



**LANSING BOARD OF WATER & LIGHT BOARD OF COMMISSIONERS
COMMITTEE OF THE WHOLE MEETING
July 11, 2023 – 5:30 P.M.
REO Town Depot - Board of Water & Light Headquarters
1201 S. Washington Ave., Lansing, MI 48910**

BWL full meeting packets and public notices/agendas are located on the official web site at <https://www.lbwl.com/about-bwl/governance>.

AGENDA

Call to Order

Roll Call

Public Comments on Agenda Items

- 1. Committee of the Whole Meeting Minutes of May 9, 2023 **TAB 1**
- 2. Customer Satisfaction Survey Results..... **TAB 2**
- 3. All Source RFP.....**INFORMATION ONLY**
- 4. Fraud Prevention Policy **TAB 3**
- 5. Diversity, Equity & Inclusion Update.....**INFORMATION ONLY**
- 6. Board of Commissioners Expenditures Resolution..... **TAB 4**
- 7. Remote Work Agreement for All Contracted Employees Resolution..... **TAB 5**

Other

Adjourn

COMMITTEE OF THE WHOLE
Meeting Minutes
May 9, 2023

The Committee of the Whole of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, May 9, 2023.

Committee of the Whole Chair Sandra Zerkle called the meeting to order at 5:30 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Sandra Zerkle, Dusty Horwitt, Semone James, DeShon Leek, David Price, Tracy Thomas and Non-Voting Member Commissioner Larry Merrill

Absent: Commissioners Beth Graham and Tony Mullen, and Non-Voting Commissioners Doug Jester (East Lansing) and Maggie Sanders (Lansing Township)

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner David Price, **Seconded** by Commissioner Semone James, to approve the Committee of the Whole Meeting minutes of March 16, 2023.

Action: Motion carried. The minutes were approved.

Procurement Policy Revision

Rochelle Parks, Manager, Procurement & Supply Chain, presented the Procurement Policy revisions made to enhance clarification and compliance. Ms. Parks requested approval of the policy revisions.

Commissioner Semone James requested an annual report of all contracts be sent to the Board of Commissioners and placed on the Commissioner Dashboard. General Manager (GM) Dick Peffley responded that an annual report of major contracts will be sent to the Commissioners. CFO Heather Shawa responded that contracts with open litigation, sole source contracts for \$15,000 and greater, contracts for 36 months or longer, and emergency purchase orders are currently reported. A discussion followed on the provision and content of the annual report to be provided.

Motion by Commissioner David Price, **Seconded** by Commissioner Semone James to forward the resolution for the Procurement Policy Revisions to the full Board for consideration.

Commissioner Semone James made a motion to amend the resolution to include an annual report with a list of contracts greater than \$15,000 be sent to the Board of Commissioners and

be placed on the Commissioner Board with the name of the supplier, the services provided, the contract term effective date through end date, the annual contract amount or value, and the total contract amount or value. CFO Heather Shawa stated that would be an amendment to the policy and the Board could accept the resolution for the Procurement Policy revisions. The motion to amend the resolution was withdrawn. General Counsel Mark Matus provided the language to amend the proposed Procurement Policy Section 1. Reporting - add a new item E. with the following language: A list and brief description of supplier contracts, i.e., Supplier Name, Services Performed, Annual Contract Amount or Value, Total Contract Amount or Value, Contract Term: (XX/XX/XXX through XX/XX/XXXX).

Motion by Commissioner David Price, **Seconded** by Semone James to amend the policy by adding Section 1. Reporting E. to provide a list and brief description of all supplier contracts with the Supplier Name, Services Performed, Annual Contract Amount or Value, Total Contract Amount or Value and Contract Term.

Action: Motion Carried.

Motion by Commissioner David Price, **Seconded** by Commissioner Semone James was restated to forward the resolution for the Procurement Policy Revisions as presented to the full Board for consideration.

Action: Motion Carried.

FY24 Rules and Regulations – Electric, Water, Steam, Chilled Water Services Summary

General Counsel Mark Matus introduced the staff that worked on the FY24 Rules and Regulations – Electric, Water, Steam, Chilled Water Services Summary and presented the summary of the changes to the electric, water, steam, chilled water services rules and regulations.

Chairperson Sandra Zerkle asked whether electricity being shut off during tree trimming would be considered a disconnect and if applicable fees would be applied and Mr. Matus responded that it wouldn't be considered a disconnect.

Commissioner Douglas Jester provided comment via electronic communication for consideration, stating "The proposed rules revisions include tightening up provisions for security deposits from customers returning to service after a disconnection. I do not believe there is any evidence to support that a security deposit improves payment performance and for customers having economic difficulties, a security deposit can delay restoration of service and/or create a financial hardship. With advanced meters, service turn-off and restoration are inexpensive and likely more useful than a security deposit. I recommend reconsideration of security deposit. It might be appropriate to differentiate between residential and business customers on this."

GM Peffley responded that if a security deposit is required for utility service due to customer's credit history, the security deposit will be credited to the customer's account after a year of good payment. The reconnect fee takes into consideration customer service and staff time involved to reconnect a service. This cost of service fee will be reassessed the next year and will be updated, and commercial/industrial and residential customers will be separated.

Commissioner James asked whether the fees for the poles were the same for all projects and whether the costs could be recouped. Director of Strategic Planning and Development, Kellee Christensen, responded that the costs are paid by the project developer.

Chairperson Zerkle asked whether allowing BWL to put in electrical service in a garage without going through the house to see if everything was up to code was still the practice. Carbon Neutrality Programs Manager, Anna Munie, responded that if an EV charger is installed in a garage, the entire house isn't gone through, and installation of a second meter hardwired to an EV charger is recommended and has a special rate.

Commissioner Dusty Horwitt asked whether the prepaying of level three chargers for residential customers was due to the higher electricity output and safety risk. Ms. Munie responded that BWL doesn't install three phase service for residential customers and that is the reason.

In response to Chairperson Sandra Zerkle's question, Mr. Matus responded that there are additional fees for lines down that aren't BWL lines.

In response to Commissioner Semone James and Commissioner Price's questions about the emergency response fee, Mr. Matus responded that the calculation was based on the cost of the overtime crew to address an emergency and the fee is for emergencies on non-BWL lines.

Motion by Commissioner Semone James, **Seconded** by Commissioner Tracy Thomas to forward the resolution for the FY24 Rules and Regulations for the Electric, Water, Steam, Chilled Water Services as presented to the full Board for consideration.

Action: Motion Carried.

Property Disposition – Pine/Dell Dr. in Lansing

Mr. Matus presented information on property located at Pine/Dell Drive in Lansing, MI to be sold to the owners of the adjacent property and requested approval of the sale.

Motion by Commissioner David Price, **Seconded** by Commissioner Dusty Horwitt, to forward the resolution for Property Disposition – Pine/Dell Dr. in Lansing as presented to the full Board for consideration.

Action: Motion Carried.

Travel and Expense Reimbursement Policy Revision

Director of Finance, Accounting & Planning Scott Taylor presented the revisions to the Travel and Expense Reimbursement Policy retitled Travel and Expense Policy and requested approval of the resolution. A discussion regarding meals and incidentals, and waiver outlined in the revised policy followed the presentation.

Motion by Commissioner Tracy Thomas, **Seconded** by DeShon Leek to forward the resolution for the Travel and Expense Policy as is to the full Board for consideration.

Action: Motion Carried.

Other

Commissioner Dusty Horwitt asked if an update to the All Source RFP would be provided. GM Peffley responded that an update would be provided in a future Special COW meeting.

Excused Absence

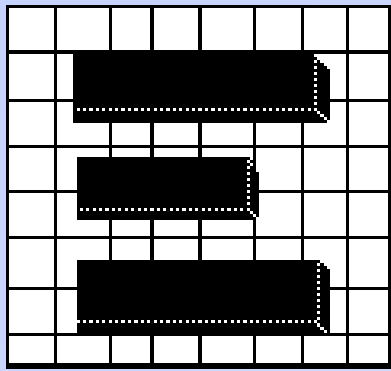
Motion by Commissioner Semone James, **Seconded** by Commissioner David Price for an excused absences for Commissioners Beth Graham, Tony Mullen, Douglas Jester, and Maggie Sanders.

Action: Motion Carried.

Adjourn

Chairperson Zerkle adjourned the meeting at 7:24 p.m.

Respectfully Submitted
Sandra Zerkle, Chairperson
Committee of the Whole



EPIC-MRA



Residential and Business Customer Satisfaction Survey

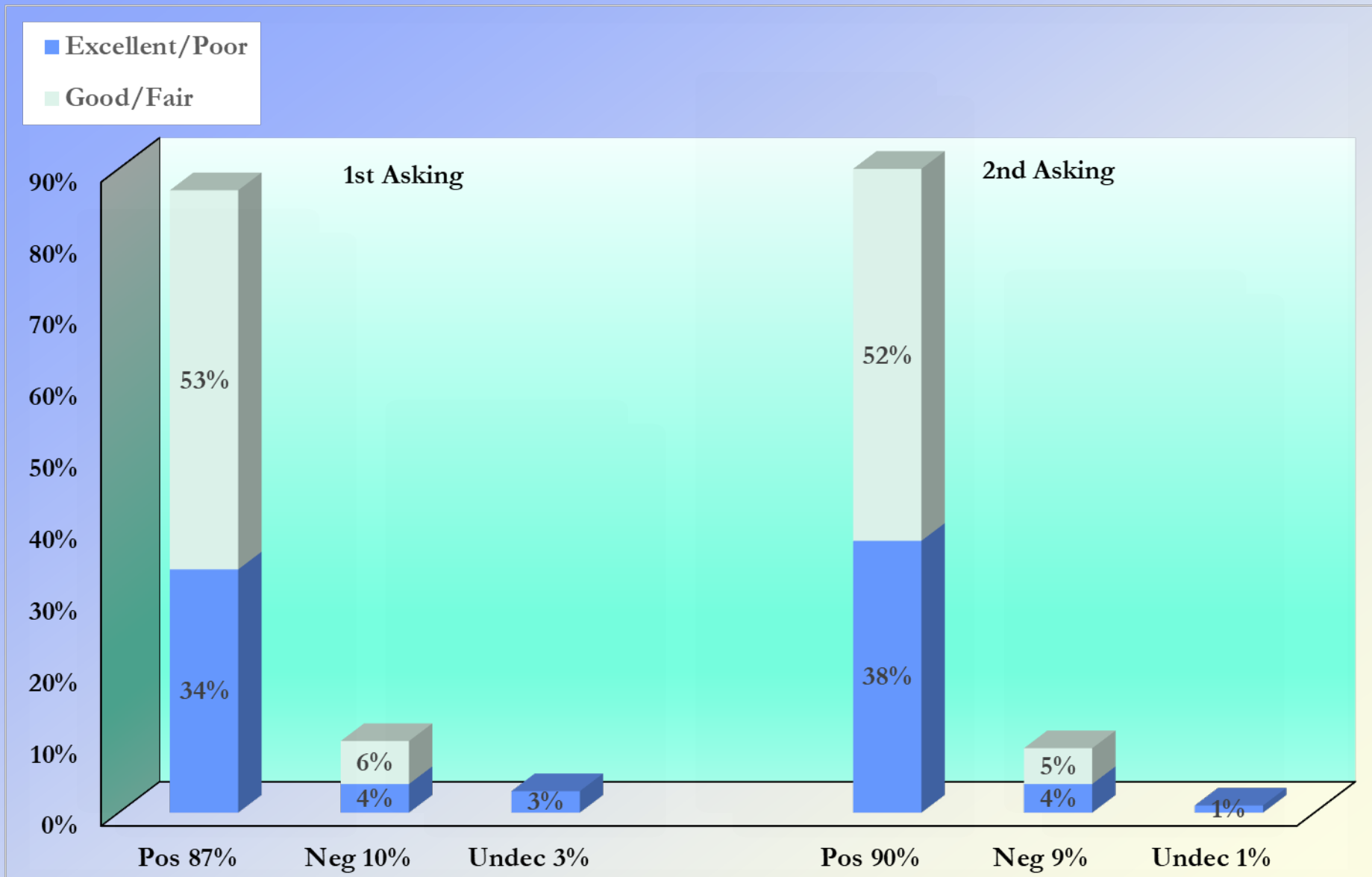
Residential Customer Survey conducted April 21-24, 2023

Business Customer Survey conducted May 1-5, 2023

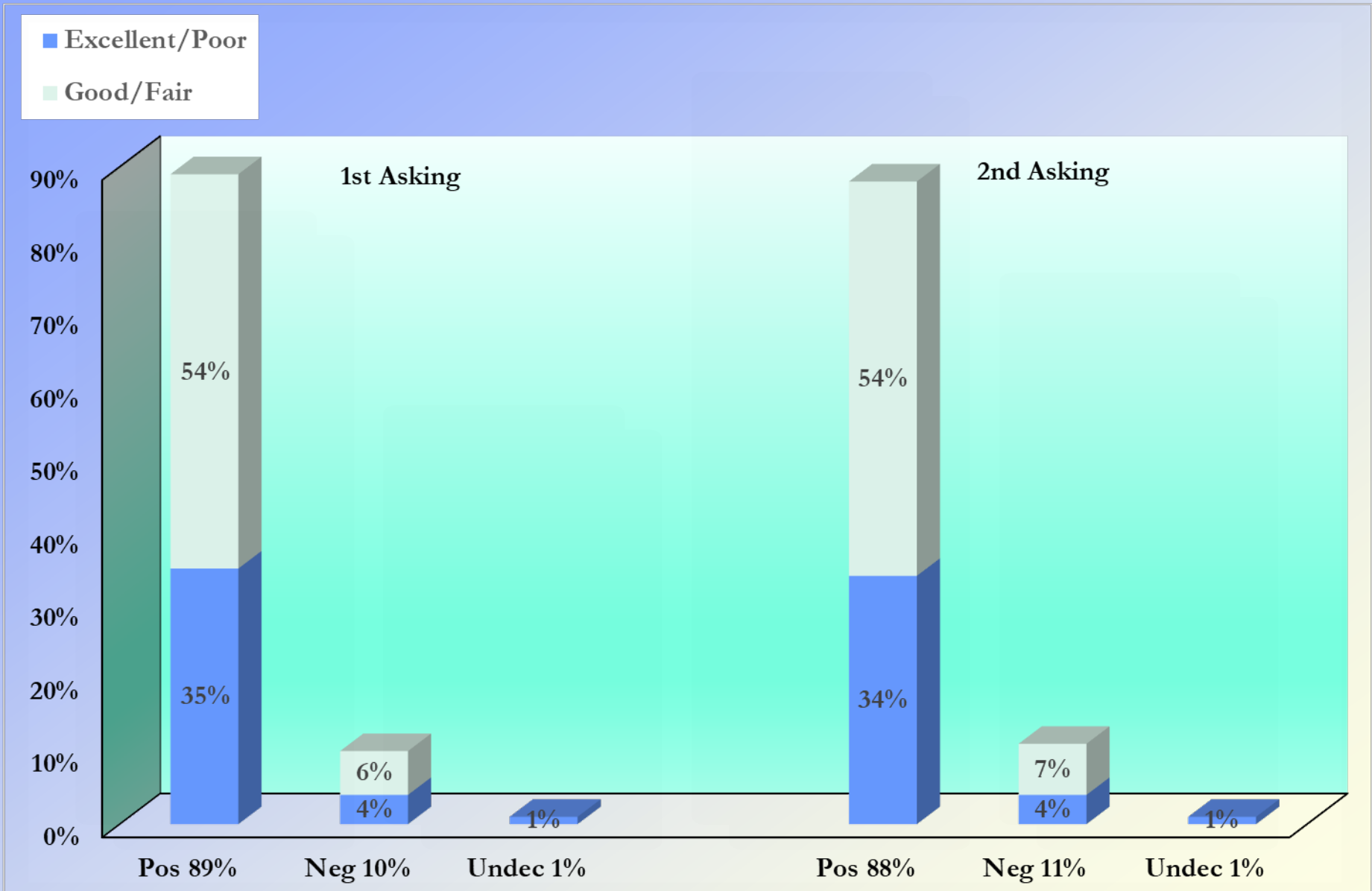
Sample size: 400 each

Error rate: $\pm 4.9\%$ each

BWL job rating – Residential Customers



BWL job rating – Business Customers



Reasons for negative job rating - Residential Customers

N=41

71%	Cost of service – Cost increases
12%	Outages
5%	No program to assist low-income residents
2%	Long wait times on the phone when calling Customer Service
2%	Quick shut offs – “Power was shut off after being only one day late”
2%	Yard was destroyed by BWL repair crew
6%	Undecided/Refused

Reasons for negative job rating - Business Customers

N=40

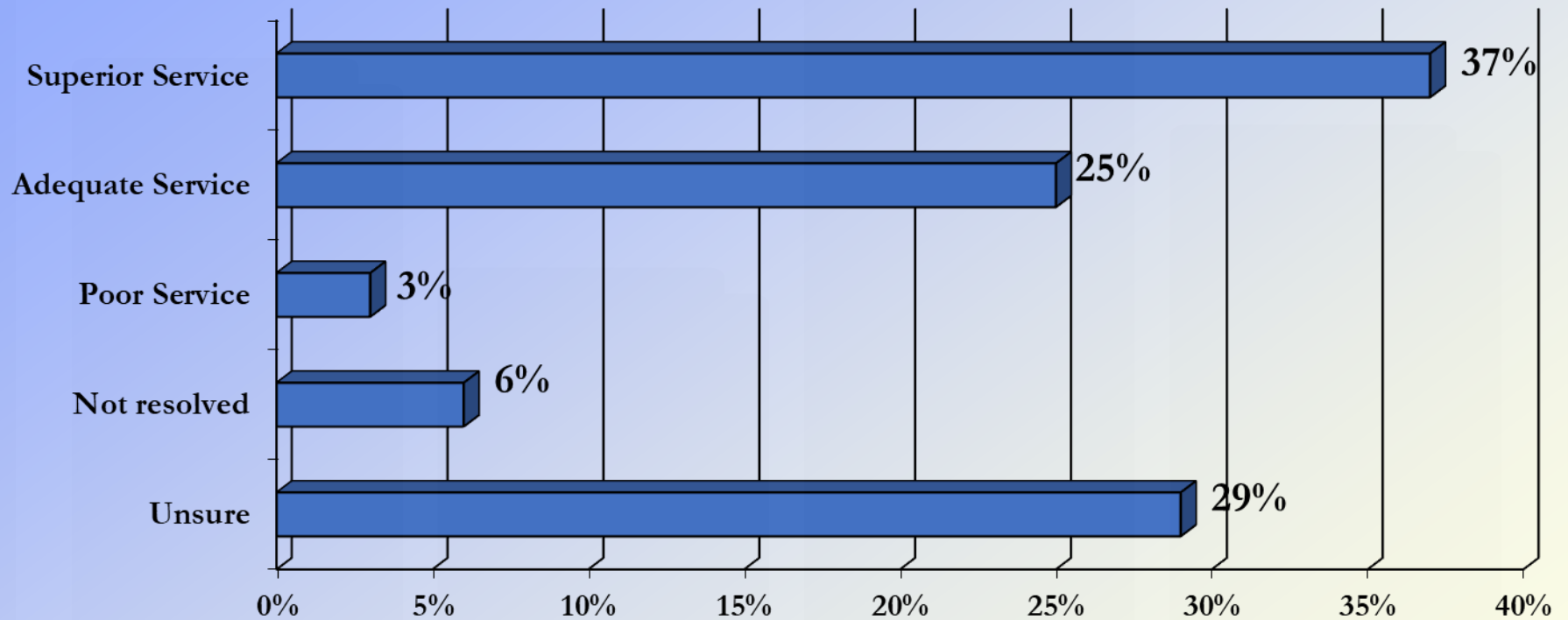
58%	Cost of service – Cost increases
8%	Long wait times on the phone when calling Customer Service – CSR poor
8%	Service call delays – Problems not yet fixed
5%	Outages
3%	Billing problems – Incorrect billing
2%	Have no choice – they have a monopoly
2%	Meter not yet installed
2%	Problems setting up auto-billing
2%	Quick shut offs – Power shut off incorrectly
2%	Water line problems
8%	Undecided/Refused

Nearly 8-in-10 Residential and Business Customers would recommend BWL to a friend or neighbor

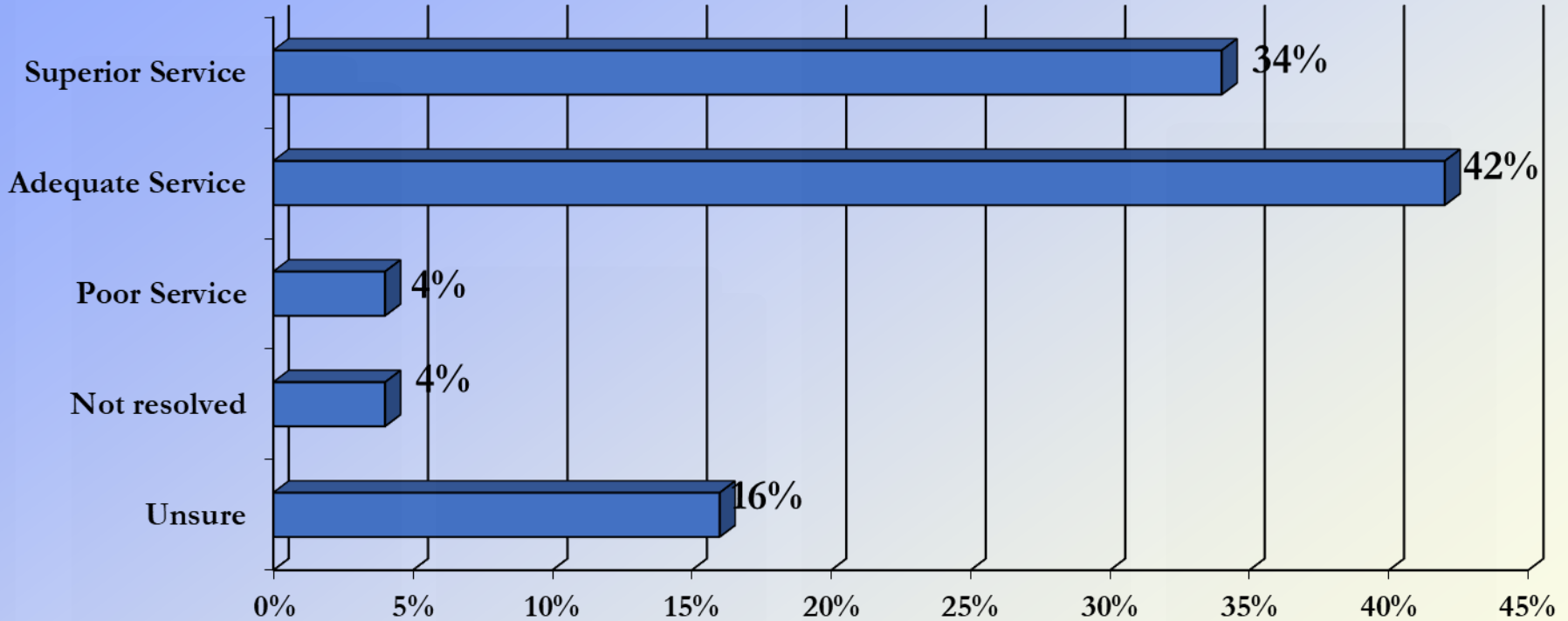
<u>Residential:</u>	First Ask	Second Ask
0 to 6	18%	18%
7 to 8	30%	31%
9 to 10	46%	48%
Undecided/Refused	6%	3%
MEAN:	7.907	7.895

<u>Business:</u>	First Ask	Second Ask
0 to 6	18%	18%
7 to 8	30%	30%
9 to 10	48%	48%
Undecided/Refused	4%	4%
MEAN:	8.003	8.075

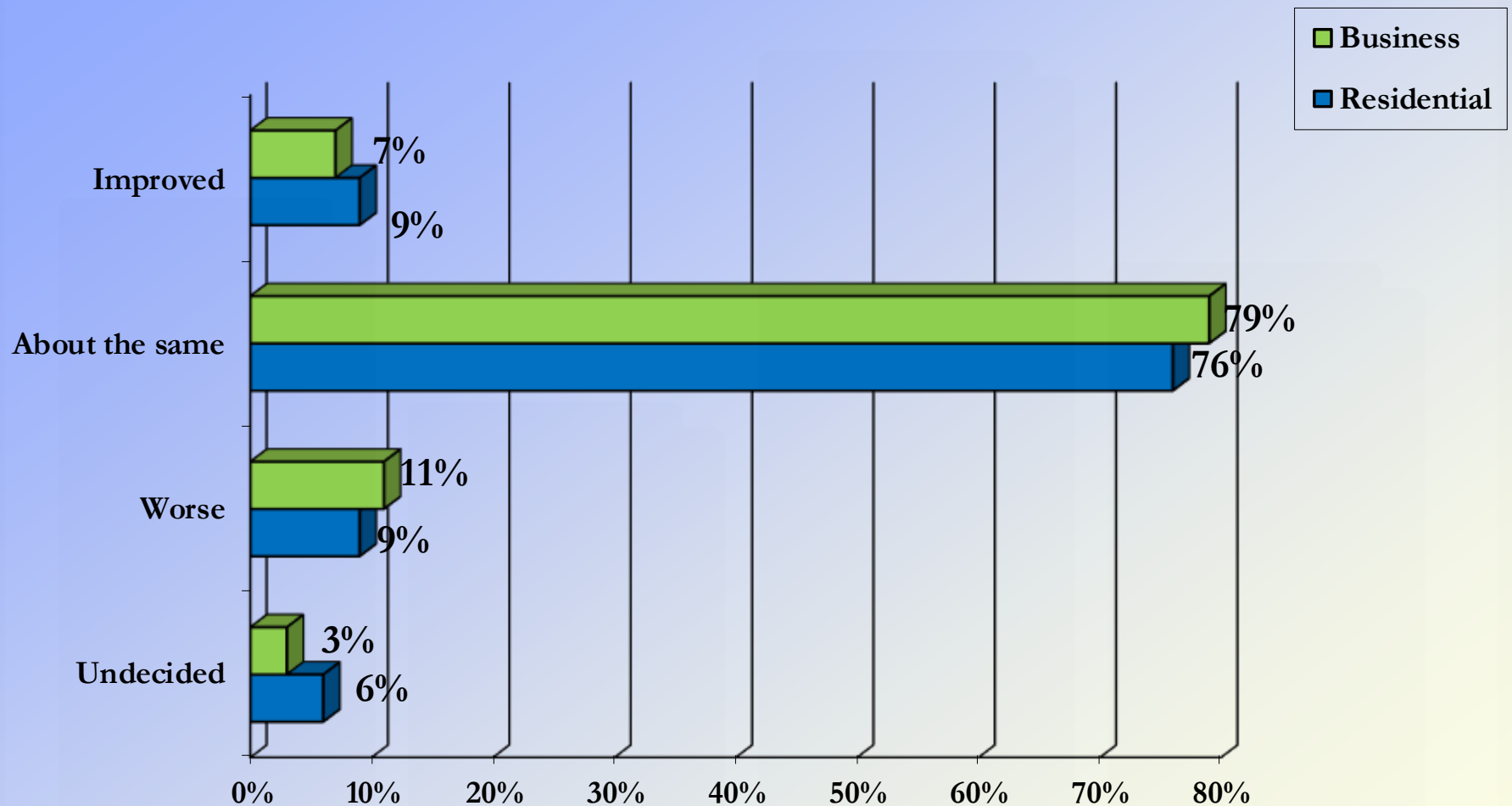
Nearly 4-in-10 Residential Customers say issues resolved with superior service



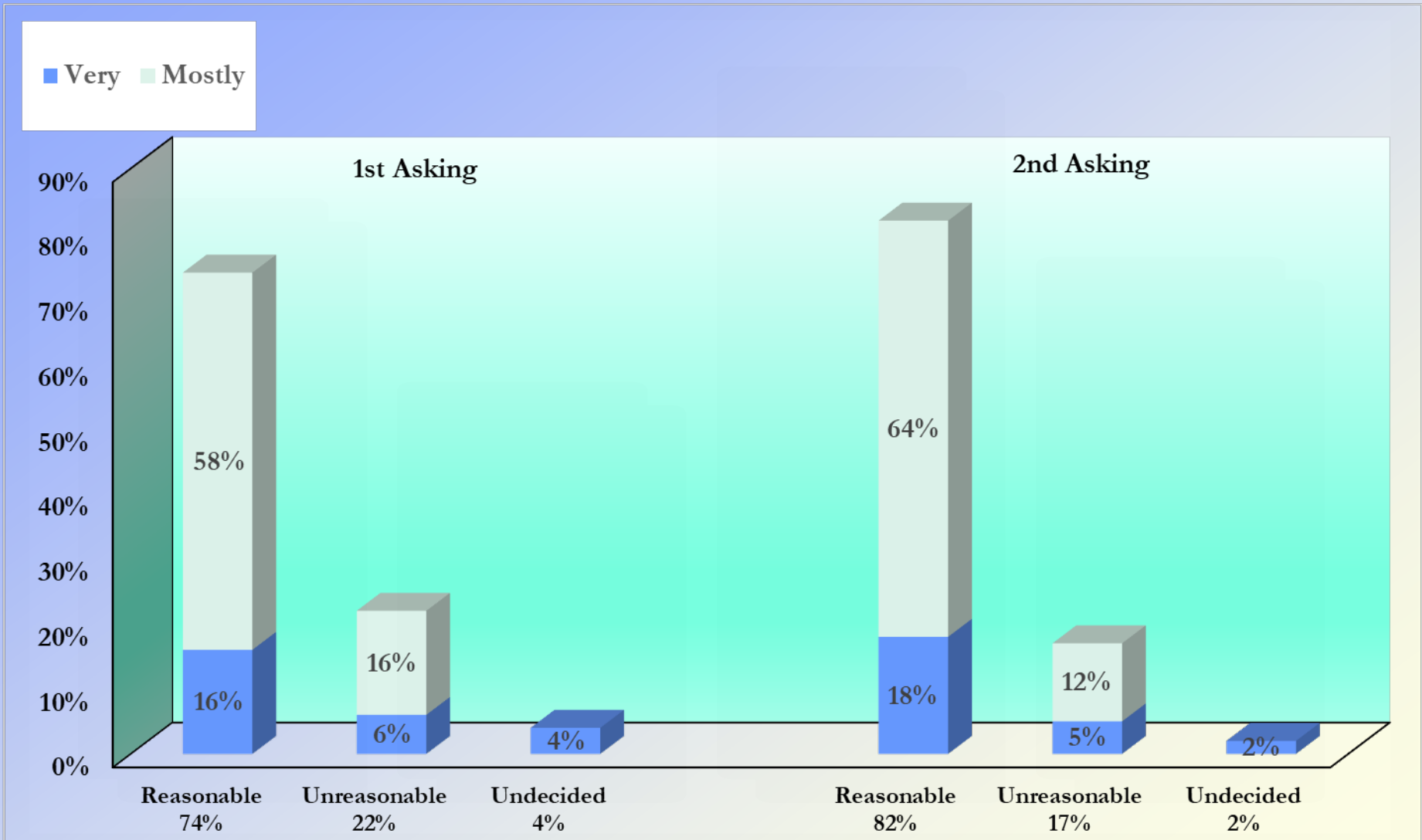
More than 4-in-10 Business Customers say issues resolved with adequate service



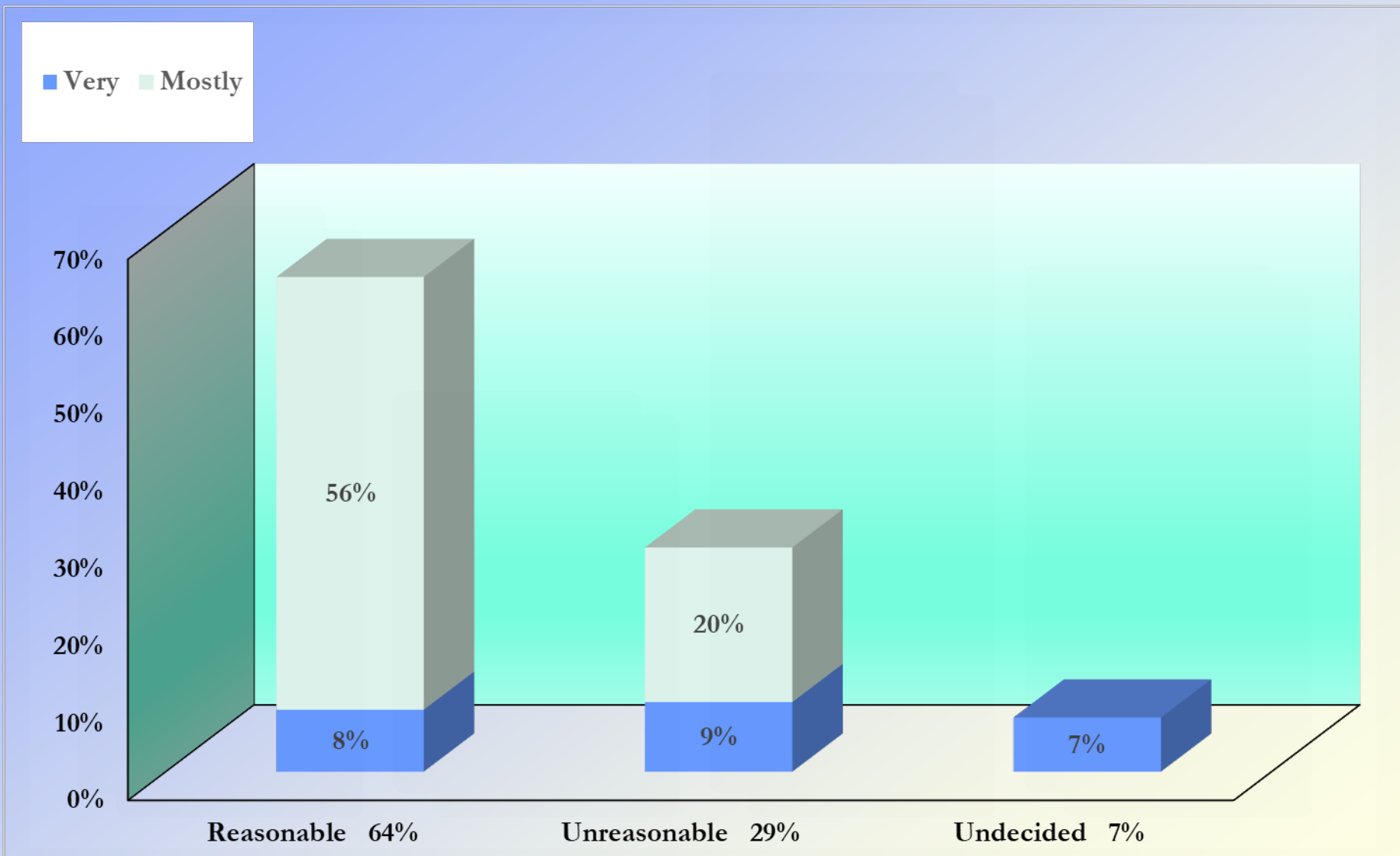
Nearly 8-in-10 say quality, reliability, affordability has remained about the same over past few years



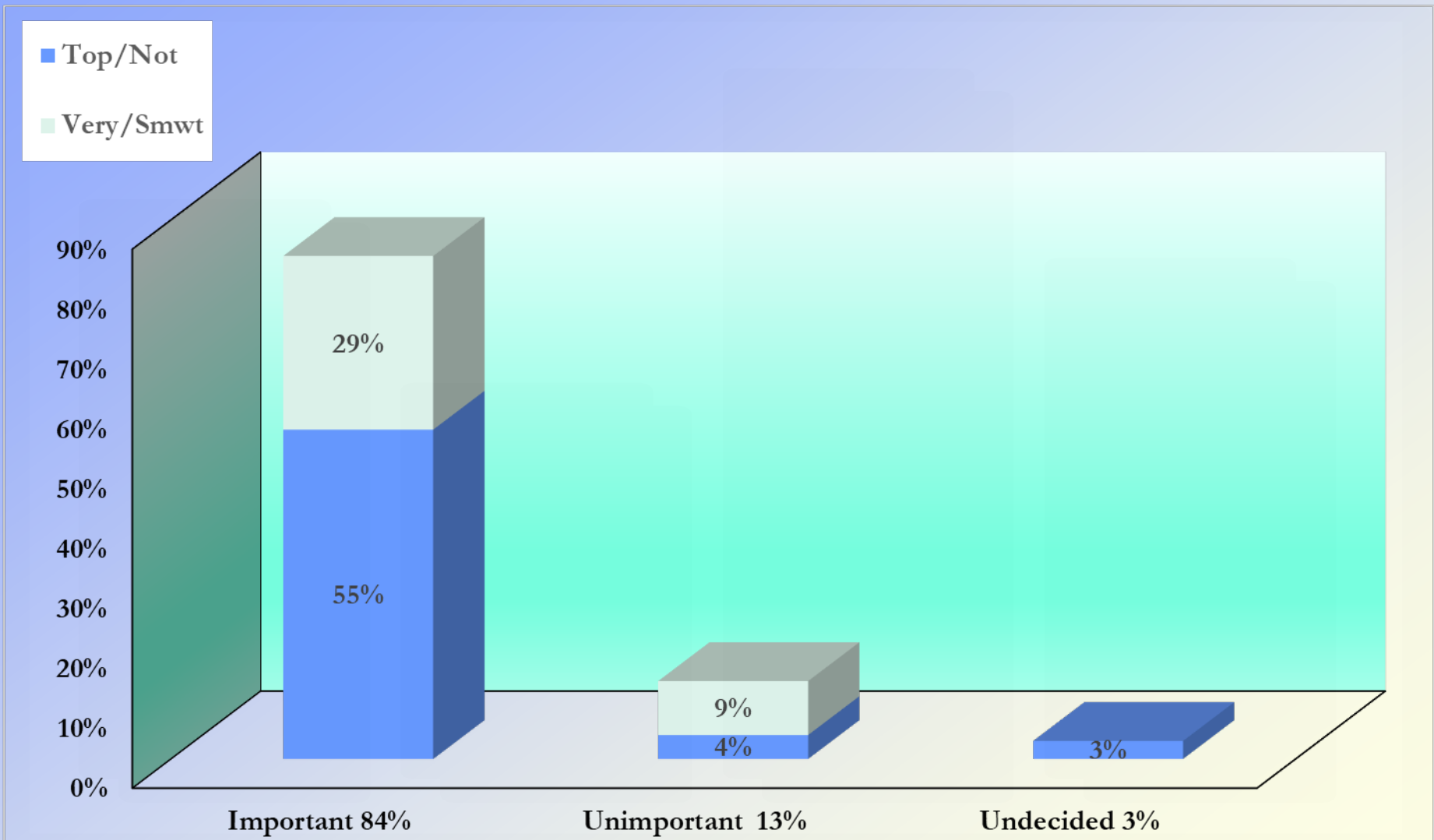
Over 7-in-10 Residential Customers say electric rates reasonable –increases to more than 8-in-10



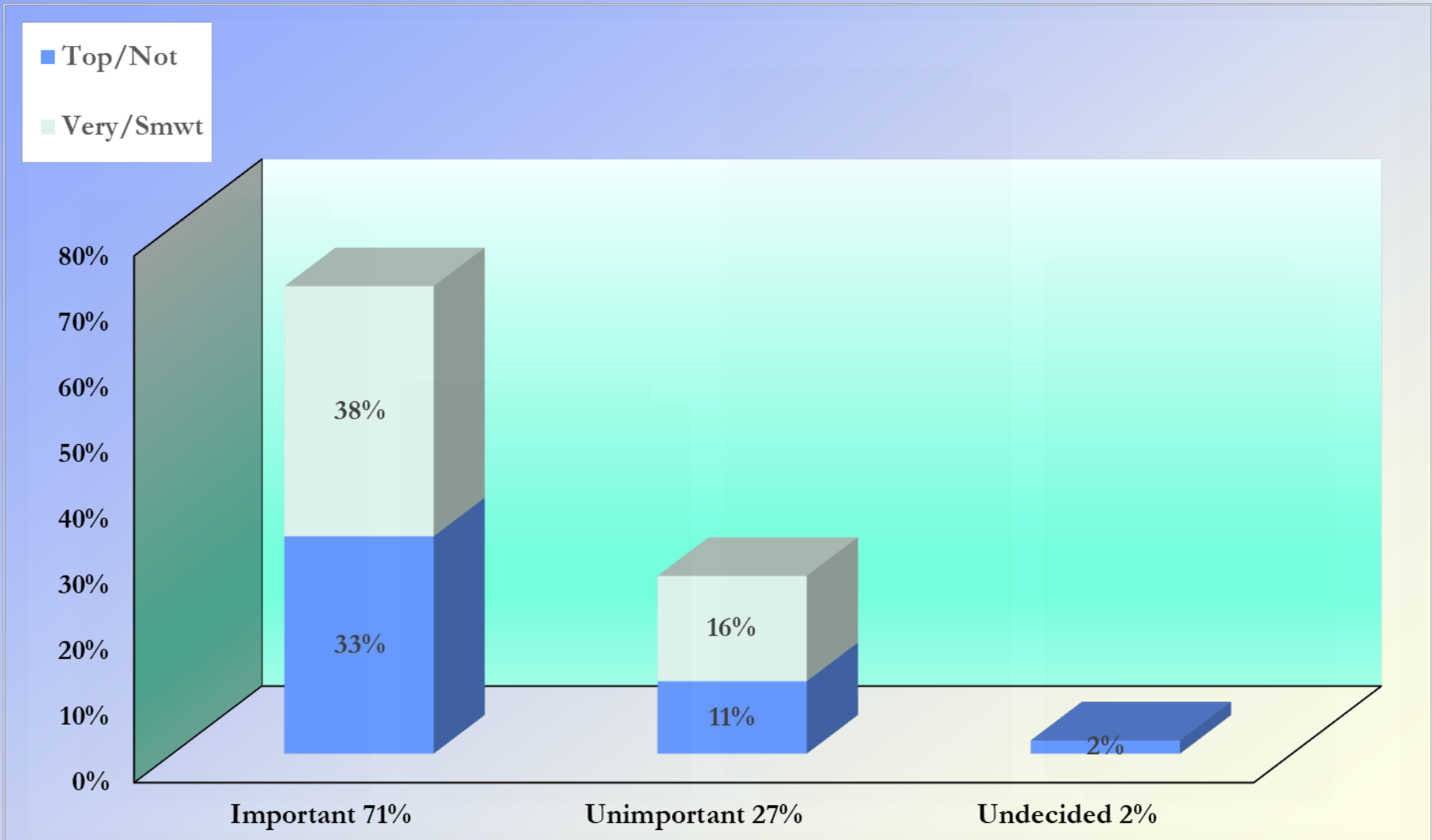
Over 6-in-10 Business Customers say electric rates reasonable *follow-up question not asked



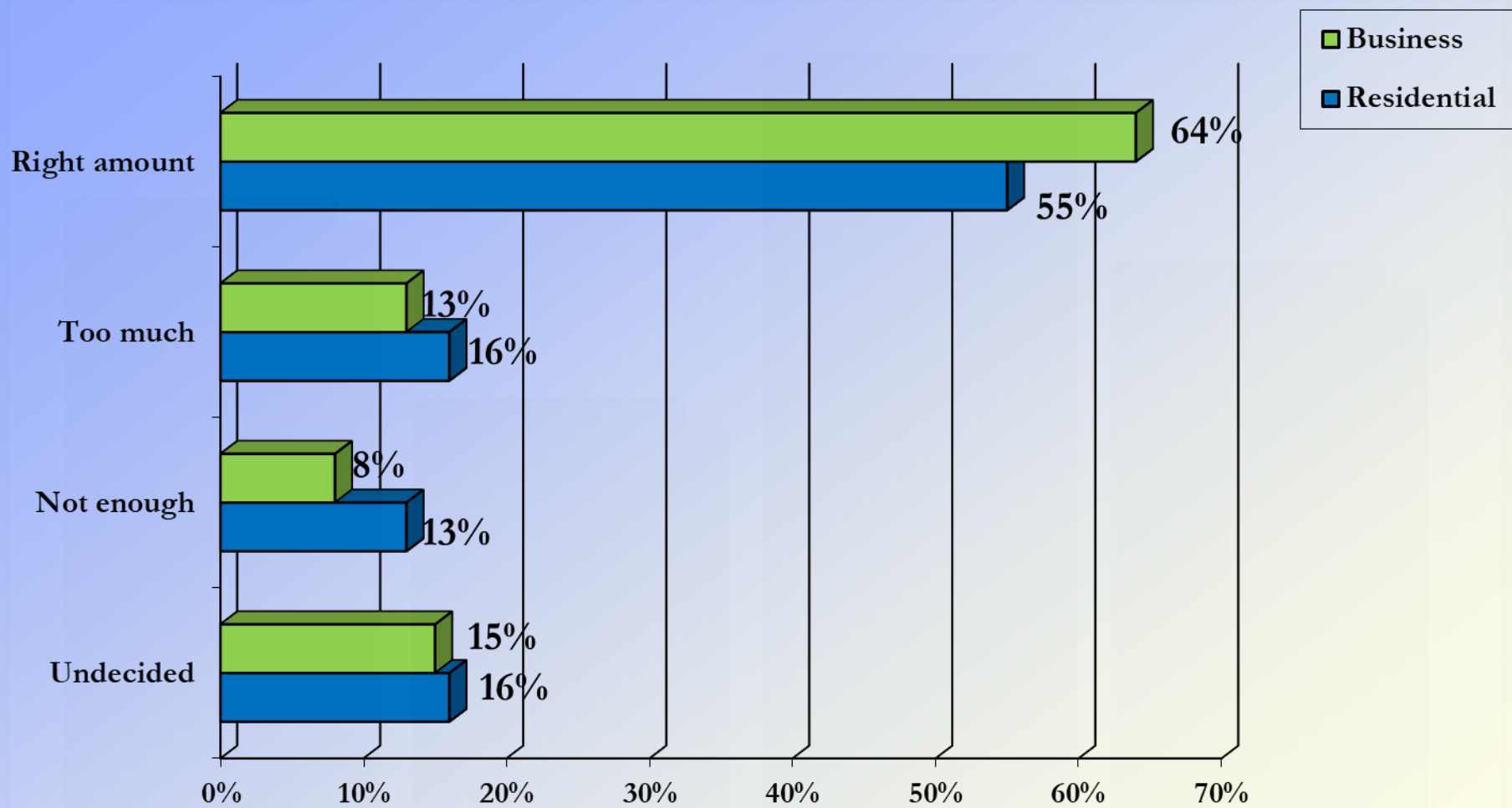
More than 8-in-10 Residential Customers say clean energy goals are a top priority/very important



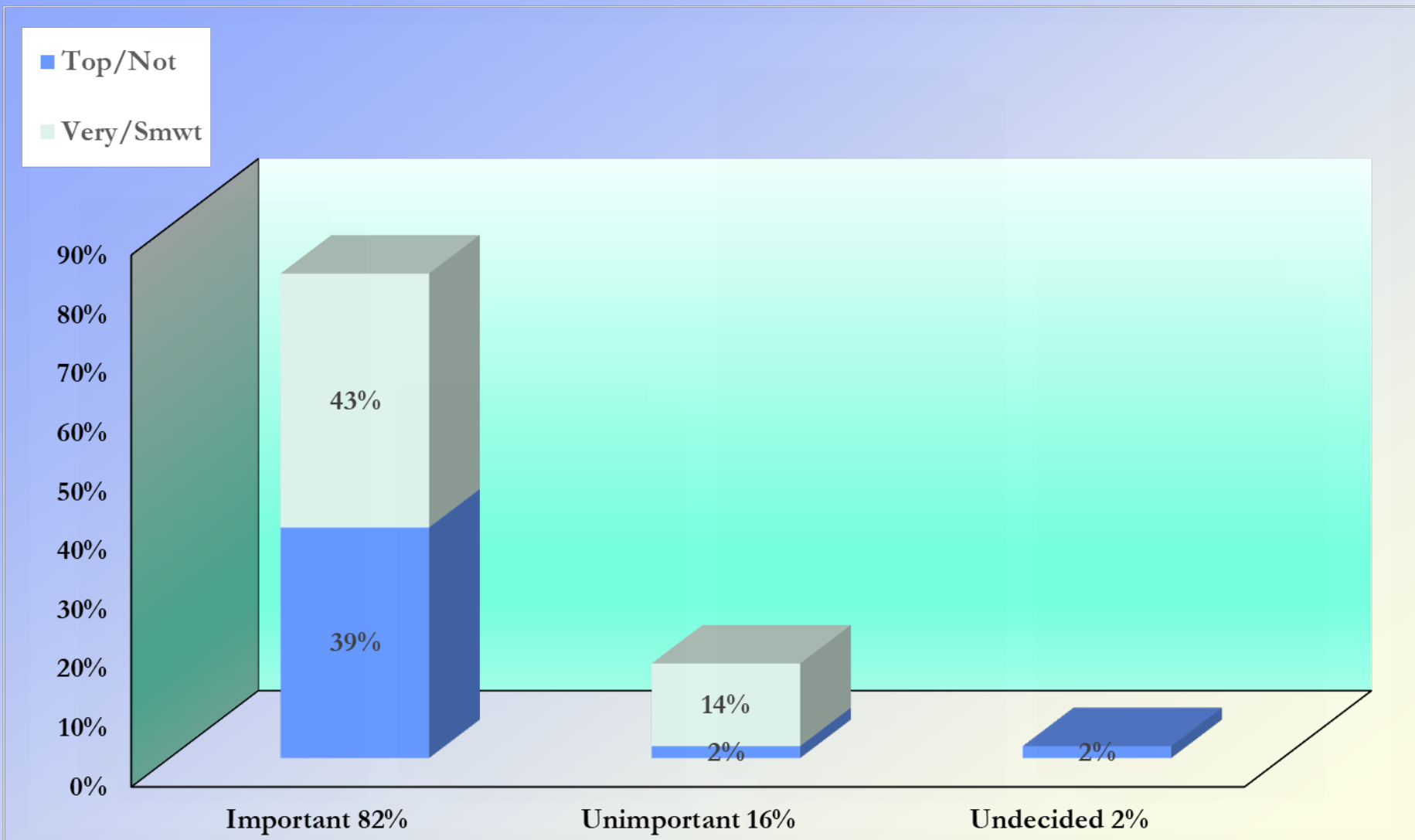
More than 7-in-10 Business Customers say clean energy goals are a top priority/very important



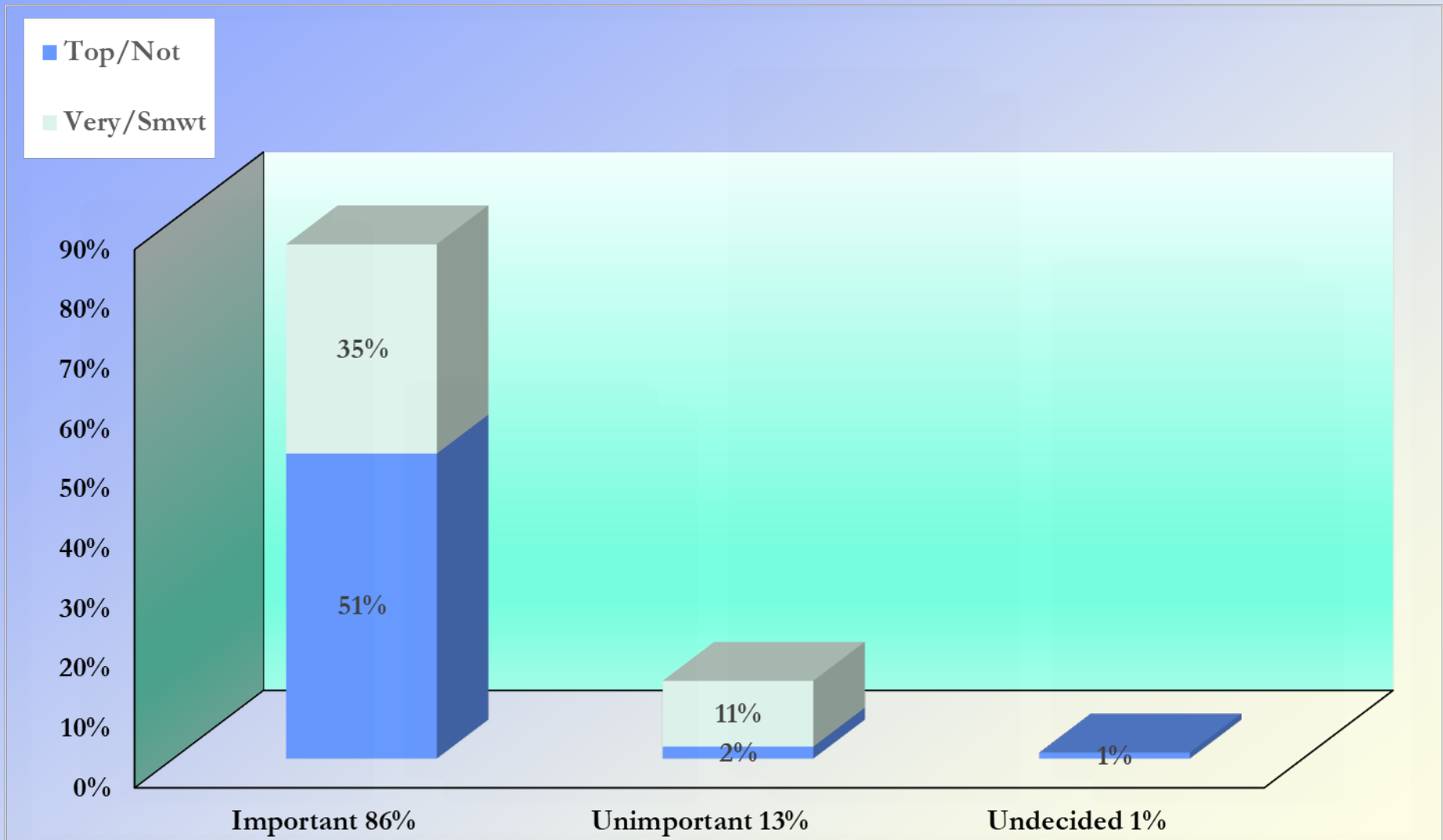
Majority says BWL doing the right amount of tree trimming while protecting appearance



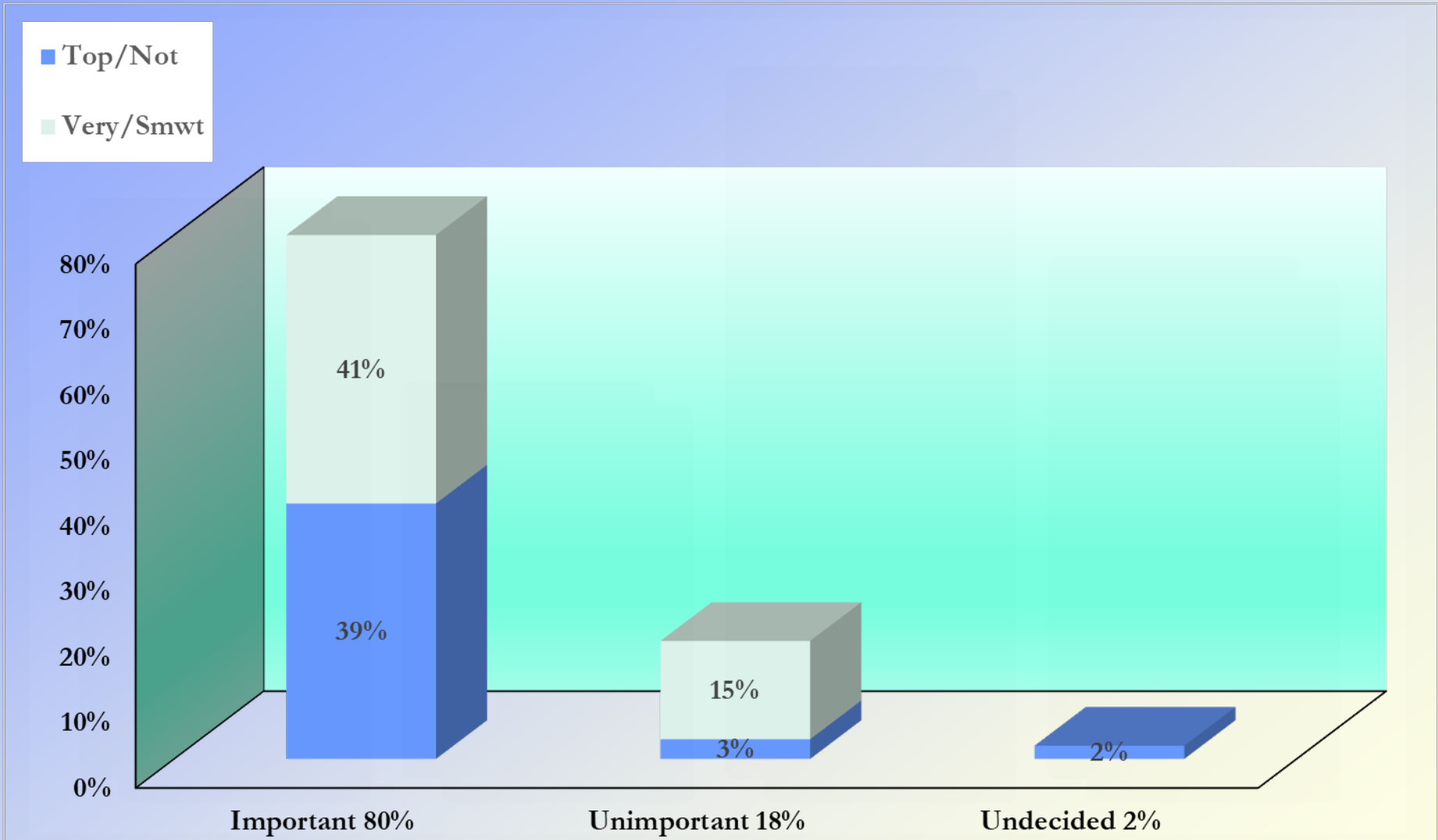
More than 8-in-10 Residential Customers say economic development a top priority/very important



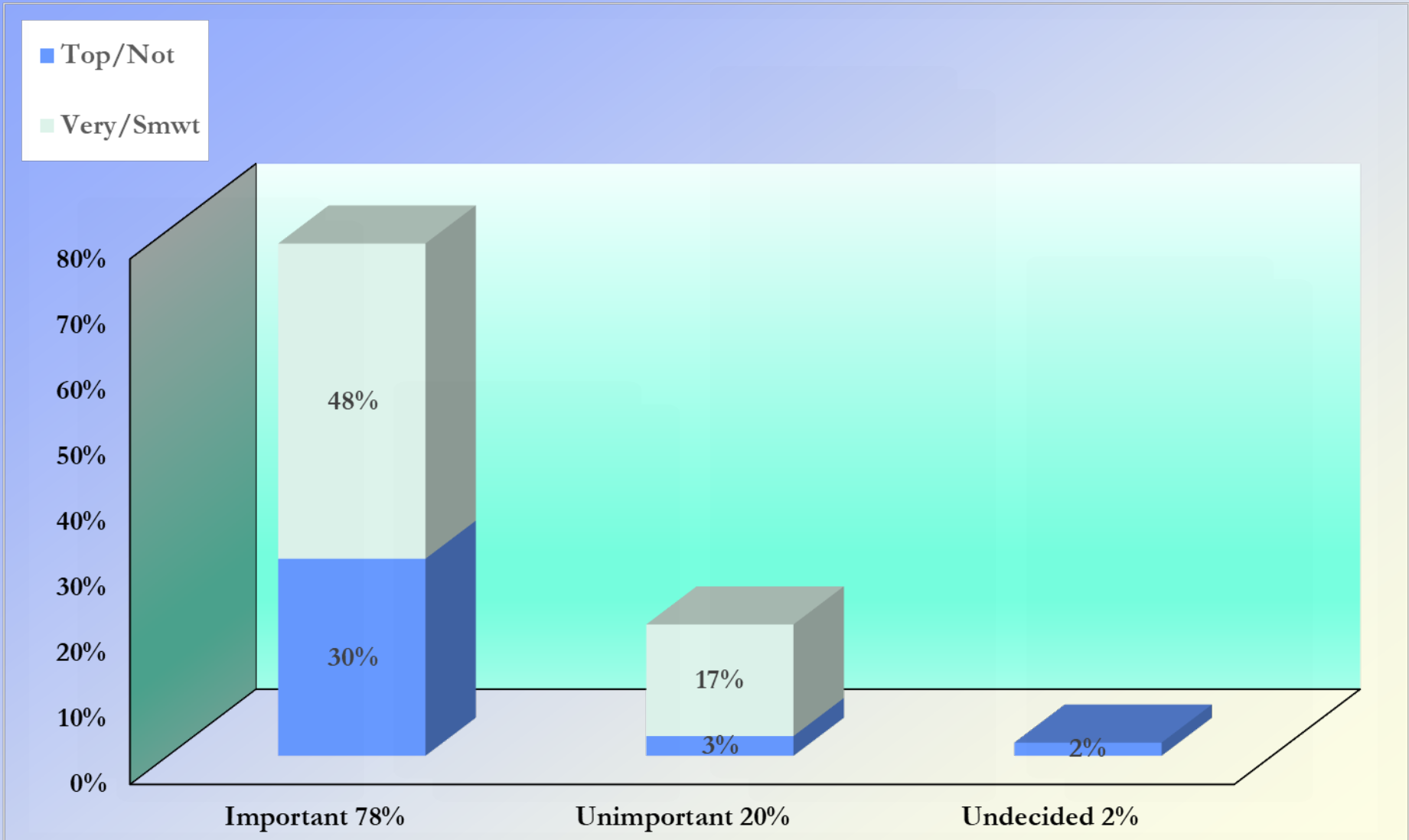
Higher percentage of Business Customers say economic development a top priority/very important



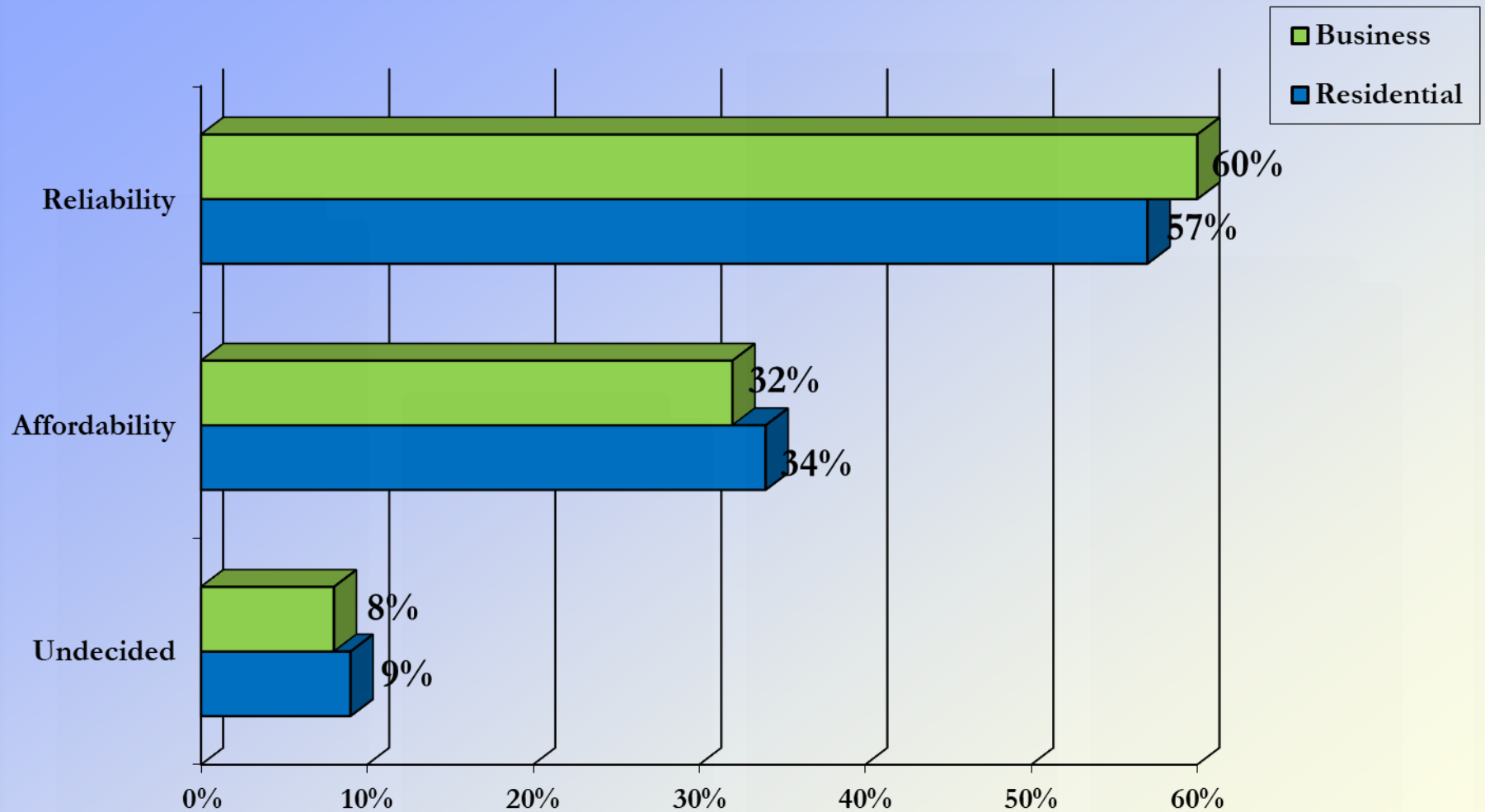
4-in-5 Residential Customers say it is important for BWL to offer programs to manage power use



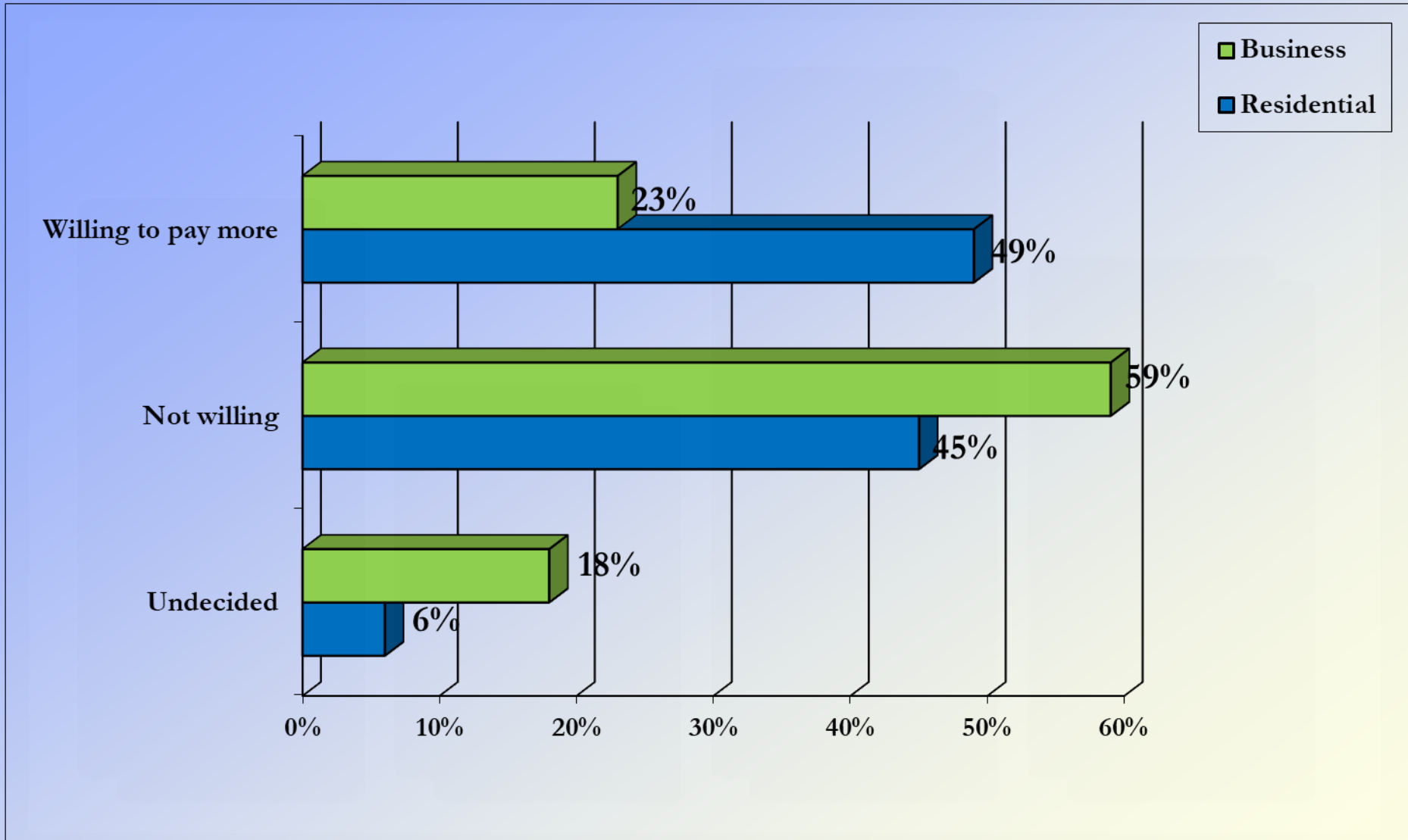
Nearly 4-in-5 Business Customers say it is important for BWL to offer programs to manage power use



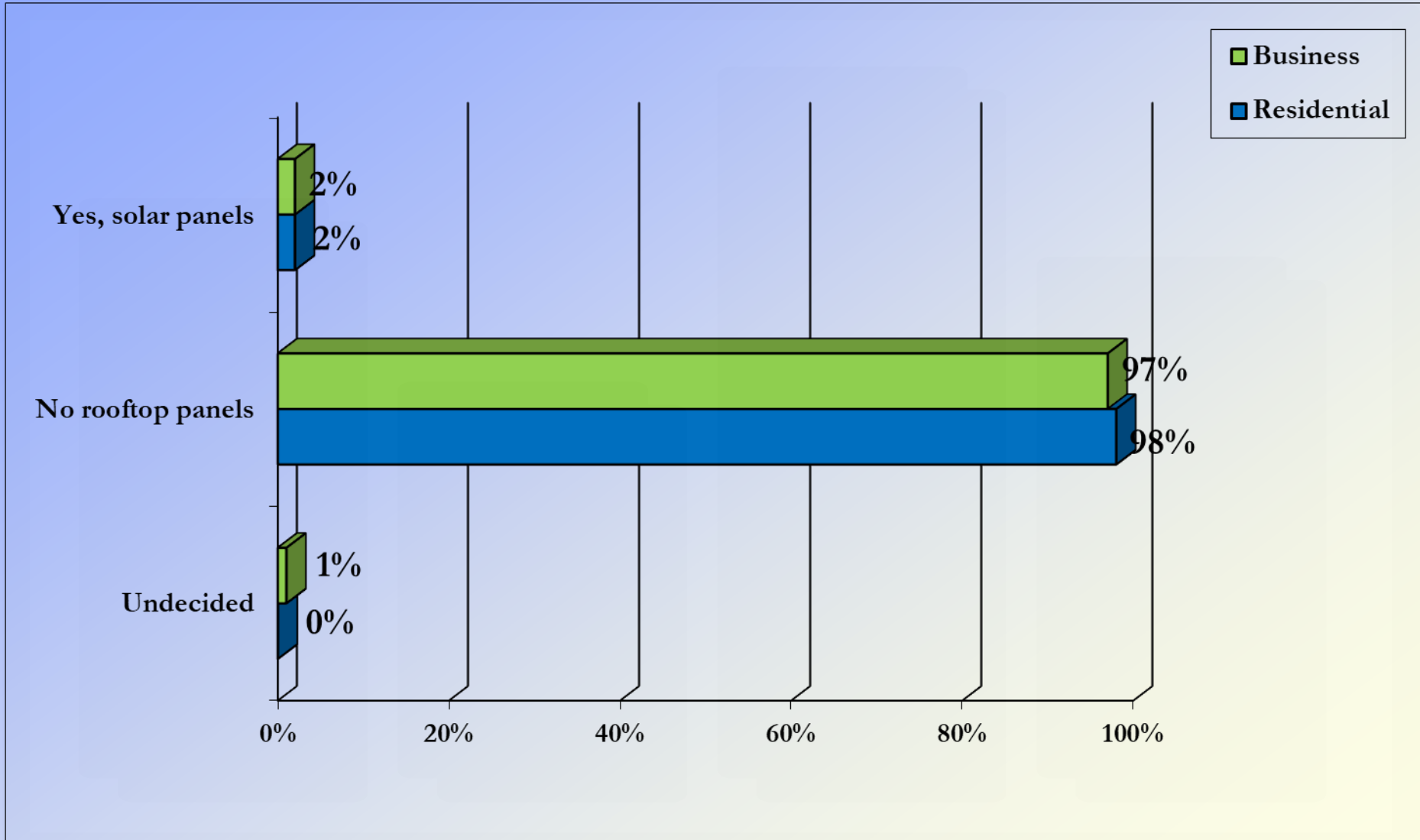
About 6-in-10 Residential and Business Customers say reliability more important than affordability



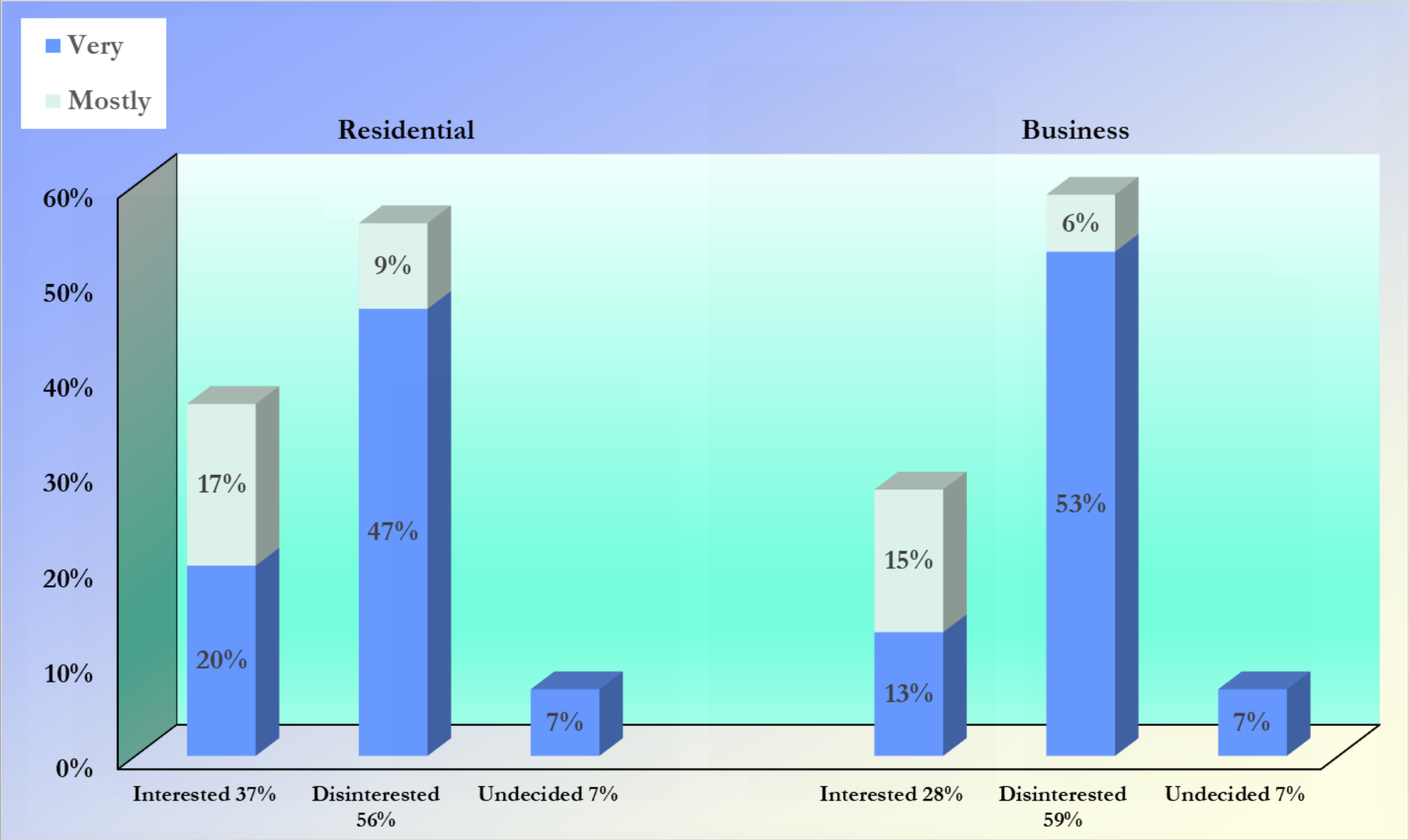
Near majority of Residential Customers would pay \$10 more for renewable energy - Business Customers would NOT pay 10% more



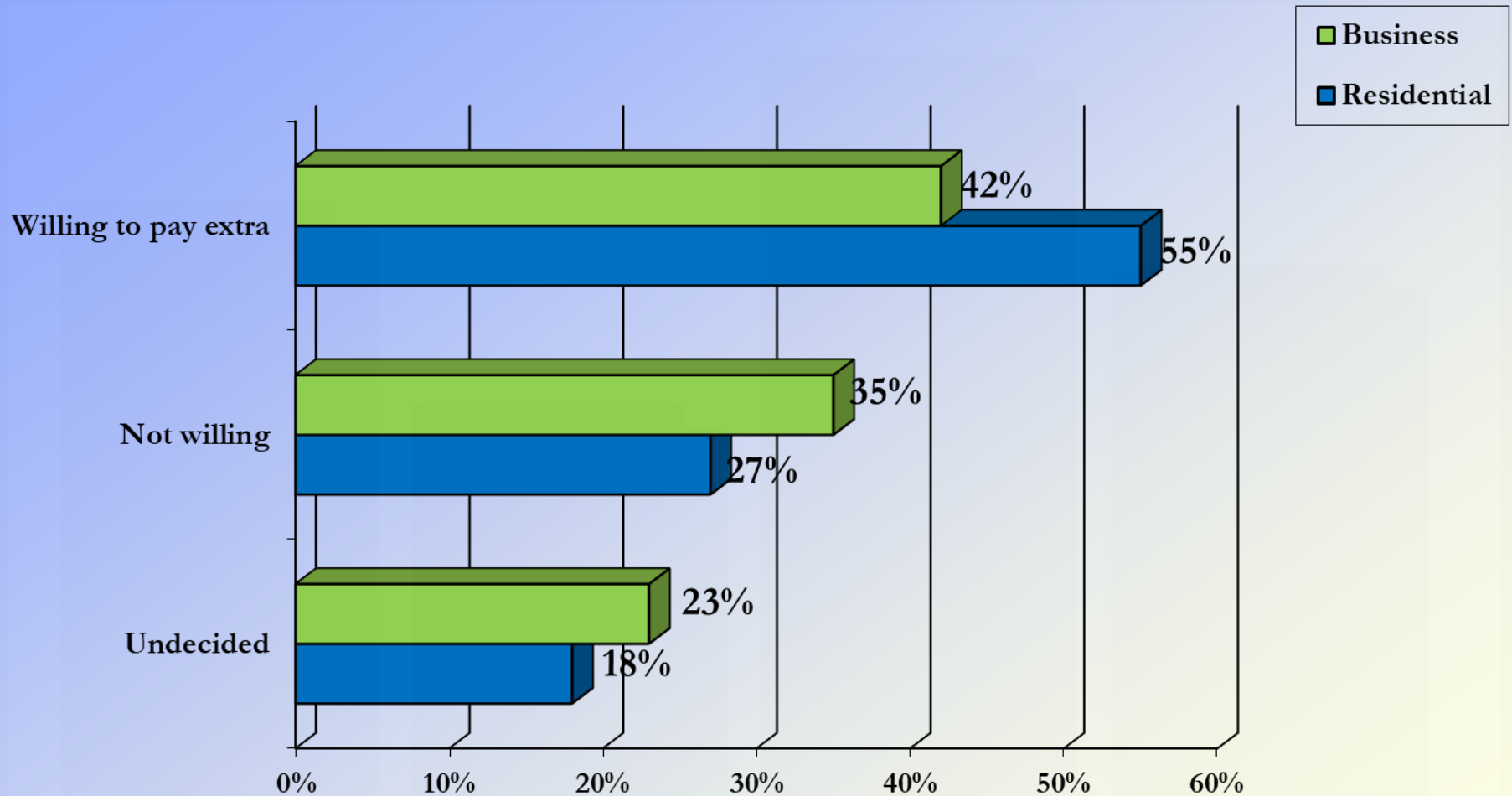
Only 2% of Residential and Business Customer have rooftop solar panels



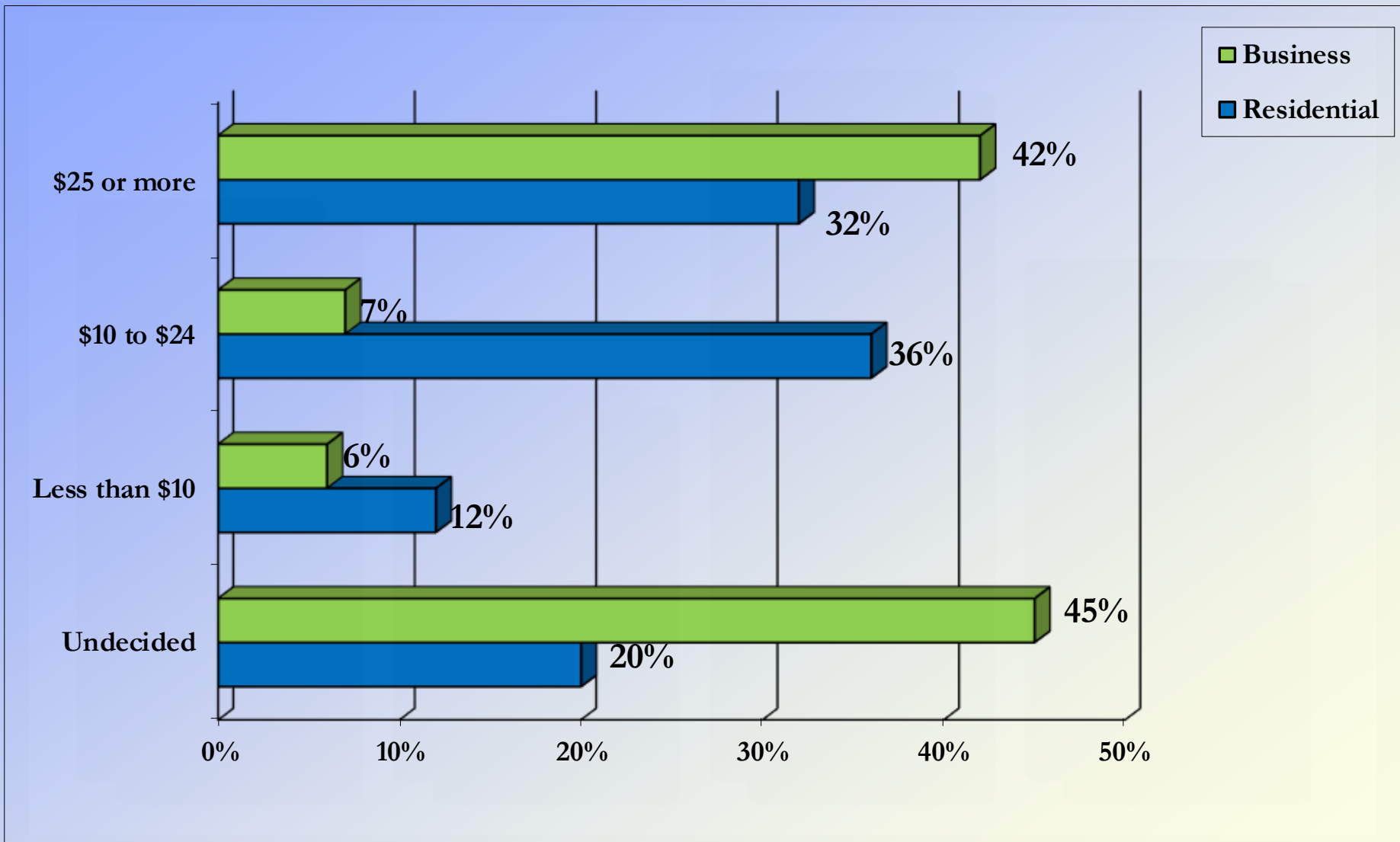
Nearly 4-in-10 Residential and 3-in-10 Business Customers interested in solar



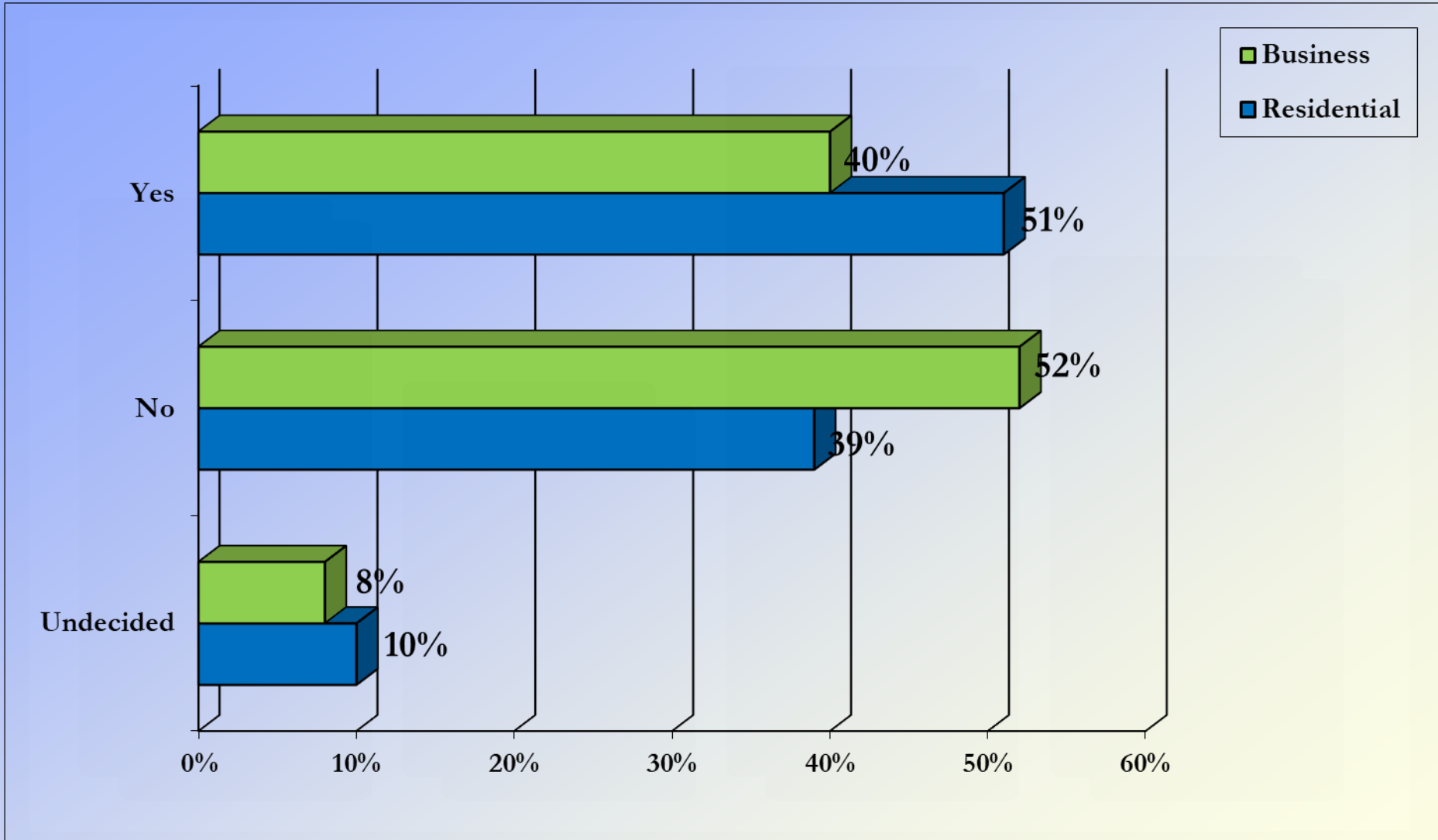
Majority of Residential and over 4-in-10 Business Customers willing to pay extra to have solar installed



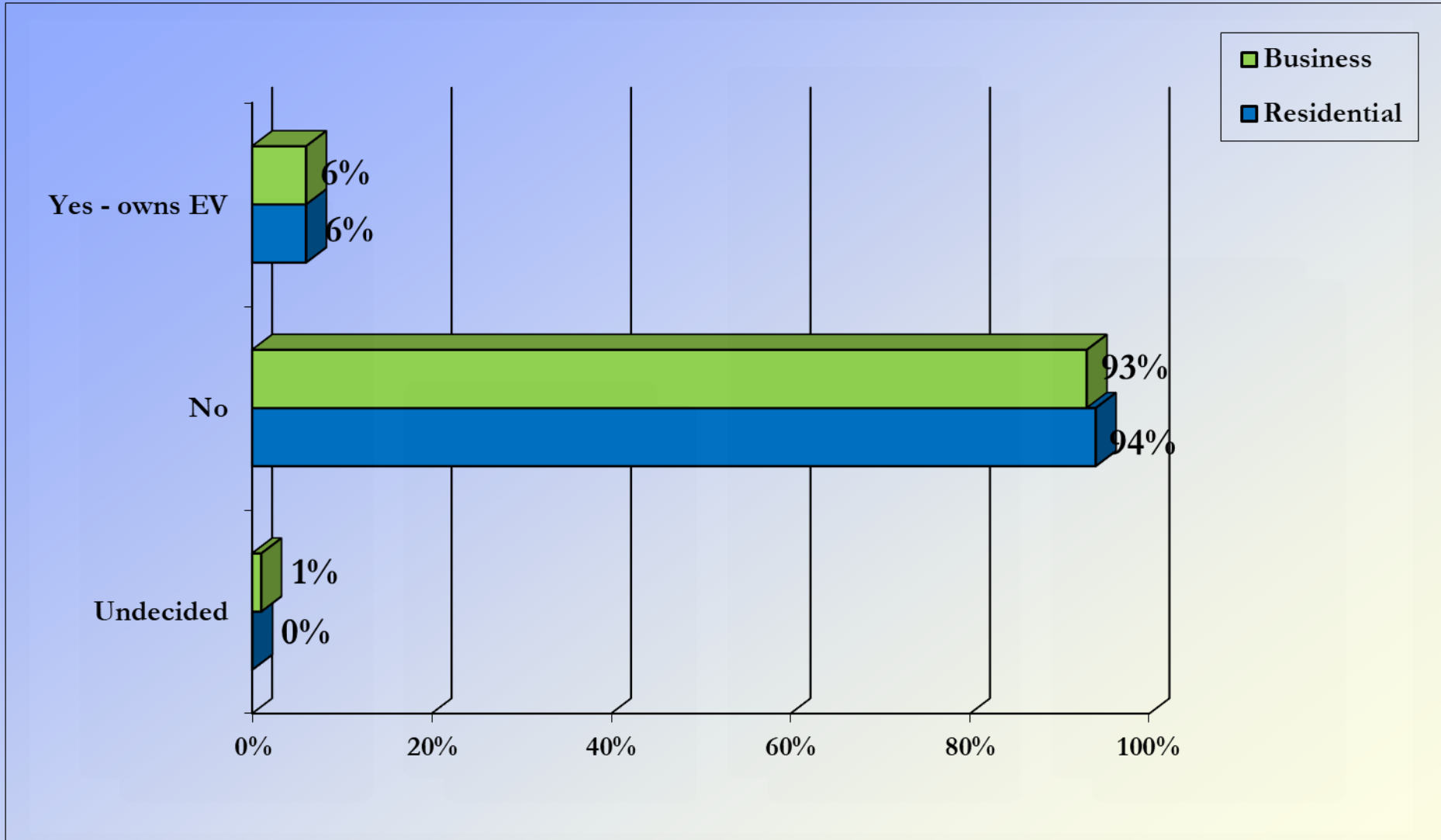
One third of Residential and 4-in-10 Business Customers willing to pay \$25 more per month for solar



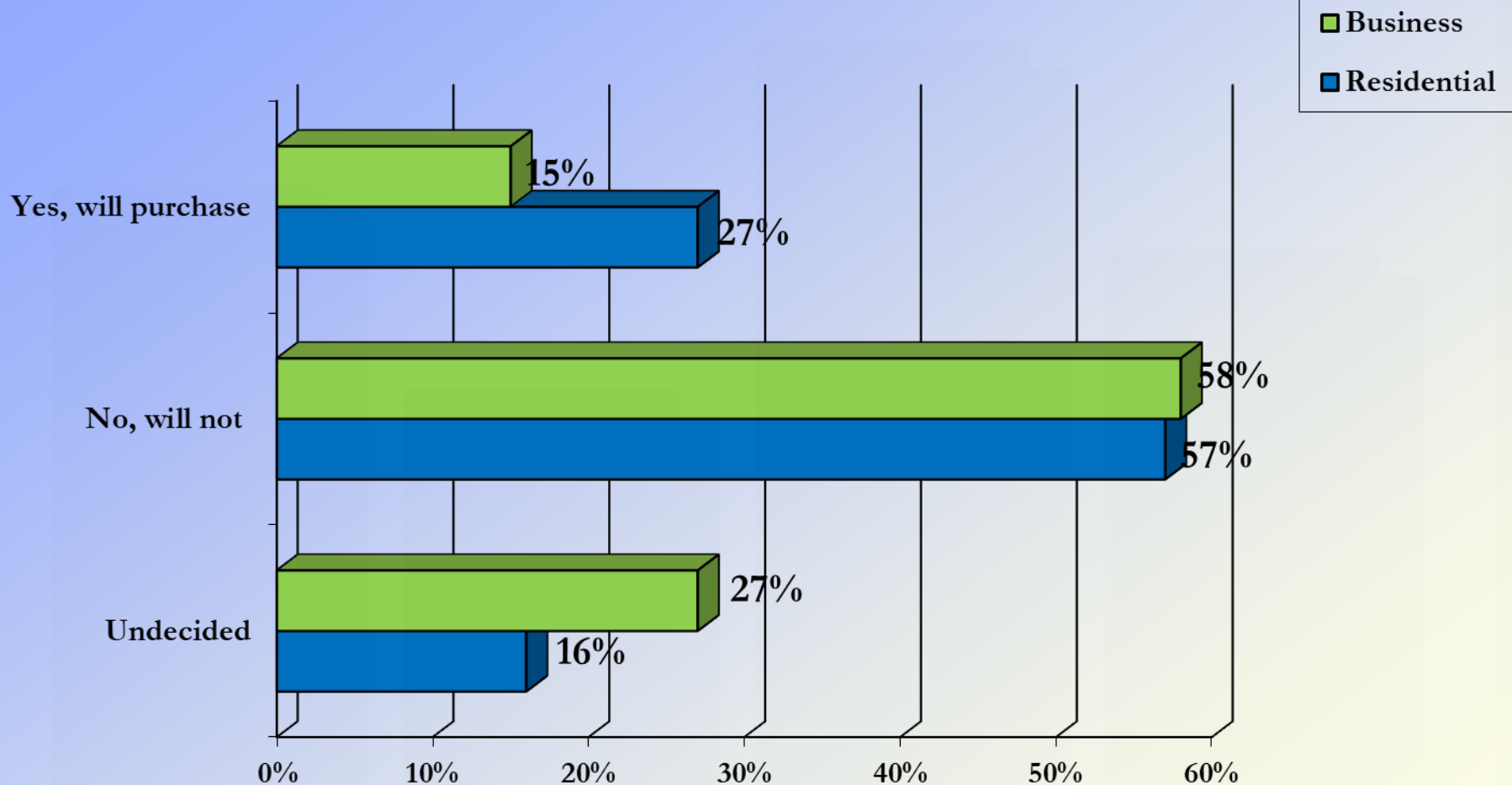
Narrow majority of Residential Customers and 4-in-10 Business Customers say BWL should offer EV incentives



Only 6% of Residential and Business Customers currently own an EV



Just over 1-in-4 Residential and 15% of Business Customers plan to purchase an EV in the next 5 years



Top reasons Residential Customers DO NOT plan to purchase an EV in the next 5 years

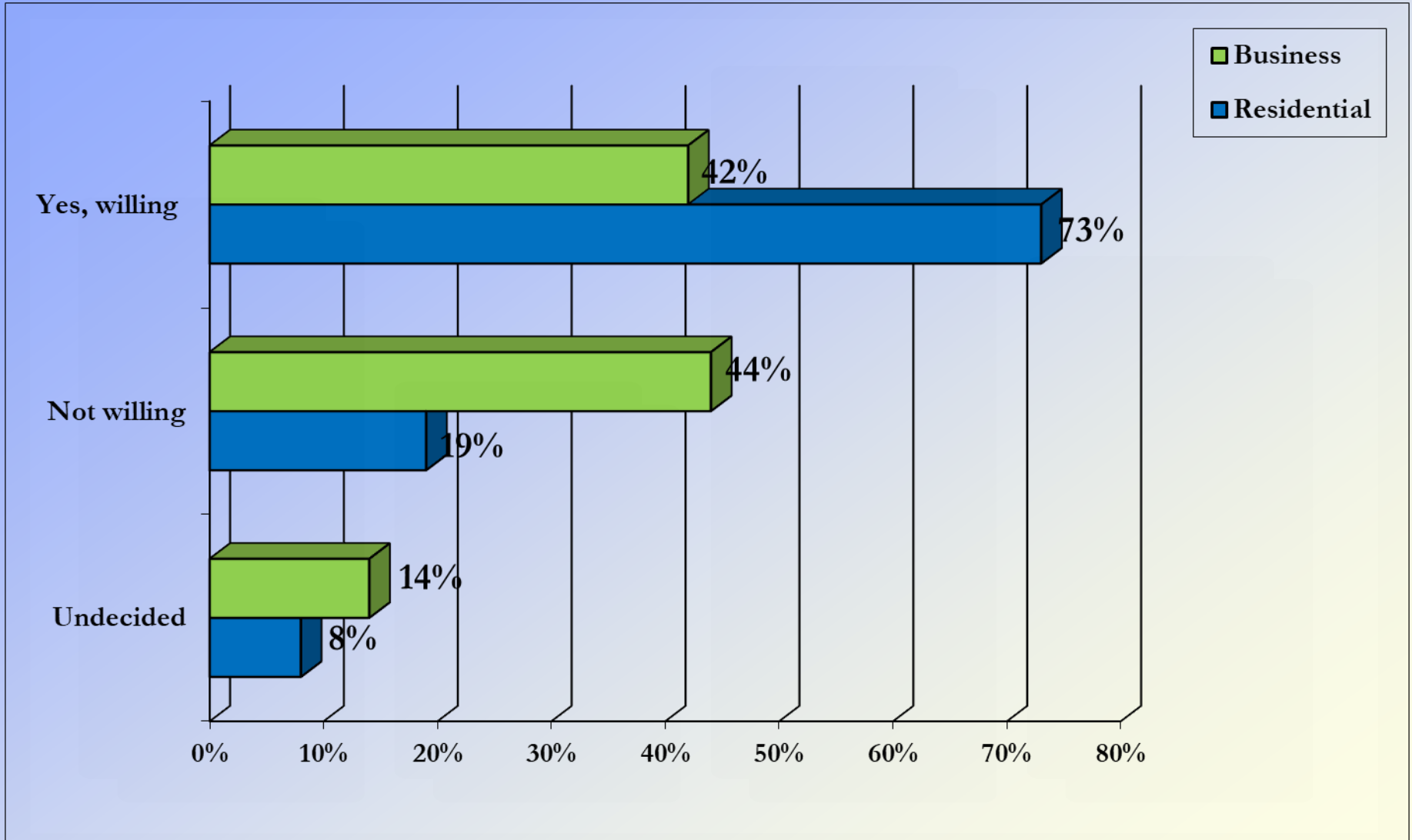
41% Cost - Cannot afford one - Too expensive

- 13% No need – Have a vehicle – Do not plan on purchasing a vehicle any time soon
- 10% Unproven – Unreliable (especially in winter) – Distrust them
- 7% Bad for the environment – Bad for our infrastructure – Concerns about Lithium mining
- 6% Do not drive – Cannot drive – Too old
- 6% Lack of charging stations available
- 4% No desire – No interest
- 2% Limited battery life/range (in miles)
- 2% Long recharge times
- 1% Prefer gas
- 1% Repairs/Battery replacement too expensive
- 1% Too quiet – They make no sound
- 0.5% No room/Not wired for a home charging set-up
- 0.5% They are too small
- 0.5% They catch on fire
- 0.5% Too heavy
- 0.5% Other (*less than 1% each*)
- 3.5% Undecided/Refused

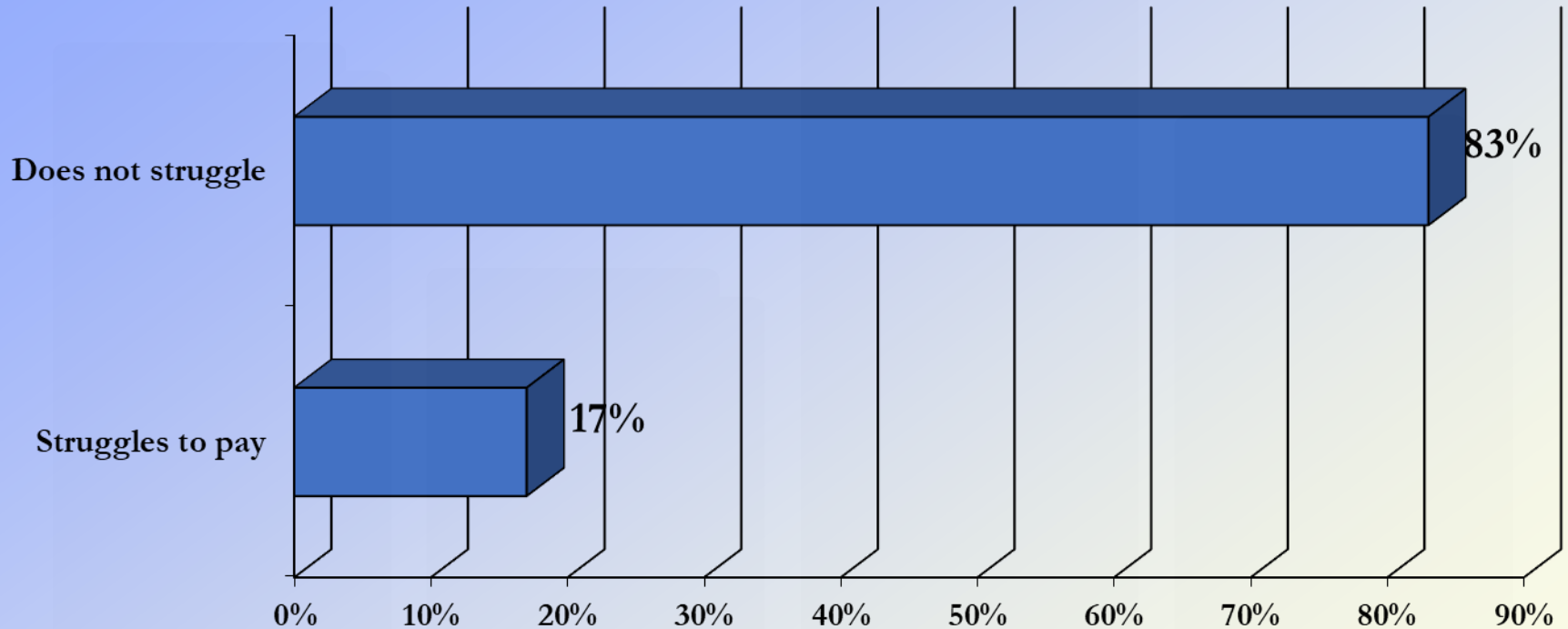
Top reasons that Business Customers DO NOT intend to purchase an EV in the next 5 years

- 32% **No need – No desire – Company does not use vehicles**
- 16% Cost – Cannot afford one – Too expensive
- 11% Unproven – Unreliable (especially in winter) – Distrust them
- 6% Won't work for our business – We need heavy trucks, etc.
- 5% Bad for the environment – Bad for our infrastructure – Concerns about Lithium mining
- 5% Limited battery life/range (in miles)
- 4% Lack of charging stations available
- 4% Prefer gas
- 4% Use personal vehicles
- 3% Long recharge times
- 1% Inefficient
- 0% It's all political
- 1% Other (*less than 1% each*)
- 8% Undecided/Refused

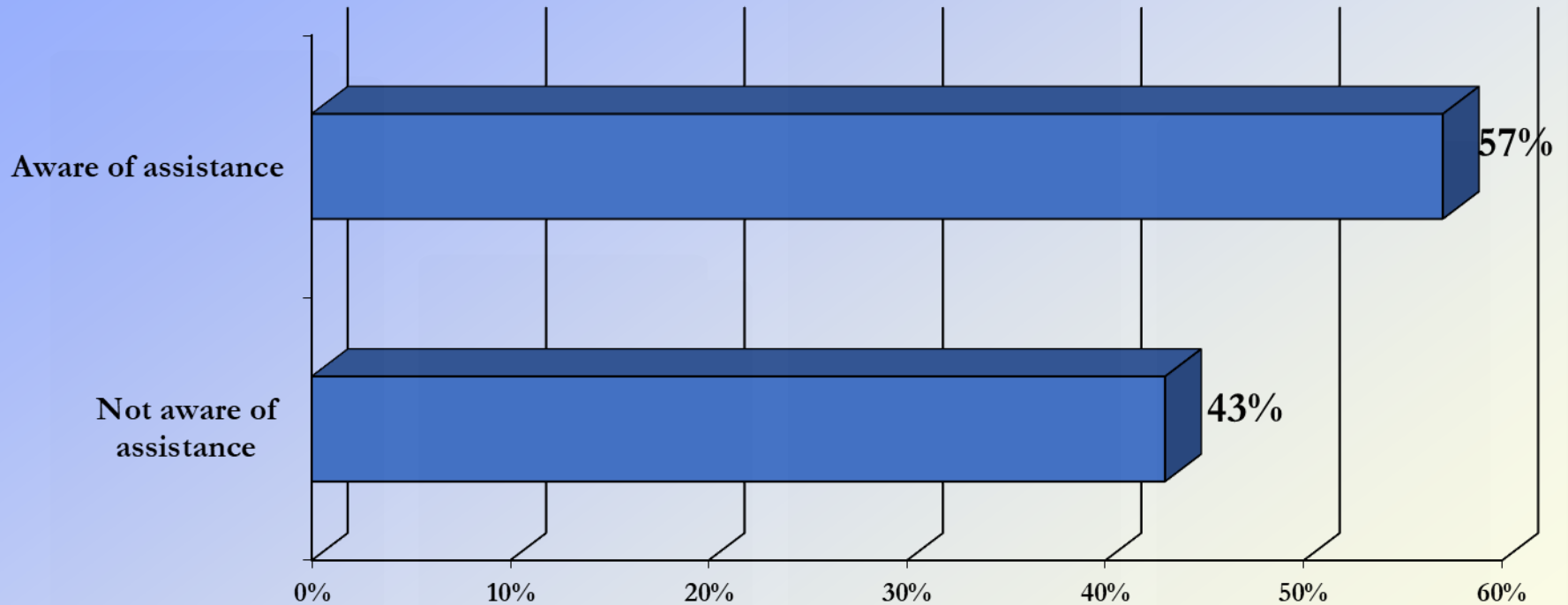
Nearly 3-in-4 Residential and more than 4-in-10 Business Customers willing to actively manage electric use to save



Nearly 1-in-5 say they struggle to pay their electric bill



Nearly 6-in-10 Residential Customers who struggle are aware of available financial assistance



Where BWL Residential Customers get information about local government

- 25% Online in general
- 25% Television news reports/websites
- 12% Facebook, Twitter, Social media
- 10% Lansing State Journal paper/website
- 10% Word of mouth
- 7% Radio news reports/websites
- 4% None; have no source of information
- 3% Direct mail
- 2% City Pulse
- 1% State News
- 0% City – Township newsletter
- 0% City – Township website
- 0% City Council
- 0% Email
- 0% MLive
- 0% Text messages
- 0% Other (*less than 1% each*)
- 1% Undecided/Refused

Where BWL Business Customers get information about local government

24% Television news reports/websites

23% Online in general

13% Facebook, Twitter, Social media

11% Lansing State Journal paper/website

11% Word of mouth

8% Radio news reports/websites

2% 517 Business Magazine

2% City Pulse

2% Direct mail

1% MLive

1% Other (*less than 1% each*)

2% Undecided/Refused

Top social media sites visited by Residential Customers

21% None – Do not use Social media

32% Facebook

19% Instagram

11% Twitter

7% Tik Tok

4% Snapchat

2% Reddit

2% YouTube

1% LinkedIn

0% Other (*less than 1% each*)

1% Undecided/Refused

Top social media sites visited by Business Customers

25% None – Do not use social media

42% Facebook

20% Instagram

7% Twitter

1% LinkedIn

1% Tik Tok

1% YouTube

1% Other (*less than 1% each*)

2% Undecided/Refused

Nearly 4-in-10 Residential Customers visit the BWL website once a month or more

3% One or more times a week

34% A few times a month

37% Total monthly or more often

23% A few times a year

12% Seldom

35% Total a few times per year or seldom

27% Never

1% Undecided/Refused

About 1-in-5 Business Customers visit the BWL website once a month or more

2% One or more times a week

14% A few times a month

16% Total monthly or more often

32% A few times a year

22% Seldom

54% Total a few times per year or seldom

28% Never

2% Undecided/Refused



Sec: F1-14

LANSING BOARD OF WATER & LIGHT

POLICY

FRAUD PREVENTION POLICY

EFFECTIVE: ENTER DATE

COMMISSION

POLICY TYPE: COMMISSION

SCOPE: This Fraud Prevention Policy ("Policy") applies to all who have access to or use Lansing Board of Water & Light's ("BWL") Assets, including BWL employees, Commissioners, and Contractors, all of whom are expected to be fair, honest, and willing to provide the BWL with the cooperation, information, and support necessary to prevent and investigate fraud.

PURPOSE: The purpose of this Policy is to promote consistent organizational behavior by establishing controls and guidelines to prevent and detect fraud; to protect BWL Assets and to assign responsibility for conducting fraud investigations at the BWL.

POLICY:

Statement

The BWL is committed to high ethical standards and strict compliance with the law in all its operations. The BWL takes allegations of fraud, crime, and misconduct seriously.

The BWL will investigate all reports of fraudulent or dishonest use or misuse of BWL Assets. Anyone found to have used BWL Assets in a fraudulent or dishonest manner is subject to disciplinary and/or legal action, up to and including termination and criminal prosecution.

The BWL General Counsel is responsible for implementing this Policy. Implementation means administering, interpreting, and applying this Policy. The General Counsel will appoint a Designated Representative(s) on an ad hoc basis to investigate allegations of fraud.

Definitions

For the purpose of this Policy:

"BWL Assets" are property and resources owned by or used by the BWL, including money, goods, materials, staff, services, software, and other intangibles used to operate the BWL.

"Designated Representative(s)" is the person or persons designated by BWL General Counsel to conduct fraud investigations and shall be either: 1) outside legal counsel or other expert, or 2) an investigation team of two or more BWL employees who, in the BWL General Counsel's discretion, has the skill, knowledge, and ability to conduct an investigation.

"Complainant" means any person who reports suspected Fraud.

“Contractor” includes anyone who has access to or uses BWL Assets and who is not a BWL employee or Commissioner.

“Fraud” is a knowing, dishonest misuse or misapplication of the BWL’s Assets. Examples of fraudulent conduct, taking into account applicable facts and the concept of good faith, include knowingly lying, deceiving, or stealing with the intent to obtain benefits, compensation, or some other form of value from the BWL to which the person is not entitled. Other examples of fraud include but are not limited to acts or omissions that constitute (1) misappropriation of BWL Assets; (2) a material violation of or non-compliance with federal, state, or local laws, regulations, BWL policies, procedures, or Rules and Regulations; (3) gross misconduct or incompetence; or (4) unethical, improper, dishonest, or deceitful conduct.

“Good Faith” is a sincerely and reasonably held belief, even if the belief is incorrect.

“Property” is defined as anything which is or may be subject to the ownership of the BWL.

Preventing Fraud

Each department is responsible for ensuring that suitable levels of internal controls are included in working procedures, particularly as they relate to financial activities and BWL Assets. It is important that duties are organized so that only one person can carry out a complete transaction with some form of review, approval, or oversight.

All levels of management are responsible for maintaining a system of internal controls which prevent, detect, or deter fraudulent or dishonest conduct. The BWL expects each member of the management team to be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indication of irregularity indicative of fraud. Any such irregularity detected or suspected must be reported immediately by one of the methods noted in Section A below. The Designated Representative(s) will coordinate investigations with the General Counsel and other executive staff consistent with the “Responding To An Incident Report” section of the Ethical Advocate Administrator Procedure.

A. Reporting Suspected Fraud:

Any employee who believes fraud may have been committed must:

1. Report the fraud to their supervisor, manager, director, or a Human Resources representative, who must then report the suspected fraudulent activity to the General Counsel, or
2. File an anonymous report via BWL’s employee reporting hotline or portal located on the BWL intranet page.

The report should be made as soon as possible, preferably within 48 hours of the incident or discovery, to ensure a prompt response and to facilitate a meaningful investigation. A reporter of fraudulent activity may remain anonymous for as long as possible, with the best means for maintaining anonymity being the employee reporting hotline or portal.

Within ten (10) business days of a report being received, the Complainant may log into the employee reporting hotline or portal to get a response to the issue raised, such as:

- Acknowledging that the concern has been received;
- Indicating how the matter will be dealt with;
- Providing an estimate of how long it will take to provide a final response;
- Indicating whether any initial inquiries have been made; and
- Describing what, if any, further investigations will take place, and if not, why not.

B. Investigating Fraud:

No person or entity may initiate or conduct internal investigations into matters involving allegations of fraudulent and unlawful conduct without obtaining authorization from the General Counsel to act as Designated Representative(s).

The Designated Representative(s) will coordinate the investigation and resolution of reported fraudulent activities with appropriate departments and when appropriate, with law enforcement agencies, consistent with these guidelines:

1. To the extent possible, the BWL will conduct all investigations in confidence.
2. Investigations will be conducted, giving due consideration to the following:
 - a. Resources required to investigate the allegation;
 - b. Legal impact of the allegation (e.g., criminal act vs. breach of procedure);
 - c. Applicability of internal disciplinary procedures;
 - d. Level of evidence required;
 - e. Protection of data and documents;
 - f. Minimizing undue negative effects on staff and third parties;
 - g. Restitution and minimizing the potential for further loss;
 - h. Review of any improvement required to prevent re-occurrence
3. If an investigation reveals fraud, the General Counsel may file a report with the appropriate law enforcement agency.
4. Persons who commit fraud may, in addition to disciplinary action, be required to pay restitution, including costs associated with the investigation and related activities.
5. In consultation with the Executive Director of Human Resources, General Counsel will recommend disciplinary action to be imposed, consistent with the Employee Rules of Conduct section of the BWL Employee Policies and Employee Handbook.
6. The Designated Representative(s), with advice from General Counsel, will make a report to appropriate members of Executive Management and, if appropriate, to the Board of Commissioners, giving attention to any recommended corrective or remedial measures to be taken.

Those conducting the investigation will hold the facts and findings of the investigation in confidence to the greatest degree possible. Those participating in the investigation as witnesses or advisors will also hold information they have or obtain in strict confidence.

C. Post Investigation:

After receiving the results of an internal investigation, the General Counsel will confer with the General Manager and decide whether it is necessary or appropriate to file a report with law enforcement, and if so, the BWL will cooperate with any government agency responsible for audits and investigations and comply with all disclosure requirements.

General Counsel or the Designated Representative(s) will work with the affected department(s) to ensure any corrective or remedial measures resulting from the fraud investigation are carried out.

D. Training:

A key element to a successful Fraud Prevention policy is training and awareness. It is important that every person in a position of trust read, understand, and comply with applicable policies and procedures. Training will be provided for employees who are involved in or manage internal control systems to ensure that their responsibilities are regularly reviewed and reinforced.

REFERENCES: Click or tap here to enter text.

RESPONSIBLE AREA & DEPT NAME: RA 131 - Legal Services

EXECUTIVE DIVISION: Corporate Governance/Risk & Legal Compliance

EXECUTIVE RECORD OF APPROVAL DATE: Click or tap to enter a date.

POLICY REVIEW: (This Policy MUST be reviewed at least every 4 years by responsible area (RA), unless specified otherwise).

REVIEWED BY	DATE	DUE DATE NEXT REVIEW
REVIEWED BY - INTERNAL AUDITOR	DATE (*not to exceed 5 years)	COMMENTS



Sec: F1-14

LANSING BOARD OF WATER & LIGHT

POLICY

FRAUD PREVENTION POLICY

EFFECTIVE: ENTER DATE

COMMISSION

POLICY TYPE: COMMISSION

SCOPE: This Fraud Prevention Policy ("Policy") applies to all who have access to or use Lansing Board of Water & Light's ("BWL") Assets, including BWL employees, Commissioners, and Contractors, all of whom are expected to be fair, honest, and willing to provide the BWL with the cooperation, information, and support necessary to prevent and investigate fraud.

PURPOSE: The purpose of this Policy is to promote consistent organizational behavior by establishing controls and guidelines to prevent and detect fraud; to protect BWL Assets and to assign responsibility for conducting fraud investigations and resolutions at the BWL.

POLICY:

Statement

The BWL is committed to high ethical standards and strict compliance with the law in all its operations. The BWL takes allegations of fraud, crime, and misconduct seriously.

The BWL will investigate all reports of fraudulent or dishonest use or misuse of BWL Assets. Anyone found to have used BWL Assets in a fraudulent or dishonest manner is subject to disciplinary and/or legal action, up to and including termination and criminal prosecution.

The BWL General Counsel is responsible for implementing this Policy. Implementation means administering, interpreting, and applying this Policy. The General Counsel will appoint a Designated Representative(s) on an ad hoc basis to investigate allegations of fraud and confer with heads of the Human Resources and Internal Audit departments, as appropriate.

Definitions

For the purpose of this Policy:

"BWL Assets" are property and resources owned by or used by the BWL, including money, goods, materials, staff, services, intellectual property, software, and other intangibles used to operate the BWL.

"Designated Representative(s)" is the person or persons designated by BWL General Counsel to conduct fraud investigations and shall be either: 1) outside legal counsel or other experts, or 2) an investigation team of two or more BWL employees, including the internal auditor or designee, who, in the BWL General Counsel's discretion, has the skill, knowledge, and ability to conduct an investigation.

“Complainant” means any person who reports suspected Fraud.

“Contractor” includes anyone who has access to or uses BWL Assets and who is not a BWL employee or Commissioner.

“Fraud” is a knowing, dishonest misuse or misapplication of the BWL’s Assets. Examples of fraudulent conduct, taking into account applicable facts and the concept of good faith, include knowingly lying, deceiving, or stealing with the intent to obtain benefits, compensation, or some other form of value from the BWL to which the person is not entitled. Other examples of fraud include but are not limited to acts or omissions that constitute (1) misappropriation of BWL Assets; (2) a material violation of or non-compliance with federal, state, or local laws, regulations, BWL policies, procedures, or Rules and Regulations; (3) gross misconduct or incompetence; or (4) unethical, improper, dishonest, or deceitful conduct.

“Good Faith” is a sincerely and reasonably held belief, even if the belief is incorrect.

“Property” is defined as anything which is or may be subject to the ownership of the BWL.

Preventing Fraud

Each department is responsible for ensuring that suitable levels of internal controls are included in working procedures, particularly as they relate to financial activities and BWL Assets. It is important that duties are organized so that only one person can alone cannot carry out a complete transaction without some form of review, approval, or oversight, to ensure that appropriate segregation of duties is maintained.

All levels of management are responsible for maintaining a system of internal controls which prevent, detect, or deter fraudulent or dishonest conduct. The BWL expects each member of the management team to be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indication of irregularity indicative of fraud. Any such irregularity detected or suspected must be reported immediately by one of the methods noted in Section A below. The Designated Representative(s) will coordinate investigations with the General Counsel and other executive staff consistent with the “Responding To An Incident Report” section of the Ethical Advocate Administrator Procedure.

Periodic internal controls testing will be conducted by the internal audit department to provide an objective evaluation of fraud risk mitigation policies, processes, and procedures.

A. Reporting Suspected Fraud:

Any employee who believes fraud may have been committed must:

1. Report the fraud to their supervisor, manager, director, or a Human Resources representative, who must then report the suspected fraudulent activity to the General Counsel, or
2. File an anonymous report via BWL’s employee reporting hotline or portal located on the BWL intranet page.

The report should be made as soon as possible, preferably within 48 hours of the incident or discovery, to ensure a prompt response and to facilitate a meaningful investigation. A reporter of fraudulent activity may remain anonymous for as long as possible, with the best means for maintaining anonymity being the employee reporting hotline or portal.

Within ten (10) business days of a report being received, the Complainant may log into the employee reporting hotline or portal to get a response to the issue raised, such as:

- Acknowledging that the concern has been received;
- Indicating how the matter will be dealt with;
- Providing an estimate of how long it will take to provide a final response;
- Indicating whether any initial inquiries have been made; and
- Describing what, if any, further investigations will take place, and if not, why not.

B. Investigating Fraud:

No person or entity may initiate or conduct internal investigations into matters involving allegations of fraudulent and unlawful conduct without obtaining authorization from the General Counsel to act as Designated Representative(s).

The Designated Representative(s) will coordinate the investigation and resolution of reported fraudulent activities with appropriate departments and when appropriate, with law enforcement agencies, consistent with these guidelines:

1. To the extent possible, the BWL will conduct all investigations in confidence.
2. Investigations will be conducted, giving due consideration to the following:
 - a. Resources required to investigate the allegation;
 - b. Legal impact of the allegation (e.g., criminal act vs. breach of procedure);
 - c. Applicability of internal disciplinary procedures;
 - d. Level of evidence required;
 - e. Protection of data and documents;
 - f. Minimizing undue negative effects on staff and third parties;
 - g. Restitution and minimizing the potential for further loss;
 - h. Review of any improvement required to prevent re-occurrence
3. If an investigation reveals fraud, the General Counsel may file a report with the appropriate law enforcement agency.
4. Persons who commit fraud may, in addition to disciplinary action, be required to pay restitution, including costs associated with the investigation and related activities.
5. In consultation with the Executive Director of Human Resources, General Counsel will recommend disciplinary action to be imposed, consistent with the Employee Rules of Conduct section of the BWL Employee Policies and Employee Handbook.
6. The Designated Representative(s), with advice from General Counsel, will make a report to appropriate members of Executive Management and, if appropriate, to the Board of Commissioners, giving attention to any recommended corrective or remedial measures to be taken.

Those conducting the investigation will hold the facts and findings of the investigation in confidence to the greatest degree possible. Those participating in the investigation as witnesses or advisors will also hold [the](#) information they have or obtain in strict confidence.

C. Post Investigation:

After receiving the results of an internal investigation, the General Counsel will confer with the General Manager and decide whether it is necessary or appropriate to file a report with law enforcement, and if so, the BWL will cooperate with any government agency responsible for audits and investigations and comply with all disclosure requirements.

General Counsel or the Designated Representative(s) will work with the affected department(s) to ensure any corrective or remedial measures resulting from the fraud investigation are carried out.

D. Training:

A key element to a successful Fraud Prevention policy is annual training and awareness. It is important that every person in a position of trust read, understand, reads, understands, and comply/complies with applicable policies and procedures. Training will be provided for employees who are involved in or manage internal control systems to ensure that their responsibilities are regularly reviewed and reinforced.

REFERENCES: Click or tap here to enter text.

RESPONSIBLE AREA & DEPT NAME: ~~RA 131~~ Legal Services

EXECUTIVE DIVISION: Corporate Governance/Risk & Legal Compliance

EXECUTIVE RECORD OF APPROVAL DATE: Click or tap to enter a date.

POLICY REVIEW: (This Policy MUST be reviewed at least every ~~4 years~~annually by the responsible area (RA), unless specified otherwise).

REVIEWED BY	DATE	DUE DATE NEXT REVIEW
REVIEWED BY - INTERNAL AUDITOR	DATE (*not to exceed 5 <u>years</u> annually)	COMMENTS

RESOLUTION 2023-07-XX
Board of Commissioners Expenditures

WHEREAS, the Board of Commissioners discussed the planning and monitoring of Board expenditures by the Corporate Secretary at a Human Resources Committee meeting held on March 16, 2023; and a budget and expense report has been developed by the Corporate Secretary for the Board of Commissioners; and

WHEREAS, the Rules of Procedure, Section 19.7.2 states the Executive Committee shall review Member expenses on a quarterly basis; and the Board of Commissioners wishes to meet organizational objectives and to have the budget information shared frequently with the Board of Commissioners; the Board of Commissioners determined that the budget and expense report shall be sent by the Corporate Secretary to the Board of Commissioners quarterly.

RESOLVED, That the Board of Commissioners hereby approves the Board of Commissioners Expenditures reporting procedure.

Motion by Commissioner _____, seconded by Commissioner _____ to approve the Resolution for the Board of Commissioners Expenditures at a Regular Board Meeting held on July 18, 2023.

RESOLUTION 2023-07-XX
Board Appointees Remote Work Authorization

WHEREAS, the Board of Commissioners of the Lansing Board of Water & Light (BWL) desires to provide for the authorization of remote work for each of its Board Appointees.

NOW, THEREFORE, BE IT RESOLVED, Board Appointees may work remotely in accordance with the requirements of the BWL's Remote Work Policy and the Chairperson of the Board is authorized to effectuate such agreements by signing the BWL's Remote Work Agreement with the Appointee.

Motion by Commissioner _____, Seconded by Commissioner _____, to approve the Resolution for Board Appointees Remote Work Authorization at a Board meeting held on July ____, 2023.