

**RESOLUTION**

**TO ADOPT A CODE OF ETHICS FOR OFFICIALS AND EMPLOYEES OF HUMBOLDT UTILITIES**

WHEREAS, Section 49 of the Comprehensive Governmental Ethics Reform Act of 2006, 2006 Public Chapter 1 (1<sup>st</sup> Ex. Sess.). (the "Ethics Reform Act") requires governmental bodies to adopt certain ethical standards by resolution on or before June 30, 2007; and

WHEREAS, the Humboldt Utilities officials have prepared a proposed Code of Ethics in compliance with the Ethics Reform Act; and

WHEREAS, Humboldt Utilities desires to adopt said proposed Code of Ethics as the Code of Ethics for Humboldt Utilities;

NOW THEREFORE, BE IT RESOLVED BY the Board of Directors of the Humboldt Utilities meeting in regular session at Humboldt, Tennessee, on this the 6<sup>th</sup> day of June, 2007, that:

SECTION 1. The proposed Code of Ethics for Humboldt Utilities, a copy of which is attached to this resolution is hereby adopted as the Code of Ethics for Humboldt Utilities.

SECTION 2. Upon approval of this resolution, the Secretary of the Board of Directors of Humboldt Utilities is directed to:

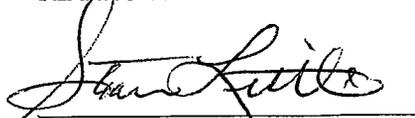
- (a) Mail a copy of this resolution to the State Ethics Commission; and
- (b) Mail or personally deliver a copy of this resolution and the attached Code of Ethics to each member of the Board of Directors of Humboldt Utilities, and each officer of Humboldt Utilities.

Post a copy of the Code of Ethics on each public bulletin board in the Humboldt Utilities buildings.

Section 3. This resolution shall take effect upon its passage and approval, the public welfare requiring it.

ADOPTED this 6<sup>th</sup> day of June, 2007.

APPROVED:

  
General Manager

ATTEST:

  
Secretary of Humboldt Board of Public Utilities

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ETHICS REFORM COMMISSION

# Humboldt Utilities

## Code of Ethics

The intent of this policy is to assist members of the Board of Directors, Officers, and employees of Humboldt Utilities in avoiding a real or perceived conflict of interest, establish guidelines regarding the acceptance of gifts, promote integrity in our business conduct, and help achieve Humboldt Utilities mission and vision. Within the context of this policy, the term "employee" applies to all members of the Board of Directors, officers and employees.

### **1. Conflicts of Interest**

A conflict of interest occurs when an employee engages in an activity which appears incompatible with the performance of the employee's responsibilities or impairs the employee's judgment or action. An employee should avoid either an actual conflict of interest or the appearance of a conflict of interest in the performance of their duties. For the purpose of this Code of Ethics, "personal interest" means any financial, ownership, or employment interest of the employee, or a financial interest of the employee's spouse, parent(s), stepparent(s), grandparent(s), sibling(s), child(ren), or stepchild(ren).

### **2. Disclosure of Conflicts of Interest**

(a) An employee with the responsibility to vote on a measure and having a personal interest in such shall disclose during the meeting at which the vote takes place, before the discussion and vote and so it appears in the minutes, any personal interest that affects or would lead a reasonable person to infer that it affects the employee's vote on the measure. The employee should refrain from any discussion on this matter and abstain from voting.

(b) In all other non-voting circumstances, where an employee has a personal interest in the matter that affects or would lead a reasonable person to infer that it affects the exercise of discretion shall disclose the interest on a Conflict of Interest Disclosure Statement. The Conflict of Interest Disclosure Statement should be filed with Humboldt Utilities General Manager. A sample form is attached to this Code of Ethics. In addition, the employee may, to the extent allowed by law, charter, ordinance, or policy, recuse himself from participating in the matter.

### **3. Acceptance of Gifts and Other Items of Value**

(a) An official or employee, or an official's or employee's spouse or child living in the same household, may not accept, directly or indirectly, any gift, money, gratuity, or other consideration or favor of any kind from anyone other than the authority:

(1) For the purpose of an act, or refraining from performance of an act, that he would be expected to perform, or refrain from performing, in the regular course of his duties with the utility; or

(2) That a reasonable person would understand was intended to influence the vote, official action, or judgment of the official or employee in executing utility business.

(b) It shall not be considered a violation of this policy for an official or employee to receive entertainment, food, refreshments, meals, health screening, amenities, door prizes, foodstuffs, or beverages that are provided in connection with a meeting sponsored by an established or recognized statewide, area wide or national association of the municipal distributor officials or by an umbrella or affiliate organization of such statewide, area wide or national association of municipal distributor officials.

(c) Anything of nominal value shall be presumed not to constitute a gratuity under this policy provided that it is of a value of less than \$100.00 and that it is customary and routinely given by customers, suppliers or contractors and not exclusively to Humboldt Utilities. Meals shall not be considered to constitute a gratuity. Gifts of cash or cash equivalents are strictly prohibited.

(d) Exempt from these restrictions are:

Activities relating to organizations in which the utility is an owner, whether partial or in whole. These include but are not limited to CSA (Central Service Association), TML (Tennessee Municipal League), WTIA (West Tennessee Industrial Association), Tennergy, Utilicor, or any other energy acquisition organization.

TVA. Since TVA is the utility's federally mandated regulatory agency, any transactions or interactions between TVA and Humboldt Utilities which are permissible under TVA's ethics policy shall be acceptable under Humboldt Utilities ethics policy.

#### **4. Use of Information, Time, Property, and Other Assets**

An employee may not disclose any information obtained in his official capacity or position of employment that is made confidential under state or federal law except as authorized by law. An employee may not use or disclose information obtained in his official capacity or position of employment with the intent to result in financial gain for himself or any other person or entity.

#### **5. Use of Position or Authority**

An employee may not make or attempt to make private purchases, for cash or otherwise, in the name of Humboldt Utilities. An employee may not use or attempt to use his position to secure any privilege or exemption for himself or others that are not authorized by the charter, general law, or policy of Humboldt Utilities.

## **6. Outside Employment**

An employee may not engage in any outside employment if the work unreasonably inhibits the performance of his duties at Humboldt Utilities or conflicts with any provision of Humboldt Utilities charter or any ordinance or policy.

## **7. Political Activity**

Employees are encouraged to exercise their rights as citizens to vote in local, state and federal elections. Because Humboldt Utilities is a public entity, its employees must not allow their political activity to damage the efficiency or effectiveness of Humboldt Utilities delivery of services to its ratepayers.

## **8. Ethics Complaints**

(a) Administration of this policy is the responsibility of the Office Manager of Humboldt Utilities. Upon the request of an employee potentially affected by this Code of Ethics, the General Manager may request the Board Attorney to render an oral or written advisory ethics opinion based upon this Code or any applicable law. Requests should be made in writing to the Office Manager. When making the report, sufficient detail should be provided to explain the nature of the inquiry or concern.

(b) The General Manager and/or the Board Attorney shall investigate any credible complaint against an employee charging any violation of this Code. The General Manager and/or the Board Attorney may undertake an investigation when information is acquired indicating a possible violation and make recommendations for action to end or seek retribution for any activity that, in the General Manager or Board Attorney's judgment, constitutes a violation of this Code of Ethics.

(c) The General Manager and/or the Board Attorney may request that Humboldt Utilities hire another attorney, individual, or entity to act as ethics officer when he has or will have a conflict of interest in a particular matter.

(d) When a complaint of a violation of any provision of this chapter is lodged against a member of Humboldt Utilities Board of Directors, the Board of Directors shall either determine that the complaint has merit, determine that the complaint does not have merit, or determine that a complaint has sufficient merit to warrant further investigation. If the governing body determines that a complaint warrants further investigation, it shall authorize an investigation by the Board Attorney or another individual or entity chosen by the Board of Directors.

## **9. Violations**

An employee who violates any provision of this Code is subject to disciplinary action.

## 10. Applicable State Laws

Following is a brief summary of selected state laws concerning ethics in government. These laws were in effect at the origination of this Code of Ethics; however, this list may not be complete, these laws may be amended, or new laws may be enacted by the state government. For the full text of these statutes, see the Tennessee Code Annotated (T.C.A.) sections indicated. To the extent that an issue is addressed by state law (law of general application, public law of local application, local option law, or private act), the provisions of that state law, to the extent they are more restrictive, shall control.

Conflict of interest – T.C.A. § 6-54-107 and § 12-4-101.  
Conflict of interest – T.C.A. § 5-1-125  
Conflict of interest – T.C.A. § 5-14-114  
Conflict of interest – T.C.A. § 5-21-121  
Gifts – T.C.A. § 5-14  
Gifts – T.C.A. § 5-21-121  
Free statutes – T.C.A. §§ 8-21-101, 8-21-102, and 8-21-103  
Crimes involving public officials – T.C.A. § 39-16-101  
Official misconduct – T.C.A. § 39-16-402  
Official oppression – T.C.A. § 39-16-403  
Misuse of official information – T.C.A. § 39-16-404  
Ouster law – T.C.A. § 8-47-101  
Loss of retirement benefit – T.C.A. § 8-35-124

## 11. Conclusion

This policy does not cover, and is not intended to identify or delimit, all possible circumstances that could present a conflict of interest. Rather, it should be used as a guideline for employee behavior. Humboldt Utilities expects its employees to exercise good judgment in their interactions with customers, vendors, suppliers or other parties doing business or seeking to do business with Humboldt Utilities. Similarly, employees are expected to apply good judgment to any outside employment or activities that could or might reflect on Humboldt Utilities. If questions or concerns arise, employees should discuss the matter with their supervisor, department head or General Manager.

Approved this 20<sup>th</sup> day of June, 2007



General Manager

  
Secretary of the Board

# Humboldt Utilities Code of Ethics

## Conflict of Interest Disclosure Statement

**Instructions:** This form is for reporting personal interests required to be disclosed under the Disclosure of Conflicts of Interest section of the Code of Ethics of Humboldt Utilities. Employees / Board Members are required to disclose personal interests in matters that affect or would lead a reasonable person to infer that it would affect the exercise of discretion of an employee/ board member.

1. Date of Disclosure: \_\_\_\_\_
1. Name of Employee / Board Member: \_\_\_\_\_
2. Title or Position: \_\_\_\_\_
3. Description of personal interest (describe below in detail):

\_\_\_\_\_  
Signature of Employee / Board Member

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Printed name of witness