



# COMMISSION POLICY

## Ethics Policy

Category:  
**Governance**

Subcategory:  
**Governance**

Policy Number:  
**1.2.031**

### ETHICS POLICY OF GRAND RAPIDS PUBLIC UTILITIES COMMISSION

**1.00 Purpose.** The Grand Rapids Public Utilities Commission (“PUC”) confirms its determination that ethical standards among its Commissioners and employees are essential to the proper working of the PUC. All Commissioners and PUC employees (“employees”) must perform their duties in a manner that maintains and enhances public confidence and trust in the integrity, objectivity and impartiality of the PUC. Trust and mutual respect are the cornerstones of any relationship between the public and the PUC.

As Commissioners of the PUC some conflicts are always inherently present. All Commissioners are served by the utility they manage. Thus, all or nearly all of the decisions made by the PUC impact the Commissioners individually as customers of the PUC. In addition, all Commissioners are appointed by the City Council and may have a self interest in maintaining their position and obtaining reappointment. The Courts have emphasized the independence required of a public utilities commission from a City as follows:

“The purpose [of the state legislation] was to create a . . . commission . . . and to clothe it with exclusive authority, acting by itself, and independently of the City Council, or Mayor, to operate, control and manage a city water and light plant. This authority is expressed in clear and unambiguous language and effectually creates a department of village or city government responsible only to the people. No revisory control is vested in the Council or Mayor.”

*State ex rel Briggs v. McIlraith*, 129 N.W. 377, 378 (Minn. 1911).

The Minnesota Attorney General has also acknowledged the independent role of a municipal utilities commission. The Attorney General’s office has stated:

“The legislature clearly intended the utilities commission to be an independent department of the village government, responsible only to the people and not under the supervision or control of the village council.”

Minn. Op. Atty. Gen. 469-B6 (1957).

Commissioners of the PUC must remember that they are primarily accountable to the constituency directly served by the PUC, that is, the rate paying public. Commissioners are therefore obligated to uphold their fiduciary duty of loyalty while performing their official functions. They must avoid any appearances of impropriety by their words and actions and they must protect the interests of those persons served, the rate paying public, above all others, including themselves.

The standards of conduct set forth herein are intended to serve as a guideline for the Commissioners and employees of the PUC in carrying out their duties and responsibilities. By avoiding conflicts of interest and providing a guide for conduct the PUC intends to promote faith and confidence in the PUC.

## **2.00 Standards of Conduct.**

2.01 Receiving Special Consideration. No Commissioner or employee shall use their position to secure special privileges or exemptions for themselves or others.

2.02 Disclosure of Potential Conflicts. No Commissioner of the PUC having the power or duty to perform an official act or action may be directly or indirectly interested in any contract, transaction, or decision of the PUC except as provided for in Minnesota Law. Any Commissioner of the PUC who has an interest in any proposed action by the PUC shall disclose on the record of the PUC, the nature and extent of such interest.

No PUC employee who is in direct contact with suppliers, contractors or potential contractors or suppliers to the PUC or who may directly or indirectly influence a purchasing decision by establishing specifications, testing products, evaluating contracted services, or otherwise has official involvement in the purchasing or contracting process may:

1. Have any financial interest or have any personal beneficial interest, directly or indirectly, in contracts or purchase orders for goods or services used by, purchased by or furnished to the PUC; or
2. Accept directly or indirectly from a person, firm or corporation to which a contract or purchase order has been or may be awarded a rebate, gift, money, or anything of value, other than items of nominal value. No such employee may further accept any promise, obligation or contract for future reward.

2.03 Acting as Agent or Attorney. No Commissioner or employee shall act as an agent or attorney for another in any matter before the PUC in which a conflict of interest exists or may exist.

2.04 Gifts or Loans. No Commissioner or employee shall knowingly receive, accept, take, seek, or solicit, directly or indirectly, any gift or loan for himself, herself, or another which is prohibited by state law (Minn. Stat. 471.895).

2.05 Reimbursement. All Commissioners and employees shall provide complete documentation to support requests for reimbursement. Expense reimbursement shall be made in accordance with PUC policy.

2.06 Use of PUC Resources. No Commissioner or employee may use PUC money, time, personnel, facilities, or equipment for personal convenience, profit or other non-work related activities, except when:

- a. The use is required or authorized by law;
- b. The use is no greater than that allowed for members of the general public;
- c. The use is provided by specific PUC policy in the conduct of PUC business;  
or
- d. The use is approved by a vote of the PUC.

2.07 Disclosure of Information. No Commissioner or employee may disclose to the public, or use for the private gain of self or others, information which was gained by reason of the Commissioners or employees' position and which is not public data. Further, no Commissioner or employee may disclose information received, discussed, or decided in conference with the PUC's attorneys which is protected by the attorney/client privilege, unless a majority of the PUC has authorized that disclosure.

2.08 Contracts. No Commissioner or employee shall enter into any contract with the PUC, unless authorized by law.

2.09 Granting Special Consideration. No Commissioner or employee shall grant any special consideration, treatment, or advantage to any citizen beyond that which is available to every other citizen.

2.10 Authority. No Commissioner or employee shall exceed his or her authority, or breach the law, or ask others to do so.

2.11 Official Action. No Commissioner shall take an official action which will benefit any person or entity where such Commissioner would not otherwise have taken such action, but for the Commissioner's family relationship, friendship, or business relationship with such person or entity.

2.12 Compliance With Laws. Commissioner and employees shall comply with all local ordinances and State and Federal Statutes including, but not limited to, the Criminal Code, and laws governing the functioning of municipalities, their elected and appointed officials, and employees.

2.13 Actions of Commissioners. Commissioners, as individuals, have no administrative authority. Commissioners' duties are to be performed by the PUC as a whole, unless lawfully

delegated by a vote of the PUC. No individual Commissioner shall individually supervise employees, formulate policies, meet with union representatives to negotiate terms of employment or otherwise exercise PUC powers unless lawfully delegated to do so by a vote of the PUC. Nothing in this section is meant to prohibit Commissioners from discussing and working with the PUC General Manager.

2.14 Actions by Commissioners and Employees. No Commissioner or employee shall act on behalf of the PUC in the making of policy statements, in authorizing any action, agreement or contract, or in promising to prevent any future action, when such Commissioner or employee has, in fact, no authority to do so.

**3.00 Participation in Certain Services and Programs.** In certain instances, not covered by state statute, PUC Commissioners and employees may desire to receive certain extraordinary services or to participate in certain programs offered by the PUC which are also available to the general public if certain circumstances or criteria are met. In order to avoid any appearance of impropriety, the Commissioners and employees desiring said services or to participate in said programs shall apply to the PUC and receive approval for the same only by a vote of the PUC.

**4.00 Effective Date.** The policy, prohibitions and procedures contained herein shall only be effective upon the passage of this policy by the PUC.

POLICY HISTORY:

Adopted: November 15, 2006

Revised: