gift or entertainment and defines those terms as anything having a value. For this reason, no Grant PUD employee should offer anything of value, including a meal, to a federal government official. Any questions about the compliance requirements applicable to members of Congress and federal employees should be referred to the Ethics Officer.

5. Conflict of Interest

A conflict of interest exists when there is evidence of or the appearance that an employee's personal interests have influenced or may influence Grant PUD transactions or operations, or that these interests take precedence over the interests, goals, and/or mission of Grant PUD.

A conflict of interest may relate to you, your spouse/partner, family member, business interests, and/or associates. Employees are required to immediately and proactively disclose

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to their supervisor any actual or possible conflict(s) of interest that arise at any time during their employment, including when an employee transfers positions at Grant PUD. Employees shall disclose all material facts pertaining to the potential conflict according to Grant PUD procedure as noted below.

A Conflict of Interest Disclosure Form is required for every employee within 90 days of approval by this policy. In the event there are changes to any disclosures previously made, the changes shall be noted in an updated Conflict of Interest Disclosure Form. If there are no changes, every employee will acknowledge the accuracy of the disclosure form previously submitted on an annual basis and perform any required training. If a new conflict or potential conflict arises, the employee shall submit a new Conflict of Interest Disclosure Form within 10 days of the new conflict or potential conflict. Conflict of Interest Disclosure Forms should be sent to the employee's direct supervisor.


Examples of potential conflicts that should be disclosed (not exclusively limited to this list) include:

- A business relationship/ownership that the employee personally receives real or perceived benefit with an entity conducting business with Grant PUD directly or indirectly that could present a conflict in the role the employee is engaged in for Grant PUD;
- A legal matter involving the employee which could impact or question the ability to perform their role;
- Outside employment by another party which may directly or indirectly have a connection to Grant PUD activity (and/or general office hour conflicts);
- Personal affiliations with individuals or civic/professional organizations whereby confidential/privileged information is divulged;
- A compensation arrangement with a corporation or with any entity or individual with which Grant PUD has a transaction or arrangement; or,
- A potential or existing ownership, direct or indirect interest, or compensation arrangement with any entity or individual with which Grant PUD is negotiating a transaction or arrangement.

Upon receipt of the conflict form, the supervisor will evaluate to determine additional facts that may need to be gathered and then submit the form to the Ethics Committee (email to ethicscommittee@gcpud.org).

The Ethics Committee will review, track, and respond to all conflict notifications. If a report of a conflict is determined to not be an actual conflict the employee will be notified; if the report results in a deemed actual conflict, the Ethics Committee will recommend a mitigation path.

6. Employees are required to report violations or suspected violations of this policy.

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Employees are required to report unethical behavior or acts to their supervisor or the Ethics Officer. All reports will be taken seriously and investigated. Grant PUD will protect the confidentiality of those involved to the extent it can, consistent with the need to investigate and resolve the problem. No employee will be retaliated against for good faith efforts to comply with this policy.

7. Unethical behavior may lead to disciplinary action.

Every employee should understand that any violation of these basic standards of business conduct may subject the employee to disciplinary action, up to and including termination from the utility in addition to civil fines, penalties, and criminal prosecution where appropriate.

Concerns or complaints not filed in a “good faith” manner could lead to disciplinary action as defined by Grant PUD’s Discipline policy.


8. Risk/Risk Owners

A. This policy, along with other control mechanisms, is intended to mitigate the following risks:

- Reputation Risk
- Regulatory Risk
- Litigation Risk
- Performance Risk
- Governance Risk
- Leadership Risk
- Authority Risk
- Integrity Risk

B. Risk Owners:

- Ethics Committee/Ethics Officer
- All Grant PUD employees

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9. Review/Revision History

Effective Date	Description
8/14/1978	Resolution 3696 establishing a Code of Ethics.
3/23/1987	Resolution 5434.
8/28/2001	Resolution 7461. Updated to reflect current practices and revisions to RCW Chapter 42.
12/11/2006	Resolution 8061. Revised to address potential conflicts of interest during surplus auctions of Grant PUD equipment.
8/2/2010	Resolution 8495. Revised to address potential conflicts of interest related to Grant PUD work put out to bid.
1/31/2011	Resolution 8533. Revised to clarify guidelines around gifts from suppliers, prospective suppliers, customers, or their employees or agents.
5/31/2011	Resolution 8554. Revised to provide clarification on definition of "gambling" and clarified gambling is prohibited during an employee's compensated work time.
8/1/2014	Resolution 8732. Assigned policy number HR150040-POL. Revised composition of Ethics Committee and added new section titled "Recording Private Communications."
12/9/2019	Updated policy number to EX-SOC-POL-540 and reformatted only.
3/1/2022	Resolution 8981. Policy updated throughout. Added new Conflict of Interest section with disclosure requirement.
6/1/2023	Resolution 9015. Revised to address Ethics Officer appointment and responsibilities, revised Use of Grant PUD Resources, updated Gifts, Gratuities, and Favors, Outside Employment, Off Duty Conduct, Post-Employment Representation, and Employment of Relatives. New language regarding contacts with federal employees, updated routing process for conflict disclosure forms, corrected policy revision history. Incorporate new forms – Outside Employment Attestation Form and Conflict of Interest Disclosure Form.