



**BOARD OF WATER AND LIGHT
REO Town Depot
1201 S. Washington Ave., Lansing, Michigan
March 28, 2017 - 5:30 p.m.
BOARD MEETING AGENDA**

1. Roll Call

2. Pledge of Allegiance

3. Approval of Minutes

- a. Regular Board Meeting Minutes of January 24, 2017

4. Public Comment

*Members of the public are welcome to speak to the Board on any agenda subject. Anyone wishing to comment on any matter **not** on the agenda may do so immediately prior to adjournment.*

5. Communications

Electronic Mail from:

- a. June Rochon re: Outage system failures

6. Committee Reports

- a. Committee of the Whole Meeting (March 14, 2017)
- b. Finance Committee Meeting (March 14, 2017)

7. Manager's Recommendations

- a. Michigan Public Power Agency (MPPA) Commissioner Appointment

8. Unfinished Business

9. New Business

10. Resolutions/Action Items

- a. Futures Trading Authority
- b. Travel & Reimbursement Policy (Commissioners, Appointees, Employees & Investment Fiduciaries)

11. Manager's Remarks

12. Commissioners' Remarks

13. Motion of Excused Absence

14. Public Comment

Members of the public are welcome to speak to the Board on any Board of Water and Light subject. Is there anyone who would care to speak? If so, please step to the podium and state your name for the record?

15. Adjournment



MINUTES OF THE BOARD OF COMMISSIONERS MEETING

LANSING BOARD OF WATER AND LIGHT

January 24, 2017

The Board of Commissioners met at the Lansing Board of Water and Light (BWL) Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, January 24, 2017.

Chairperson David Price called the meeting to order at 5:30 p.m.

Present: Commissioners Dennis M. Louney, Anthony McCloud, Tony Mullen, David Price, and Sandra Zerkle. Non-Voting Commissioners present: Stuart Goodrich (Dehli Township), and Bill Long (Delta Township).

Absent: Commissioners Tracy Thomas and Bob Nelson (East Lansing).

The Corporate Secretary declared a quorum.

Commissioner Long led the Pledge of Allegiance.

SPECIAL COMMUNICATION

- a. Letter of Resignation from BWL 2nd Ward Commissioner Mark Alley

Motion by Commissioner Ross, Seconded by Commissioner McCloud to accept, receive and place on File the letter of resignation from Commissioner Mark Alley.

Action: Carried Unanimously

ELECTION OF OFFICER FOR THE POSITION OF VICE CHAIRPERSON

Motion by Commissioner McCloud, Seconded by Commissioner Ross to nominate Tony Mullen for the officer position of Vice Chairperson for the remaining of the 2016-2017 fiscal year.

Action: Carried Unanimously

APPROVAL OF MINUTES

Motion by Commissioner Mullen, Seconded by Commissioner McCloud, to approve the Regular Board Meeting minutes of November 15, 2016.

Action: Motion Carried

PUBLIC COMMENTS

None.

COMMUNICATIONS

Electronic Mail received from:

- a. Steve Rall re: Before the Flood Film- Received and Placed on File
- b. Kindra Weid re: Health Impact Assessment- Referred to Management-Received and Placed on File
- c. Dave Hayhurst re: Response to Complaint- Referred to Management -Received and Placed on File
- d. Francesca Boville re: Light Speed Internet- Referred to Management -Received and Placed on File

COMMITTEE REPORTS

HUMAN RESOURCES COMMITTEE

Meeting Minutes January 10, 2017

The Human Resources Committee (HR) 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, at 5:15 p.m. on Tuesday, January 10, 2017.

Human Resources Committee Chairperson Tony Mullen called the meeting to order and asked the Corporate Secretary to call the roll. The following members were present: Commissioners Tony Mullen, Anthony McCloud and Sandra Zerkle. Also present: Commissioners David Price, Ken Ross, and Tracy Thomas; and Non-Voting Commissioner William Long.

Public Comments

None

Approval of Minutes

Motion by Commissioner McCloud, Seconded by Commissioner Zerkle, to approve the Human Resources Committee meeting minutes of November 8, 2016.

Action: Motion Carried.

Amendment to 401a Defined Contribution Plan and the 457 Deferred Compensation Plan

Executive Director of Human Resources Michael Flowers explained that the two resolutions presented this evening are for Non-Bargaining Unit employees. The same resolutions were presented and approved by the Board for the Bargaining Unit employees. As previously outlined, the proposed amendments to the 401a are such that the employer contribution for Non-Bargaining Unit employees is increased from 8.1% to 9.5% for employees hired after January 1, 1997. The 457 Deferred Compensation Plan will be amended such that the limit of the employer match for Non-Bargaining Unit Employees is increased from \$1,250 per year to \$1,500 per year.

Motion by Commissioner McCloud, Seconded by Commissioner Zerkle to forward the proposed Resolutions to the full Board for consideration.

Action: Motion Carried.

Other

None

Public Comments

None

Adjourn

With **Motion** by Commissioner McCloud, Seconded by Commissioner Zerkle, the meeting adjourned at 5:23 p.m.

Respectfully Submitted,
Tony Mullen, Chair
Human Resources Committee

**FINANCE COMMITTEE
Meeting Minutes
January 10, 2017**

The Finance Committee of the Board of Water and Light (BWL) met at the BWL Headquarters – REO Town Depot, located at 1201 S. Washington Ave., Lansing, MI, at 5:32 p.m. on Tuesday, January 10, 2017.

Finance Committee Chair Ken Ross called the meeting to order and requested a roll call.

Present: Commissioners Ken Ross, David Price and Sandra Zerkle (Alternate Member). Also present: Commissioners Tony Mullen, Anthony McCloud and Non-Voting Commissioner William Long (Departed at 6:10 p.m.).

Absent: Commissioner Dennis M. Louney

The Corporate Secretary declared a quorum.

Public Comments

None

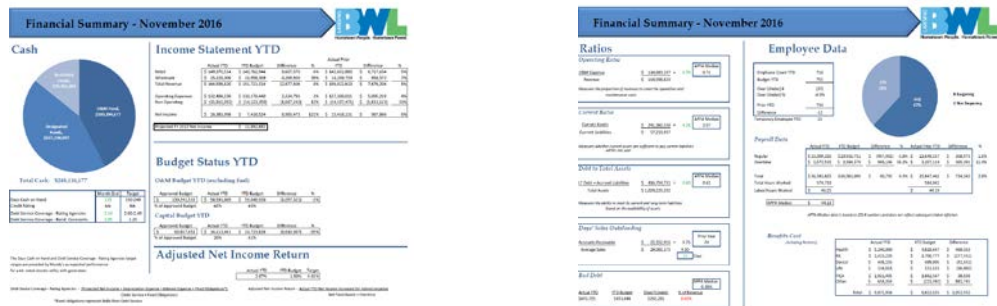
Approval of Minutes

Motion by Commissioner Price, Seconded by Commissioner Ross, to approve the Finance Committee meeting minutes of November 8, 2016.

Action: Motion Carried.

November YTD Financial Summary

Chief Financial Officer, Heather Shawa-DeCook presented the following:



Chief Financial Officer (CFO) Shawa-DeCook announced that the BWL went through an evaluation in December from both Moody’s and S&P Credit Rating Agencies and the results are an affirmed AA- rating with stable outlook.

Ms. Shawa-DeCook mentioned that the Bad Debt process is currently being reviewed and special attention is being focused on large commercial customers, as there seems to be an upward trend of their debt.

Ms. Shawa-DeCook also informed the Committee that the BWL will be going out for a Bond reissuance which was approved by the Board last November. She stated that there is a Net Present Value estimated savings of \$3.7 million or 10.7%.

Update on Management Responses to Internal Audits

Chief Financial Officer Heather Shawa-DeCook presented management’s responses to audits as follows:

STATUS OF MANAGEMENT RESPONSES TO AUDITS DECEMBER 2016

In Accordance with Board Resolution #2014-07-05

UPDATES IN RED

Issue #	Audit Name	Issue Description	Date	Responsible Area	Status
17	Close the Books	The Internal Auditor recommended that considerations be given to the use of a general accounting manual.	August 2014	General Accounting	A General Accounting Procedure Manual has been drafted and is under review by the CFO.
27	Management of Mobile Devices	The Internal Auditor recommended encrypting data on all remaining laptops and smart phones.	Sept 2015	Information Technology	IT has encrypted the laptops used by field personnel and established user guidelines. Guidelines require BPL users to encrypt sensitive data on their own mobile devices. Currently, updates are in effect for data classification. Software vulnerability management capabilities has been reviewed and will be installed by 3/31/17.
29	Management of Mobile Devices	Internal Auditor recommended further consideration of password software with remote clearing capabilities.	Sept 2015	Information Technology	Software with remote management capabilities for mobile devices has been purchased and will be installed by 1/31/17.
33	Change Management System	The audit recommended more specific test criteria, testing performed by the call processing vendor, development of test scripts, and a narrative of test results.	Oct 2015	Information Technology	Stress test will now occur on 11/1/16 and resulting recommendations are being tested and a test plan with the priority of each recommendation to be determined by 1/31/17.
37	Hiring Process	Internal Auditor has requested that an all-encompassing hiring policy be documented.	May 2016	Human Resources	Human Resources has drafted an additional Board policy, one which addresses BPL hiring standards in their entirety, and will seek Board approval of it by 1/31/17.
44	Billing Audit	To address safety concerns associated with high consumption residential customers, management is discussing possible revisions to existing rules and regulations and coordination of public safety solutions with other public agencies.	Nov 2016	Planning & Development	The appropriate course of action will be determined by 11/30/17, in coordination with city ordinances and state law.
E-1	IT Assessment (By External Auditor)	Internal Auditor's management item effectively stated that all users of financial applications should have a unique ID and password, shared, temporary and critical accounts should be removed. If a system account cannot be removed, it should be disabled.	Sept 2016	Information Technology	Review user IDs for 4 of 8 financial applications were completed on November 2016. The generic user IDs for the 6th and final application will be disabled by 1/31/17.
E-2	IT Assessment (By External Auditor)	It was noted that network and financial applications passwords settings need strengthening, including publishing requirements that passwords be changed every 90 days, be a maximum length of 8 characters, and include special characters. In addition, 5 prior passwords should be remembered and user accounts should be locked after 3-5 failed login attempts.	Sept 2016	Information Technology	Enhancement of network and financial passwords settings has been completed. Enhancements to password settings for the remaining two financial applications will be complete by 5/31/17.
E-3	IT Assessment (By External Auditor)	Management letter indicated that user account access should be reviewed annually by management for appropriateness, following the last previous practice with documentation of reviews retained.	Sept 2016	Information Technology	An annual review, which will be documented, has been added to IT's schedule to occur each January.
E-4	IT Assessment (By External Auditor)	Baker-Tilly recommended a cyberattack awareness program with ongoing penetration testing.	Sept 2016	Emergency Management / Information Technology	Employees have been scheduled to undergo annual cyber security awareness training. In addition, a new monthly fire training program has been developed which will include a phishing component. IT employees began the training in November 2016 and the remainder of employees began it in December 2016. The last round of variance penetration testing will be completed by 3/31/17.
E-5	IT Assessment (By External Auditor)	Baker-Tilly noted that the Windows 2003 operating systems on which the DP100 database runs needs updating.	Sept 2016	Information Technology	Project completion for the Mainframe Upgrade is expected by 3/31/17.
12	Record Retention	Internal Auditor found that records on hand did not always correspond with the Record Retention Schedule, namely, a portion of 7-9 forms and some asbestos bills of lading.	March 2014	Human Resources	89 forms are on file for all active employees. An appropriate retention schedule for the asbestos bills of lading was determined and updated as part of the overall review of the Record Retention Schedule. An updated schedule was approved by the BWL Committee of the Whole on 3/8/16. BPL, filed for State of Michigan, approval on 4/14/16. Approved by State Administrative Board on 11/30/16.
13	Record Retention	The Internal Auditor determined that records on hand in department did not always correspond with the Record Retention Schedule.	March 2014	Enterprise Content Management	Enterprise Content Management has reviewed the existing Record Retention Schedule with the appropriate departments and compiled all proposed revisions. An updated schedule was approved by the BWL Committee of the Whole on 3/8/16. BPL, filed for State of Michigan, approval on 4/14/16. Approved by State Administrative Board on 11/30/16.
34	Training & Development	Internal Auditor supports plans for a new database for tracking training and use of standardized criteria for periodic training course review and training of trainers, on an organization-wide basis.	Dec 2015	Organizational Training & Development	LMS was implemented in February 2016 and organization-wide training is in use is considered complete as of December 2016.
38	Hiring Process	Internal Auditor recommended updating a hiring checklist, documenting rationale for selected hires, and storing job files in electronic form.	May 2016	Human Resources	Human Resources is using an updated hiring checklist, documenting rationale for selected hires, and storing job files electronically.
42	Selected CIRT: MPPS-014, Recon-membrans	The Internal Auditor recommended annual updates to the Emergency Operations Plan.	May 2016	Emergency Management	There are 45 separate Emergency Operations Plans, all of which were updated during 2016. The intention is to continue to keep them updated on an annual basis.
43	Selected CIRT: MPPS-014, Recon-membrans	The Internal Auditor recommended formally tracking corrective actions resulting from restoration exercises.	May 2016	Emergency Management	Emergency Management is formally tracking corrective actions resulting from restoration exercises.

Internal Audit Status Report

Internal Auditor Phil Perkins presented the following status report:

Revised FY 2017 Audit Plan- Proposed

Planned Audits:	Estimated Hours	Status
Performance Evaluation/Compensation	300	About complete
Collections	400	In progress
Post-Cyber Incident Review	300	In progress
IT - Help/Service-Desk Management	400	Start Apr 2017
Identity and Access Management*		
New Service Order Management - Water	300	Start Feb 2017
Payroll Management	400	Start Feb 2017
Follow-up – Hiring Process	100	Start Apr 2017
Follow-up – Training & Development	100	In progress
Other Engagements:		
Cash Counts, Time Reporting Reviews, etc.	300	In progress
Total Estimated Hours	2,600	



* Help ticket software is currently being replaced, making a FY 17 audit impractical. The proposed replacement audit of Identity and Access Management has been agreed upon with management.

Internal Auditor Perkins proposed a change to the Fiscal Year (FY) 17 Audit Plan due to the fact that the planned audit for Help/Service Desk Management was not practical this FY because of a new software system coming on-line within the next couple of months. Mr. Perkins advised that it would be impractical to audit the old system based on the addition of the new software system. He suggested that the Help/Service Desk Management audit be replaced with an audit of Identity and Access Management.

Motion by Commissioner Price, Seconded by Commissioner Ross to approve the revision of the Internal Auditor's Audit Plan as presented in today's report.

Action: Motion Carried

Travel Policy Reviews

The Finance Committee, BWL Management and Appointees reviewed the Travel Policies for the Board of Commissioners, Board Appointees and BWL Employees as well as the Resolution for the Retirement System Education and Travel Policy. After a very detailed work session several suggested clarifications and amendments were recommended. In conclusion, a draft policy was requested by Finance Chair Ross to be presented which would result in a combined policy with specific sections addressing each BWL representative group.

Other

None

Excused Absence

Motion by Commissioner Price, Seconded by Commissioner Ross, to excuse Commissioner Louney from today's meeting.

Action: Motion Carried

Adjourn

On Motion by Commissioner Price, Seconded by Commissioner Louney, the meeting adjourned at 6:51 p.m.

Respectfully submitted
Ken Ross, Chair, Finance Committee

MANAGER'S RECOMMENDATIONS

There were no Manager's Recommendations.

UNFINISHED BUSINESS

There was no Unfinished Business.

NEW BUSINESS

Board Chair Price acknowledged that with the election of Commissioner Tony Mullen to the Officer position of Vice Chairperson he officially becomes a member of the Executive Committee.

RESOLUTIONS

RESOLUTION 2017-01-01

AMENDMENT TO 401A DEFINED CONTRIBUTION PLAN

RESOLVED, that the Board of Commissioners hereby amends the Lansing Board of Water & Light 401a Defined Contribution Plan # 106696 such that the Employer Contributions for Non-Bargaining Unit Employees is increased from 8.1% to 9.5%, effective 2/1/2017, for those Non-Bargaining Unit Employees hired after January 1, 1997.

FURTHER RESOLVED, all other provisions of the 401a Defined Contribution Plan # 106696 shall remain in full force and effect.

FURTHER RESOLVED, that the General Manager and Corporate Secretary are hereby authorized to execute the applicable Adoption Agreement or Plan Document that accurately captures the above noted change in Employer Contributions.

Motion by Commissioner Mullen, Seconded by Commissioner Zerkle, to approve the amendment to 401a Defined Contribution Plan for Non-Bargaining Unit Employees.

Action: Motion Carried.

RESOLUTION 2017-01-02

AMENDMENT TO 457 DEFERRED COMPENSATION PLAN

RESOLVED, that the Board of Commissioners hereby amends the Lansing Board of Water & Light 457 Deferred Compensation Plan # 300435 such that the limit of the Employer Match for Non-Bargaining Unit Employees is increased from \$1,250 per year to \$1,500 per year, effective February 1, 2017.

FURTHER RESOLVED, all other provisions of the 457 Deferred Compensation Plan # 300435 shall remain in full force and effect.

FURTHER RESOLVED, that the General Manager and Corporate Secretary are hereby authorized to execute the applicable Adoption Agreement or Plan Document that accurately captures the above noted change in the Employer Match.

Motion by Commissioner Mullen, Seconded by Commissioner Zerkle, to approve the amendment to 457 Deferred Compensation Plan for Non-Bargaining Unit Employees.

Action: Motion Carried.

MANAGER'S REMARKS

General Manager Peffley informed of the following:

The television commercials that were being streamed before tonight's meeting began are part of the BWL's Lansing Energy Tomorrow campaign and will be running through the end of March. He stated that the commercials have had a very positive response from the public.

Here (at the Depot) on display tonight is the last lead pipe that was removed. This is a big mile stone and is something this company and the commissioners should be proud of as we are one of two cities in the County to complete the task of all lead pipes being removed from the service territory.

There were two design charrettes this week. A third charrette will be held in a couple of weeks in which a view of two walls will be presented for fine tuning. This project did fall within the budget and as soon as a decision is made copies of the chosen design for the substation will be distributed.

COMMISSIONERS' REMARKS

None

MOTION OF EXCUSED ABSENCE

Motion by Commissioner McCloud, Seconded by Commissioner Mullen, to excuse Commissioners Thomas and Nelson from tonight's meeting.

Action: Motion Carried.

PUBLIC COMMENTS

On behalf of the Lansing Promise Organization Executive Director Justin Sheehan presented General Manager Peffley and the Board of Commissioners with a plaque inscribed “Investing in a Brighter Future” to express their appreciation for the support received from the BWL over the years to help send Lansing kids to college.

ADJOURNMENT

Chair Price adjourned the meeting at 5:44 p.m.

M. Denise Griffin, Corporate Secretary

Preliminary Minutes filed (electronically) with Lansing City Clerk: February 7, 2017

Official Minutes filed (electronically) with Lansing City Clerk:

DRAFT

Data from form "E-mail BWL Commissioners" was received on 3/10/2017 3:04:09 PM.

This message was received from the external Commissioner web page (the sender was anonymous).

Field	Value
To	All Commissioners
Name	June Rochon
Address	208 Sawyer Rd
email	junerealtor@comcast.net
E-mail Subject	Outage system failures
Message	<p>We have been without power since Wednesday at 2:00. Every time I texted BWL for an update it gave me the "sorry we do not have an estimated time for restoration". Problem is that just my house & everyone on Rosedale Rd is without power and everyone around us has power. I was told by 3 different BWL employees 3 different times for restoration all within 12 hours but my text from BWL says the same thing. I called today & spoke to a supervisor and was told that on Cooper there are 3-4 poles down and that those feed my power. Problem is Cooper / Fisher (where the poles are down) are across Edgewood and across I96! I then drove over there, found lots of line crews & asked if those poles fed my home & those on Rosedale. I was told there is no way the poles would feed my house way over 96 & Edgewood! There is a serious issue if BWL has spent thousands of taxpayer dollars to upgrade the outage map, text notification, employee training, etc. and it still does not function properly and I can't get a straight answer from anyone. I just sent yet one more text to STAT & im still not getting a time! I appreciate the line crews and their hard work but at the same time I am upset and frustrated by the cluster within the information center at BWL. There is a problem with just Rosedale and my home at 208 Sawyer Rd! Thank you, June Rochon</p>

COMMITTEE OF THE WHOLE
Meeting Minutes
March 14, 2017

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, at 4:00 p.m. on Tuesday, March 14, 2017.

Committee of the Whole Chair Tony Mullen called the meeting to order and asked the Corporate Secretary to call the roll.

Present: Commissioners Tony Mullen, Dennis M. Louney, Anthony McCloud, David Price, Ken Ross, Tracy Thomas and Sandra Zerkle and Non-Voting Members: Stuart Goodrich (Delhi), William Long (Delta Township) and Robert Nelson (East Lansing).

The Corporate Secretary declared a quorum.

Public Comments

None

Approval of Minutes

Motion by Commissioner Price, Seconded by Commissioner Thomas to approve the Committee of the Whole meeting minutes of November 8, 2016.

Action: Motion Carried

Charrette Presentation for the New Substation Exterior Wall

George Stojic, Executive Director of Planning and Development stated that three design charrettes have been conducted around the design of the wall for the Central Substation. Mr. Stojic introduced Ken Jones of Studio Intrigue Architects.

Ken Jones of Studio Intrigue Architects explained in detail the charrettes process that was conducted and the results achieved from the process regarding the design of the BWL Substation Wall. He informed the Committee that a series of charrettes took place involving the public from which a lot of input was received. He stated that there were conversations and ideas presented regarding height and appearance and the process included live interaction with the public to demonstrate suggestions. Mr. Jones stated during the charrettes process designs were narrowed down to three and the public went through a series of iterations to arrive at what is being presented today. Mr. Jones presentation included views of the proposed wall from various vantage points.



Michigan Public Power Agency (MPPA) Commissioner Appointment

George Stojic, Executive Director of Planning and Development stated due to his focus on other major projects, he would like to relinquish his MPPA appointed Commissioner position and request that Robert Lalonde be appointed as the new Commissioner and that Brad Stoecker be named as the First Alternate Commissioner with Constance Carantrza remaining as the Second Alternate Commissioner.

Motion by Commissioner Price, Seconded by Commissioner Ross to forward the proposed resolution to the full Board for consideration.

Action: Motion Carried

George Stojic, Executive Director of Planning and Development informed the Committee that the MPPA is having a Stakeholders meeting in May and that this would be a great opportunity for the Boards to meet and understand how the MPPA works. The MPPA also plans on bringing in guest speakers who will speak on industry issues. General Manager Peffley stated that information regarding the upcoming meeting will be provided to Commissioners by way of Corporate Secretary Griffin.

Futures Trading Resolution & Presentation

George Stojic, Executive Director of Planning and Development presented a PowerPoint presentation on Futures Contracts, which is an agreement to buy or sell commodity in the future for a price agreed upon when the contract is made. (Futures Option gives the option holder the right, but not obligation to buy or sell in the future at the agreed upon price) Mr. Stojic informed the Committee that Futures are traded on exchanges and exchanges are regulated by the Federal Government's Commodities Futures Trading Commission; this Commission wants a Resolution from the Board of Directors (or whomever is in control of the company) that authorizes the staff to engage in this act, which it is part of the regulatory process. With the passage of the proposed Resolution the Board will incorporate the futures contract in to the Risk Management program which includes a Risk Oversight Committee.

Mr. Stojic stated as we rely more on natural gas especially with another plant coming on, this is an excellent way to help manage both the risk of volatility of gas as well as the volume risk.

Bob LaLonde, BWL's Manager of Compliance and Operations provided more detail on the Futures contracts and what is being proposed to limit risk.

After a short question and answer session Mr. Lalonde spoke about the possibility of periodically reporting to the Board of Commissioners the results of Futures trading.

Motion by Commissioner Price, Seconded by Commissioner Thomas to forward the proposed resolution for Futures Trading to the full Board for consideration.

Action: Motion Carried

Proposed Strategic Plan Update Format

Mark Matus, Director of Technical Services described the proposed update report on the strategic plan. The Committee discussed options for a reporting schedule. After some discussion among Board members it was determined that reporting should take place semiannually (twice a year).

Other

General Manager Peffley provided a brief update on the recent (wind) storm outage.

Commissioner Dennis M. Louney spoke about the possibility of Jan Beecher from MSU providing governance education to the Board. He also provided the Commissioners with a copy of an article that was published titled "Efficiency Deficiency" and thanked Sue Warren for her assistance with the SWAT Energy Efficiency event.

Adjourn

Meeting adjourned at 5:10 p.m.

Respectfully Submitted
Tony Mullen, Chair
Committee of the Whole

FINANCE COMMITTEE Meeting Minutes March 14, 2017

The Finance Committee of the Board of Water and Light (BWL) met at the BWL Headquarters – REO Town Depot, located at 1201 S. Washington Ave., Lansing, MI, at 5:15 p.m. on Tuesday, March 14, 2017.

Finance Committee Chair Ken Ross called the meeting to order and requested a roll call.

Present: Commissioners Ken Ross, David Price, Dennis M. Louney and Anthony McCloud. Also present: Commissioners Tony Mullen, Tracy Thomas, Sandra Zerkle and Non-Voting Commissioners Stuart Goodrich (Departed at 5:25 p.m.), William Long and Robert Nelson.

Absent: None

The Corporate Secretary declared a quorum.

Public Comments

None

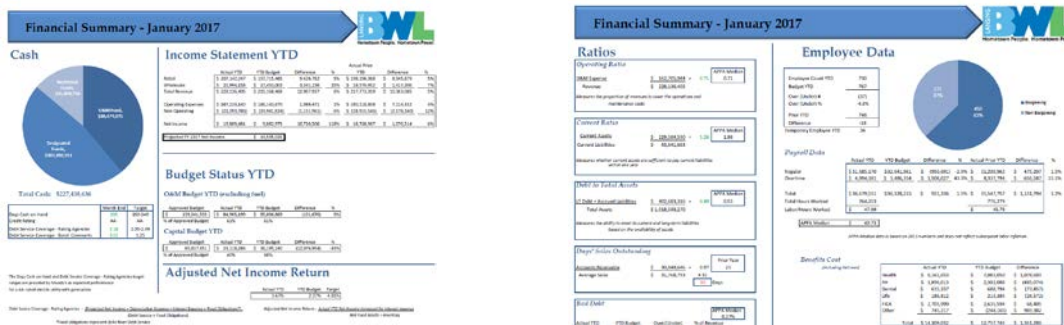
Approval of Minutes

Motion by Commissioner Price, Seconded by Commissioner McCloud, to approve the Finance Committee meeting minutes of January 10, 2017.

Action: Motion Carried.

January YTD Financial Summary

Chief Financial Officer (CFO), Heather Shawa presented the following:



CFO Heather Shawa presented the January Year-to-date Financial Summary which indicated that the Cash target is on track and there was an upward trend from the prior month as expected. The Year-to-date net income actual is \$10.7 million better than budget and the projected fiscal-year-end net income is approximately \$14.5 million; however, the projection


was prior to the recent wind storm and quarterly budget reviews, therefore, adjustments will be made.

Ms. Shawa indicated that though we are showing underspend in capital projects, there is expected to be an increase in capital spending over the remainder of the fiscal year. She also stated that the company is on track for exceeding the budgeted year-end adjusted net income rate of return. Ms. Shawa also mentioned that three out of five Ratios are being achieved, bad debt and uncollectable continue to be watched and Day sales are outstanding. She also informed the Committee that benefit cost is over budget due to the VEBA adjustment as part of the annual valuation.

Update on Management Responses to Internal Audits

CFO Heather Shawa presented management’s responses to audits as follows:

STATUS OF MANAGEMENT RESPONSES TO AUDITS
MARCH 2017


In Accordance with Board Resolution #2014-07-05

Updates in red

Issue #	Audit Name	Issue Description	Date	Responsible Area	Status
Open Issues:					
17	Close the Books	The Internal Auditor recommended that consideration be given to the use of a general accounting manual.	Aug 2014	General Accounting	A General Accounting Procedure Manual is expected to be finalized by 3/31/17.
27	Management of Mobile Devices	The Internal Auditor recommended encrypting data on all remaining laptops and smart phones.	Sept 2015	Information Technology	IT has encrypted the laptops used by field personnel and established user guidelines. Guidelines instruct BWL users to encrypt sensitive data on their own mobile devices. Software with remote management capabilities has been procured and installed and will be fully deployed by 3/31/17.
29	Management of Mobile Devices	Internal Auditor recommended further consideration of procuring software with remote cleaning capabilities.	Sept 2015	Information Technology	Software with remote management capabilities for mobile devices has been procured and installed and will be fully deployed by 3/31/17.
33	Outage Management System	The audit recommended more specific test criteria, testing performed by the call processing vendor, development of test scripts, and a narrative of test results.	Oct 2015	Information Technology	Modifications recommended as a result of a November 2016 stress test will be implemented by 3/31/17.
37	Hiring Process	Internal Auditor has requested that an all-encompassing hiring policy be documented.	May 2016	Human Resources	Human Resources has drafted an additional Board policy, one which addresses BWL hiring standards in their entirety, and will seek Board approval of it by 3/31/17.
44	Bidding	To address safety concerns associated with high consumption residential customers, management is discussing possible revisions to existing Rules and Regulations and coordination of public safety initiatives with other public agencies.	Nov 2016	Planning & Development	The appropriate course of action will be determined by 11/30/17, in coordination with city ordinances and state law.
45	Performance Evaluation & Compensation <i>NZP</i>	Internal Auditor recommended additional standardization of performance evaluation procedures.	Jan 2017	Human Resources	Further development of the BWL performance management process for non- bargaining employees is underway, including additional participation throughout the year and goals and objectives in line with the new BWL Strategic Plan. The SMART concept already in use will be expanded upon (i.e. employee performance goals are SMART, which stands for Specific, Measurable, Action-oriented, Realistic, and Time bound). Estimated completion date is 7/1/18.
46	Performance Evaluation & Compensation <i>NZP</i>	Internal Auditor recommended job descriptions be updated.	Jan 2017	Human Resources	Human Resources will coordinate the updating of job descriptions, in collaboration with each area throughout the organization. This project will incorporate multiple phases, beginning with planning and identifying needed resources. Estimated project completion is 6/30/19.
47	Performance Evaluation & Compensation <i>NZP</i>	Internal Auditor recommended increasing flexibility with awarding merit increases.	Jan 2017	Human Resources	Decoupling of cost-of-living and merit increases is already underway, including budgeting of the two separate categories of increases for fiscal 2018 and development of corresponding instructional information. Project completion is expected by 7/1/18.
E-2	IT Assessment (by Internal Auditors)	It was noted that network and financial application password settings need strengthening, including establishing requirements that passwords be changed every 90 days, be a minimum length of 8 characters, and include special characters. In addition, 8 prior passwords should be remembered and user accounts should be locked after 3-5 failed login attempts.	Sept 2016	Information Technology	Enhancement of network, mainframe, and application password settings has been completed, with the exception of one application which will instead be replaced, at a date yet to be finalized.
E-3	IT Assessment (by External Auditors)	Management letter indicated that user account access should be reviewed annually by management for appropriateness, following the least privilege principle, with documentation of reviews retained.	Sept 2016	Information Technology	IT is currently reviewing user access to CIS and SAP with management, with completion expected by 3/31/17.
E-5	IT Assessment (by Internal Auditors)	Baker-Tilly noted that the Windows 2003 operating system on which the DP250 database runs needs upgrading.	Sept 2016	Information Technology	Needed funding to address this issue during the coming fiscal year is expected to be secured by 3/31/17.
Closed Issues (since December 2016 reports):					
E-1	IT Assessment (by Internal Auditors)	Baker-Tilly's management letter officially noted that all users of financial applications should have a unique ID and generic, shared, temporary and system accounts should be removed. If a system account cannot be removed, it should be disabled.	Sept 2016	Information Technology	Generic user IDs for financial applications have been disabled.
E-4	IT Assessment (by External Auditors)	Baker-Tilly recommended a cyberattack awareness program with surprise penetration testing.	Sept 2016	Emergency Management / Information Technology	Employees are participating in annual online cybersecurity awareness training and a new monthly live training program which includes a phishing component. In addition, DHS will conduct a phishing campaign as part of their annual assessment. A first round of surprise penetration testing took place on 2/15/17.

In response to Finance Chair Ross’ inquiry regarding a quick one year assessment of external auditors Baker Tilly, CFO Shawa indicated that Baker Tilly has value in different ways from previous external auditors and there has been discussion about additional services that they can provide due to their experience in the industry.

Commissioner Dennis M. Louney inquired about the completion date delay of the Outage Management System stress test (indicated as #33 on the report). In response CFO Shawa stated that the stress test had been completed but wanted the recommendations and the action plan for the recommendations completed before removing it from the report.

AT THE LIBERTY OF THE FINANCE CHAIR ROSS THE LAST TWO ITEMS WERE TAKEN OUT OF POSTED AGENDA ORDER

Internal Audit Status Report

Internal Auditor Phil Perkins presented the following status report:

Current Audit Progress Report

Engagements Completed in FY 17:

1. Surprise Cash Count #1.
2. Time Reporting Review #1 & 2.
3. Performance Evaluation/Compensation/Merit Pay Audit
4. Collections Audit

Engagements in Progress:

1. Follow-up Audit Training & Development—draft audit report stage.
2. IT -COBIT Compliance – in progress, about 75% complete. Anticipate completion in March 2017.
3. New Service Order Management – Water. Fieldwork in progress; anticipate completion in April 2017.
4. Payroll Management – just underway; anticipate completion in May 2017.



3

Remaining FY 2017 Audit Plan

Audits:

1. IT – Identity and Access Management
2. Follow-up – Hiring Process Audit

Other Engagements:

1. Vehicle Time Reporting Review
2. Surprise Cash Count#2



4

Other Items

Internal Auditor Professional Development:

- On target to meet professional education requirements for certifications:
 - CPA
 - CIA
 - CISA
- Passed examination in November 2016 to attain Fundamentals of Cybersecurity certification.

Quality Assurance Improvement Program:

- An Internal Quality Review has been completed with good results, in preparation for the required 5-year External Peer Review.
- Anticipate the External Peer Review to occur in May 2017.



5

Other Items, continued

Annual Planning & Risk Assessment for FY 2018 Audit Plan

- Meetings to be held with executive management and staffs to discuss current risk areas and potential audit topics for FY 2018.
- Draft audit plan for FY 2018 to be presented for Board approval not later than July 2017.



6

Travel & Reimbursement Policy & Resolution

Finance Chair Ross relayed to the Committee that most of what is being presented in the proposed document is the result of the previous Committee of the Whole meeting in which there was extended review and discussion on the Board of Water and Light's four separate travel policies. Feedback was taken and a consolidation of the four policies was uniformly produced and that is what is being reviewed and ultimately approved.

Lori Pung, General Accounting Manager provided a high level review of the combined travel policy. During the review the Commissioners engaged in a discussion regarding their meal reimbursement and the allowable per diem amount per IRS Rules. Upon completion of the review and discussion it was determined to maintain the \$100.00 a day per diem with the understanding that the per diem rate will be taxed according to current IRS regulations through the issuance of a W-2. The proposed Resolution was presented with the following motion:

Motion by Commissioner Price, Seconded by Commissioner McCloud to repeal all existing travel policies and recommend that the proposed consolidated travel policy as amended (Under the Substantiation Section language should read as “Original Receipts *shall* be obtained”) be forwarded to the full Board for consideration

Action: Motion Carried

Chair Price and Finance Chair Ross thanked Lori Pung and her team for all of their hard work on the travel policy.

Other

None

Excused Absence

None

Adjourn

On Motion by Commissioner Price, Seconded by Commissioner Louney, the meeting adjourned at 6:10 p.m.

Respectfully submitted
Ken Ross, Chair
Finance Committee

AMENDING APPOINTMENTS TO MICHIGAN PUBLIC POWER AGENCY

WHEREAS, George Stojic is the Michigan Public Power Agency (MPPA) Commissioner on behalf of the Lansing Board of Water & Light (BWL), along with Robert Lalonde and Constance Carantza, who serve as First and Second Alternate Commissioners, respectively; and

WHEREAS, George Stojic has served as the MPPA Commissioner for approximately 10 years; and

WHEREAS, George Stojic has been assigned to major projects being undertaken by the BWL; and

WHEREAS, Robert Lalonde has served as the BWL's first alternate Commissioner to the BWL for approximately three years; and

WHEREAS, it is appropriate and in the best interest of the BWL to name a replacement for the MPPA Commissioner and BWL's First Alternate on behalf of the BWL.

NOW, BE IT RESOLVED, that Constance Carantza will remain as the Second Alternate Commissioner.

FURTHER RESOLVED, that Robert Lalonde is named as the MPPA Commissioner on behalf of the BWL.

FURTHER RESOLVED, that Bradley Stoecker is named as BWL's First Alternate MPPA Commissioner.

BWL Futures Trading Authorization

WHEREAS, the Lansing Board of Water and Light (BWL) Board of Commissioners approved a Risk Management Policy (Resolution 2010-05-04) in May 2010, to develop an Energy Risk Management Program that would provide guidelines to govern BWL's energy portfolio and risk management activities; and

WHEREAS, the BWL'S Energy Risk Management objectives include minimizing the risk of wholesale price volatility, as well as optimizing resources and value assets through wholesale transactions to minimize the cost of service to retail ratepayers; and

WHEREAS, the BWL has determined that investments and transactions in Futures and Exchange Traded Options are suitable and appropriate for the BWL's objectives; and

WHEREAS, the BWL has been informed that a resolution from the BWL Board of Commissioners, specifically stating that the BWL can invest and transact in futures and exchange-traded options, is required to apply for and open an account with, a futures commission merchant; and

NOW, THEREFORE, BE IT RESOLVED, that the BWL Board of Commissioners hereby authorizes the BWL to invest and transact in futures and exchange-traded options under the guidelines set forth in the BWL Energy Risk Management Policy.

BE IT FURTHER RESOLVED, that in approving this authorization, the BWL Board of Commissioners hereby confirms that the BWL has full power and authority under applicable law, the Lansing City Charter and its by-laws to undertake investments and transactions and to establish accounts, and execute agreements and related documentation in furtherance of undertaking such transactions as follows:

- a. Futures and exchange-traded options on such futures for the purchase, sale, and delivery of commodities, options to purchase or sell commodities or contract for the future delivery of commodities, forward contracts and instruments regulated as Futures (collectively, "Futures and Option Contracts").
- b. To deposit with and withdraw money, commodities, contracts for the purchase or sale of commodity futures and option on such futures, checks and other negotiable instruments, securities, and other property;
- c. To settle, compromise, adjust, and give releases with respect to any and all claims, demands, disputes and controversies and make agreements and take any other action relating to any of the foregoing matters.

BE IT FURTHER RESOLVED, that Richard R. Peffley, General Manager (the "Authorized Individual"), is authorized to carry out all of the powers set forth herein, and bind the BWL to

transactions and agreements, until the BWL issues written revocation instructions that a previously Authorized Individual is no longer authorized by the BWL to act on its behalf and confirms such revocation with the futures commission merchant.

BE IT FURTHER RESOLVED, that Richard R. Peffley, General Manager, is authorized to delegate his authority to another or others, as he determines appropriate to be Authorized Individuals.

BE IT FURTHER RESOLVED, that the General Manager and/or his designee, are authorized to give instructions on behalf of the BWL in furtherance of purchases, sales, delivery of property, or all other transactions required to consummate transactions and agreements contemplated herein to the fullest extent and to take all actions necessary or desirable in connection with the BWL account, to receive requests and demands for additional margin, notices of intention to sell or purchase any instrument and other notices and demands of whatever nature and to receive and acquiesce in the correctness of notices, statements of account and other records and documents relating to transactions in the account(s). This enumeration of specific authority shall not limit any other authority of the Authorized Individuals.

BE IT FURTHER RESOLVED, that the Authorized Individuals are empowered to borrow money, securities, or commodities and to secure repayment thereof with property of the BWL; and to bind and obligate the BWL to carry out any contract, agreement, or transaction involving such sums as such Authorized Individual determines are necessary in connection with any of the said accounts; to deliver securities and contracts for future delivery; to order the transfer or delivery thereof to any other person or entity whatsoever.

BE IT FURTHER RESOLVED, that each of the Authorized Individuals are empowered to endorse any securities or contracts in order to pass title thereto; to sign for the BWL all agreements, supplemental forms, acknowledge risk disclosures and receive other disclosures, releases, powers of attorney or other documents in connection with the BWL's account(s), and to agree to any terms or conditions to control such account(s); to direct any swap dealer or futures commission merchant or counterparty to surrender any securities to the proper agent or party for the purpose of effecting any exchange or conversion, or for the purpose of deposit or otherwise; to accept delivery of any securities or commodities against a contract for future delivery, option or otherwise; and to appoint any other person or persons to do any and all things which any of the said Authorized Individuals are hereby authorized to do.

BE IT FURTHER RESOLVED, that these resolutions shall remain in full force and effect until revoked in writing, in whole or in part, by the BWL.

BE IT FINALLY RESOLVED that this resolution is hereby incorporated into the Risk Management Policy (Resolution 2010-05-04), and shall be effective immediately upon approval of the Board of Commissioners.

I, M. Denise Griffin, Corporate Secretary of the City of Lansing by its Board of Water and Light ("BWL"), a Corporation organized under the laws of the State of Michigan hereby certify that at

a meeting of its Board of Directors held on March ____, 2017, the aforementioned resolutions were duly adopted, and in no way conflict with any provision of the Lansing City Charter, any other documents of the BWL, or any laws applicable to the BWL.

IN WITNESS WHEREOF, I have subscribed my name and affixed the seal of the BWL,

The City of Lansing by its Board of Water and Light

M. Denise Griffin _____

Corporate Secretary

Signature

Date: _____

Proposed Resolution

TRAVEL & REIMBURSEMENT POLICY – BOARD OF COMMISSIONERS, BOARD APPOINTEES, EMPLOYEES and INVESTMENT FIDUCIARIES

RESOLVED, That the Travel & Reimbursement Policy for the Board of Commissioners, Board Appointees, Employees and Investment Fiduciaries (formerly known as Retirement System Representatives) will replace the existing Policies and Resolutions listed below:

- 1) Policy 0004 – Travel Expense - Board Appointees
- 2) Policy 0007 – Travel Expense – Board of Commissioners
- 3) Policy 0056 – Travel & Reimbursement – Employees
- 4) Resolution #2007-05-14 – Amendment to Travel Policy for the Board of Commissioners
- 5) Resolution #2014-11-02 – Retirement System Education & Travel Policy

Staff Comments: The purpose of this Resolution is to consolidate the existing policies and resolutions listed above into 1 policy and apply uniform requirements throughout. The following significant changes were made:

Board of Commissioners

- Policy covers 4 Year Term Commissioners
- Advance Approval by the Board Chair
- Reimbursement Approval by the Board Chair
- Policy may be overridden by Board Chair when emergency or special circumstance arises

Board Appointees

- Advance Approval by the Board Chair
- Reimbursement Approval by the Board Chair
- Eliminated the \$50/day per diem rate
- Meal Reimbursement will be at actual cost with a 20% gratuity cap
- Policy may be overridden by Board Chair when emergency or special circumstance arises

Employees

- Meal reimbursement increased (from \$50) to \$70 per day with a 20% gratuity cap
- Miscellaneous Expense increased (from \$25) to \$50 per day

Investment Fiduciaries

- Advance Approval by the Board Chair
- Reimbursement Approval by the Board Chair
- Eliminate \$500 per day cash travel advance
- Policy may be overridden by Board Chair when emergency or special circumstance arises

NOW THEREFORE BE IT RESOLVED: that the Finance Committee recommends that the Board of Commissioners adopt the combined and updated travel policy as presented.



Travel & Reimbursement Policy

Commissioners, Board Appointees, Employees, Investment Fiduciaries

March 28, 2017

INDEX

Topics	Page
General Guidelines	2
Purpose	2
Scope	3
Approval	3
Registration	3
Lodging	4
Transportation	4
Meals	5
Substantiation Requirements	6
Non-Reimbursed Expenses	7
Waiver	7
Investment Fiduciary - Retirement System Education	8
Revision History	9

General Guidelines

This Travel and Reimbursement Policy (“Policy”) is designed to act as a guideline for business travel and related expense reimbursements. They are based on practices employed by many organizations of our size and take into consideration what is considered reasonable and customary. While this Policy does contain suggested expense limits, we challenge all employees to use professional judgment when incurring expenses on behalf of the Board of Water & Light (“BWL”).

Abuse of this Policy, including falsifying expense reports to reflect costs not incurred, can be grounds for disciplinary action, including, but not limited to, termination of employment; for BWL Board of Commissioners (“Board”) removal from service as an officer and or disqualification from service as an officer for the duration of their service on the Board.

Conference registration fees, lodging, airfare or other items which may be scheduled in advance can be prepaid with a BWL P-Card or via a check through the Request for Payment option included in BWL’s Travel Form and with the appropriate advance approval.

Travelers should review reimbursement guidelines outlined in this Policy before spending personal funds for business travel to determine if such expenses are reimbursable. The BWL reserves the right to deny reimbursement of travel-related expenses for failure to comply with policies and procedures.

Travelers who use personal funds to facilitate travel arrangements will be reimbursed after the trip occurs and when proper documentation is submitted. Should reimbursement be requested prior to traveling, the request must be submitted via BWL’s Travel Form with proper approval.

ALL APPROVED EXPENSES INCURRED MUST BE IN ACCORDANCE WITH YOUR DEPARTMENT’S BUDGET. IF YOU ARE UNSURE OF YOUR AVAILABLE DEPARTMENT BUDGET, PLEASE CONTACT YOUR DEPARTMENT MANAGER PRIOR TO INCURRING ANY EXPENSES.

This Policy is designed to accomplish the following key points:

- Ensure all travelers have a clear and consistent understanding of policies and procedures for business travel and related expenses.
- Ensure travelers have a clear understanding of what a legitimate business travel expense is.
- Ensure travelers are reimbursed for legitimate business travel expenses when spending personal funds.
- Provide the appropriate level of accounting & business controls to ensure that expenses are reviewed & approved by the appropriate person.

Purpose

Due to the complex and changing environment, it is essential for Commissioners, Board Appointees, Employees and Investment Fiduciaries to be well informed on issues of importance to the utility industry. Commissioners, Board Appointees, Employees and Investment Fiduciaries are encouraged and occasionally required to attend seminars, meetings, or other programs that provide information impacting the operations of the BWL.

Scope

This Policy shall apply to the following:

- **Commissioners:** All 4 Year Term Commissioners
- **Board Appointees:** General Manager, Internal Auditor, and Corporate Secretary
- **Employees:** Active Employees
- **Investment Fiduciaries**

Approval

Commissioner	Board Appointee	Employee	Investment Fiduciary
Advance approval for all business travel is required by the Board Chair.	Advance approval for all business travel is required by the Board Chair.	Advance approval for all business travel is required by the next level of management above supervisor level.	Advance approval for all business travel is required by the Board Chair.

Registration

Commissioner	Board Appointee	Employee	Investment Fiduciary
<p>Registration fees or similar expenses for training, meetings, conferences or seminars will be reimbursed with substantiation.</p> <p>Registration fees for <i>guest programs</i> will be reimbursed with substantiation.</p>	<p>Registration fees or similar expenses for training, meetings, conferences or seminars will be reimbursed with substantiation.</p> <p>Registration fees for <i>guest programs</i> will be reimbursed with substantiation.</p>	<p>Registration fees or similar expenses for training, meetings, conferences or seminars will be reimbursed with substantiation.</p>	<p>Registration fees or similar expenses for training, meetings, conferences or seminars will be reimbursed with substantiation.</p>

Lodging

Actual expenses for lodging will be reimbursed. In the event a Commissioner, Board Appointee, Employee or Investment Fiduciary is accompanied by a guest or family member(s), the BWL will only reimburse at the single room rate.

Many hotels offer discounts to non-profit and/or governmental agencies. When making lodging arrangements, this discount should be requested.

Accommodations such as different room types, extra rooms, and other special amenities for personal guests should be arranged by the Commissioner, Board Appointee, Employee or Investment Fiduciary, and paid directly to the hotel via a personal credit card or other means of personal payment.

Allowance for lodging will be at the lowest rate charged at the hotel facility housing the conference or seminar. If the conference facility upgrades the room rate, based on availability at the time of registration, the upgrade shall be allowed.

Transportation

Commissioner	Board Appointee	Employee	Investment Fiduciary
Commercial airline* or rail travel will be reimbursed for Main Cabin seating. **	Commercial airline* or rail travel will be reimbursed for Main Cabin seating. **	Commercial airline* or rail travel will be reimbursed for Main Cabin seating. **	Commercial airline* or rail travel will be reimbursed for Main Cabin seating. **
Rental car will be reimbursed up to the cost of a mid-size automobile or smaller only if taxis or other means of transportation are less economical or otherwise impractical. Justification for a rental car should be included on BWL's Travel Form.	Rental car will be reimbursed up to the cost of a mid-size automobile or smaller only if taxis or other means of transportation are less economical or otherwise impractical. Justification for a rental car should be included on BWL's Travel Form.	Rental car will be reimbursed up to the cost of a mid-size automobile or smaller only if taxis or other means of transportation are less economical or otherwise impractical. Justification for a rental car should be included on BWL's Travel Form.	Rental car will be reimbursed up to the cost of a mid-size automobile or smaller only if taxis or other means of transportation are less economical or otherwise impractical. Justification for a rental car should be included on BWL's Travel form.
Taxi, bus, subway, shuttle, garage and airport parking costs will be reimbursed.	Taxi, bus, subway, shuttle, garage and airport parking costs will be reimbursed.	Taxi, bus, subway, shuttle, garage and airport parking costs will be reimbursed.	Taxi, bus, subway, shuttle, garage and airport parking costs will be reimbursed.

(Transportation continued on next page.)

Transportation (Continued)

Commissioner	Board Appointee	Employee	Investment Fiduciary
<p>Flat rate mileage will be paid for use of a private vehicle as per current Internal Revenue Service regulations.</p> <p>All mileage must be documented on BWL's Travel Form.</p>	<p>Flat rate mileage will be paid for use of a private vehicle as per current Internal Revenue Service regulations.</p> <p>Mileage shall be submitted through BWL's time entry system and documented on BWL's Travel Form.</p>	<p>Flat rate mileage will be paid for use of a private vehicle as per current Internal Revenue Service regulations.</p> <p>Mileage shall be submitted through BWL's time entry system and documented on BWL's Travel Form.</p>	<p>Flat rate mileage will be paid for use of a private vehicle as per current Internal Revenue Service regulations.</p> <p>Mileage shall be submitted through BWL's time entry system (excluding Commissioners) and documented on BWL's Travel Form.</p>
<p>*Reservations: In order to optimize cost savings for the company, individuals should make every attempt to make travel arrangements 30 or more days in advance of in advance of travel.</p> <p>**Air Travel: Non-Refundable Main Cabin is the allowable booking class for all domestic flights. If a medical condition necessitates upgraded travel, you must obtain a physician's order and discuss with a BWL Human Resources Representative for approval prior to booking.</p>			
<p>A Commissioner, Board Appointee, Employee or Investment Fiduciary may elect for a more expensive travel option, such as first class airfare or driving a rental car rather than flying, but reimbursement will be limited to the amounts specified in this section. When more expensive transportation is selected, documentation of the comparative transportation cost, such as coach class airfare, must be provided and any difference must be covered by the traveler. Additional costs, such as lodging and meals, incurred due to an individual's decision to use a less time-efficient mode of transportation, will not be reimbursed.</p>			

Meals

Commissioner	Board Appointee	Employee	Investment Fiduciary
<p>Reimbursement will be based on a per diem rate of \$100 per day.</p>	<p>Reimbursement will be based on actual cost incurred with receipt substantiation. Meal gratuity exceeding 20% will not be reimbursed.</p>	<p>Reimbursement will be based on actual cost not to exceed \$70 per day with receipt substantiation. Meal gratuity exceeding 20% will not be reimbursed.</p>	<p>Reimbursement will be based on a per diem rate of \$100 per day.</p>

Substantiation Requirements

Commissioner	Board Appointee	Employee	Investment Fiduciary
Original receipts shall be obtained and retained to substantiate the expense with the exception of meal receipts.	Original receipts shall be obtained and retained to substantiate the expense.	Original receipts shall be obtained and retained to substantiate the expense.	Original receipts shall be obtained and retained to substantiate the expense.
Miscellaneous expenses (gratuities, parking, tolls, baggage fees, etc.) considered to be reasonable will be reimbursed with receipt. If a receipt cannot be reasonably obtained, the expenditures will be reimbursed up to \$50 per day, but must be documented including location, date and a description of the expenditure.	Miscellaneous expenses (gratuities, parking, tolls, baggage fees, etc.) considered to be reasonable will be reimbursed with receipt. If a receipt cannot be reasonably obtained, the expenditures will be reimbursed up to \$50 per day, but must be documented including location, date and a description of the expenditure.	Miscellaneous expenses (gratuities, parking, tolls, baggage fees, etc.) considered to be reasonable will be reimbursed with receipt. If a receipt cannot be reasonably obtained, the expenditures will be reimbursed up to \$50 per day, but must be documented including location, date and a description of the expenditure.	Miscellaneous expenses (gratuities, parking, tolls, baggage fees, etc.) considered to be reasonable will be reimbursed with receipt. If a receipt cannot be reasonably obtained, the expenditures will be reimbursed up to \$50 per day, but must be documented including location, date and a description of the expenditure.
All expenses must be summarized on BWL's Travel Form with receipts and submitted for review and approval by the Board Chair. If reimbursement is requested, substantiation must be sent to Accounts Payable within 60 days of incurred date.	All expenses must be summarized on BWL's Travel Form with receipts and submitted for review and approval by the Board Chair. If reimbursement is requested, substantiation must be sent to Accounts Payable within 60 days of incurred date.	All expenses must be summarized on BWL's Travel Form with receipts and submitted for review and approval by next level of management above a supervisor. If reimbursement is requested, substantiation must be sent to Accounts Payable within 60 days of incurred date.	All expenses must be summarized on BWL's Travel Form with receipts and submitted for review and approval by the Board Chair. If reimbursement is requested, substantiation must be sent to Accounts Payable within 60 days of incurred date.
Retention = Creation Date +7 Years	Retention = Creation Date +7 Years	Retention = Creation Date +7 Years	Retention = Creation Date +7 Years.

Cancellation Policy: If an individual cancels travel for personal reasons and the BWL is unable to obtain a refund, the individual may be held responsible for the expenses incurred for travel.

Missed Flights and No-Show Charges: If an individual misses or fails to show for a flight for personal reasons they may be responsible for the nonrefundable costs.

Personal Upgrades: Personal miles or coupons can be used to upgrade to first class, or an individual may opt to pay personally for the price difference between coach and first class. Individuals are responsible for paying the difference in price.

Non-Reimbursed Expenses

The BWL is a public entity and individuals representing the company are expected to act in the best interest of the BWL and its ratepayers. Examples of expenses which are not allowed and **WILL NOT** be reimbursed include, but are not limited to, the following:

Commissioner	Board Appointee	Employee	Investment Fiduciary
Personal expenses not associated with Board of Water and Light business.	Personal expenses not associated with Board of Water and Light business.	Personal expenses not associated with Board of Water and Light business.	Personal expenses not associated with Board of Water and Light business.
Alcoholic beverages.	Alcoholic beverages.	Alcoholic beverages.	Alcoholic beverages.
Guest travel expenses. BWL will only reimburse guest program registration fees.	Guest travel expenses. BWL will only reimburse guest program registration fees.	Guest Travel Expenses.	Guest Travel Expenses.
Golf course or tennis court fees, golf clubs, or any other sporting equipment, entertainment events or activities.	Golf course or tennis court fees, golf clubs, or any other sporting equipment, entertainment events or activities.	Golf course or tennis court fees, golf clubs, or any other sporting equipment, entertainment events or activities.	Golf course or tennis court fees, golf clubs, or any other sporting equipment, entertainment events or activities.
Traffic and parking violations.	Traffic and parking violations.	Traffic and parking violations.	Traffic and parking violations.
Travel Insurance.	Travel Insurance.	Travel Insurance.	Travel Insurance.

Waiver

Commissioner	Board Appointee	Employee	Investment Fiduciary
This Policy may not be waived or overridden, except by the Board Chair when an emergency or special circumstance arises.	This Policy may not be waived or overridden, except by the Board Chair when an emergency or special circumstance arises.	This Policy may not be waived or overridden, except by the General Manager when an emergency or special circumstance arises.	This Policy may not be waived or overridden, except by the Board Chair when an emergency or special circumstance arises.

Travel for Investment Fiduciary - Retirement System Education

The Board recognizes that it is subject to the provisions of the Public Employee Retirement System Investment Act, Michigan Public Act 314 of 1965, as amended. The Board is required to act as a prudent investor in all transactions related to Retirement System funds and assets by discharging its duties solely in the interests of the participants and beneficiaries and shall act with the same care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims; and with due regard for the management, reputation, and stability of the issuer and the character of the particular investments being considered.

The Board is vested with the general administration, management, and operation of BWL's Retirement System ("Retirement System"), which consist of the Defined Benefit Plan, Defined Contribution Plan and the Retiree Benefit Plan (also known as VEBA) and has fiduciary responsibility to make decisions solely in the interest of plan members and beneficiaries.

An Investment Fiduciary means a person other than a participant that exercises any discretionary authority or control in the investment of a system's assets which would include Trustees and the Retirement Planning Committee.

The Board recognizes that, consistent with its fiduciary duty and liability, it is necessary and appropriate for Investment Fiduciaries to attend Board meetings and educational seminars/conferences so that the Board and its appointed Trustees may be made aware of developments regarding Retirement System administration, and so that the Board may further become aware of how persons acting in a like capacity administer their respective retirement systems.

The BWL recognizes that in order for the participants and beneficiaries of the Retirement System to have the best representation, it is imperative for the Investment Fiduciaries to participate in Board business, including Board meetings, continuing education programs, and due diligence evaluations of current and potential investments. Investment Fiduciaries are encouraged to attend all meetings of the Board, and attend one conference per year. Individuals wishing to attend additional conferences in a year must request prior Board approval and provide a post conference report to the Board on topics covered.

All persons who attend a seminar or conference must earn an attendance or participatory certificate if the seminar or conference sponsor offers such a certificate. The failure to earn such a certificate may result in the particular attendee becoming ineligible to attend any further educational seminars and/or conferences. In the event that a certificate is not offered, the Investment Fiduciary must provide seminar or conference materials to the Corporate Secretary on behalf of the Board.

Revision History

Date	Reason	Action
March 28, 2017	New Policy #	Board Approved