

**CERTAIN POLICIES AND PROCEDURES
OF THE
NASSAU COUNTY SEWER AND STORM WATER FINANCE AUTHORITY**

Amended as of December 7, 2022

I. Acquisition and Disposition of Property

General Statement of Policy

In accordance with Title 5-A of Article 9 of the Public Authorities Law (the “PAL”), it is the policy of the Nassau County Sewer and Storm Water Finance Authority (the “Authority”) to assure that real and personal property of the Authority is disposed of and acquired in a manner consistent with applicable law and to the greatest benefit of the Authority and its purposes.

The governing body of the Authority shall review these policies and procedures annually.

Disposition of Real Property

- a) Pursuant to Section 1232-d(6) of the PAL, the Authority may sell or otherwise convey any of its real or personal property (“Property”) or any interest therein, as the governing body of the Authority may deem necessary, convenient or desirable to carry out the purposes of the Authority. In accordance with Section 2897 of the PAL, Property shall not be disposed for less than the fair market value of such Property.
- b) Pursuant to Section 2897(3) of the PAL, the sale of any such Property shall be on such terms and conditions as the Authority shall approve; provided, however, that the Authority shall publicly advertise for sealed bids for the purchase of any Property. Pursuant to Section 2897(6) of the PAL, the public advertisement for sealed bids shall be subject to the following:
 1. the advertisement for bids shall be made at such time prior to the disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the Property;
 2. all bids shall be publicly disclosed at the time and place stated in the advertisement; and
 3. the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Authority, price and other factors considered; provided, that all bids may be rejected when it is in the public interest to do so.
- c) The requirement that the Authority shall publicly advertise for sealed bids shall not apply if any of the circumstances described in Section 2897(6)(c) of the PAL applies.

- d) Pursuant to Section 1232-d(6) of the PAL, any sale or lease of real property by the Authority must be approved by the Legislature of the County unless the proceeds therefrom are used to pay debt service on Authority bonds.
- e) Under the circumstances described in Section 2897(6)(d) of the PAL, the Authority shall complete and file an explanatory statement, as such statement is described in such Section 2897(6)(d).

Acquisition of Real Property

- a) Pursuant to Section 1232-d(6) of the PAL, the Authority may acquire, by purchase, gift, grant, transfer, contract or lease any real or personal property or any interest therein, as the Authority may deem necessary, convenient or desirable to carry out the Authority's purposes.
- b) Pursuant to Section 1232-d(6) of the PAL, the acquisition of any real property or any interest therein from the County or any agency, entity or subsidiary of the County shall occur for no consideration or compensation greater than the amount necessary to defease obligations outstanding with respect to such property.
- c) Pursuant to Section 1232-d(6) of the PAL, in connection with the purchase or lease of real property by the Authority, the Authority may assume any obligations of the owner of such property and, to the extent required by the terms of any indentures or other instruments under which such obligations were issued, the Authority may assume and agree to perform covenants and observe the restrictions contained in such instruments.
- d) Pursuant to Section 1232-e(3) of the PAL, the Authority shall not acquire any Property which is real property upon which County-owned facilities are located.

Contracting Officer of the Authority

- a) In accordance with Sections 2895(1) and 2896(1)(b) of the PAL, the Chairperson of the Authority shall act as the contracting officer for the Authority with regard to the disposition or acquisition of real property.
- b) The duties of the contracting officer shall be:
 - 1. to comply with and enforce these guidelines
 - 2. to have supervision and direction over the acquisition and disposition of Property
 - 3. if requested by the Authority, to take inventory of all real property of the Authority for the purpose of determining which property of the Authority shall be disposed of

- c) Though the contracting officer is responsible for complying with and enforcing these guidelines, the contracting officer shall have no authority to bind the Authority with regard to the acquisition or disposition of real property, unless as otherwise directed by the Authority by appropriate resolution of the Authority.

II. Policies Regarding Compensation and Time and Attendance for Executive Officers

Section 2824(1) of the PAL requires that boards of all public authorities establish policies regarding the payment of salary to, and establish rules for the time and attendance of, the chief executive and senior management of such authority. Pursuant to PAL § 1232-c(5), the Authority is not permitted to hire employees. Thus, no policy regarding the compensation and time and attendance for executive officers is necessary

III. Whistleblower Protection Policy

Pursuant to PAL § 1232-c(5), the Authority is not permitted to hire employees. Thus, no whistleblower protection policy, as set forth in Section 2824(1) of the PAL, is necessary; provided, however, that board members may report potential wrongdoing to the appropriate Authority or other official and be protected from retaliation or interference by the Authority. Members who so report such wrongdoing shall not have their other legal rights impaired.

IV. Travel and Expense Policy

Section 2824(1) of the PAL requires that boards of all public authorities establish policies regarding reimbursements to the chief executive and senior management of the Authority. Pursuant to PAL § 1232-c(1), the members of the governing body of the Authority may be reimbursed for all actual and necessary expenses, including travel expenses; provided, however, that no member may receive reimbursement of more than five thousand dollars (\$5,000.00) in the aggregate per fiscal year of the Authority. The approval of such reimbursements is specified in the Authority's by-laws.

V. Defense and Indemnification of Board Members

Section 2824(1) of the PAL requires that boards of all public authorities adopt a defense and indemnification policy and disclose such plan to any and all prospective board members. Pursuant to PAL § 1232-r, no member of the governing body, nor any municipality, officer or employee acting on its behalf, while acting within the scope of their authority, is subject to any personal liability resulting from the construction, maintenance or operation of any of the properties of the Authority or from carrying out any of the powers expressly given to such member, officer or employee under Title 10-D of Article 5 of the PAL. As such, the Authority will indemnify and defend any member of the governing body of the Authority and/or any officer of the Authority against any claim or cause of action brought against such member and/or officer arising out of actions by such member while acting within the scope of their authority in relation to the construction, maintenance or operation of any of the properties of the Authority or

in carrying out any of the powers given to such member and/or officer under Title 10-D of Article 5 of the PAL.

VI. Conflict of Interest Policy

Statutory References

PAL § 1232-p (Code of ethics), which is included in the Authority's annual report, governs conflicts of interest of Authority members. In addition, PAL § 1232-c provides that:

[n]otwithstanding any inconsistent provision of any general, special or local law, ordinance, resolution or charter, no officer, member or employee of the state, any municipality or any public benefit corporation shall forfeit his or her office or employment by reason of his or her acceptance of appointment as a member or officer of the [A]uthority, nor shall service as such member or officer be deemed incompatible or in conflict with such office, membership or employment, provided, that such officer serves in an unpaid capacity.

Procedures

Duty to Disclose:

Members shall disclose any conflict of interest as set forth in PAL § 1232-p in writing to the Governance Committee. Such written disclosure shall be made part of the official record of the proceedings of the Authority.

Determining Whether a Conflict of Interest Exists:

The Governance Committee shall advise the member who identifies a conflict of interest how to proceed. The Governance Committee should seek guidance from counsel or State agencies, such as the State Authorities Budget Office, the State Inspector General or the Joint Commission on Public Ethics when dealing with cases where it is unsure of what to do.

Recusal and Abstention:

No member may participate in any decision or take any official action with respect to any matter requiring the exercise of discretion, including discussing the matter and voting, when such action would be in violation of PAL § 1232-p. Members shall recuse themselves from deliberations, votes, or internal discussion on matters when such action would be in violation of PAL § 1232-p, and may not attempt to influence other board members in the deliberation and voting on the matter.

Records of Conflicts of Interest:

The minutes of the Authority's meetings during which a conflict of interest is disclosed or discussed shall reflect the name of the member, the general nature of the conflict and a description of how the conflict was addressed.

Reporting of Violations:

Members may report any violations of this policy to the Governance Committee.

Penalties:

Any member who fails to comply with this policy may be penalized in the manner provided for by law.

Annual Review

The governing body of the Authority shall review this policy annually.