



BOARD OF DIRECTORS' MEETING

Friday, January 18, 2019

8:30 a.m.

Glacier Canyon Lodge – Wisconsin Dells

MINUTES

To be approved by the Board of Directors on May 17, 2019

President Paul Hermanson called the meeting to order at 8:30 a.m. and determined a quorum was present. Board members and alternate directors present were Wes Arndt, Scott Adler, Eric Anthon, Dale Bender, Brian Carroll, Leo Diehl, John Fales, Tim Herlitzka, Paul Hermanson, Randy Jaeckels, Brian Knapp, John Murphy, Troy Murphy, Jeff Peterson, Lonnie Pichler, Joe Pickart, Randy Posthuma, Tim Putz, Mike Reynolds and Rick Wicklund. Melanie Krause joined the meeting by phone, along with General Counsel Anita Gallucci. Executive Director Tim Heinrich and other MEUW staff also attended.

The minutes of the December 12, 2018, Board of Directors' teleconference meeting were presented. Knapp motioned approval; Putz seconded. Motion passed unanimously.

Hermanson opened the floor for Member Comments. Jaeckels (New Holstein) mentioned that some utilities have discovered AMI repeaters installed on poles without prior or proper notice. After discussion, it was determined a working group should be established to coordinate a response. Heinrich will schedule a call for the group and determine whether action by the association is appropriate.

Hermanson also noted a member request to discuss the appropriateness of an administrative charge MEUW management plans to assess for members who choose to pay dues using installment payments. The \$50 charge is included in newly published practices put forth to document MEUW's handling of membership dues. Pickart motioned that the \$50 charge be approved beginning with 2019 dues payments; Diehl seconded. Motion passed unanimously.

Hermanson presented the President's Report and opened discussion regarding a proposed education program to focus utility employees and governing board members on the unique advantages of the public power model and those individuals' role in advocating for it. Discussion followed, noting that this type of effort had previously been proposed and never advanced, so the hope is that, this time around, the program can move forward. Heinrich noted that resources are available from APPA to develop the program, and the key to success will be active engagement from members and a willingness to help facilitate the training. It was determined a working group should help to coordinate the effort and the membership should be polled to determine the level of interest in moving ahead.

Board Secretary/Treasurer Herlitzka provided a Financial Report, reviewing the preliminary and unaudited income statement and balance sheet provided in advance of the meeting. He noted MEUW's solid financial position and highlighted 2018 year-end outcomes that were better than had been budgeted. Heinrich drew attention to the large variance in outside services costs for the year noting the increase reflected use of contract resources due to staff vacancies in the Executive Director and Marketing and Membership Services roles that occurred in 2018. J. Murphy motioned approval of the Financial Report; Knapp seconded. Motion passed unanimously.

Heinrich presented the Executive Director's Report and began by thanking all in attendance for their participation in the Joint Superintendents' Conference. He reported 162 MEUW members representing 59 utilities had registered – an increase in total attendance from 2017 (144) but with two fewer utility members attending. The Conference – which may have a new name next year – will move to the Kalahari Convention Center. An online survey seeking feedback about the conference will be sent to attendees on Jan. 21.

MEUW has published an updated "Wisconsin Public Power Directory." Printed copies are available upon request and the electronic version is posted on MEUW.org. Also, dues packets were mailed to member utilities just after the new year. Heinrich thanked the many utilities that have already paid their dues and noted that a number had "rounded up" to support the new scholarship fund.

The APPA Legislative Rally is to be held Feb. 25 to 27 in Washington, D.C. MEUW will host a reception for the Wisconsin delegation at the Mayflower Hotel on Monday, Feb. 25, and a capacity crowd is expected. MEUW staff will evaluate alternative options to host the reception in future years due to space limitations at the Mayflower.

The League of Wisconsin Municipalities has approached MEUW to again collaborate on a "Municipal Day at the Capitol" event, in coordination with MEG-Water and WRWA, on Wednesday, May 22. Heinrich will attend a planning meeting on Jan. 29 and provide updates as needed. He noted that the date conflicts with a previously scheduled WPPI Energy Executive Committee meeting. The idea of holding a "Public Power Parade" had been discussed as part of MEUW's long-term strategic planning, and Heinrich noted such a display would be a good way to draw attention to ourselves during this joint rally. Board members agreed and expressed a willingness to send resources to participate in the Parade.

Heinrich provided a reminder that Jan. 31 is the deadline for the scholarship applications and requested that anyone willing to help screen submittals contact him. He also made note of the dates of this year's Annual Conference, which is May 15 to 17 at Lake Lawn Resort in Delavan. The schedule for the conference will include pre-conference workshops beginning at 1 p.m. on Wednesday, with the opening reception that evening. Recreational activities, including the golf outing typically held on Wednesday, have been moved to Thursday afternoon this year. MEUW's Annual Business Meeting will take place on Friday at 8:30 a.m.

MEUW is finalizing plans to launch a Member Engagement Survey at the end of February. The survey is designed to collect feedback about the services and future direction of the association and is expected to be conducted on an annual basis moving forward. The timing coincides with the anniversary of the ENERGY Project survey conducted in February 2018, which will serve as a baseline for members' feedback.

Heinrich discussed plans to possibly use text alerts for mutual aid response. During the Joint Superintendents' Conference, MEUW tested functionality to have users subscribe to alerts and submit ideas for a possible new name for the conference. The testing appears to have gone well and sets the stage to use the same, low-cost functionality to allow users to enroll in alerts MEUW could use to ensure timely response to mutual aid requests. Additional details will be shared as they are finalized.

Manager of Safety Services Mike Czuprynko provided a brief report, including the facts that both the City of Elroy and the City of Marshfield have joined MEUW's Regional Safety Management program. More communities/utilities signed on for the MSDS Online for 2019, which enabled us to lower the cost-share fee. Randy Larson and Mark Zielsdorf are making the rounds to visit utilities for the Electric Utility Safety Training program (formerly JT&S). Several workshops and training seminars are in the works; topics and dates will be communicated soon. Staff is also working to update the mutual aid manual and contact list.

Attorney Gallucci reviewed highlights of the Legal and Regulatory Report that had been provided in advance of the meeting. She particularly noted the PSC's recent reprimand of Lodi for failing to obtain a Certificate of Authority before construction of a new facility as well as the possibility of a PSC investigation into the gas explosion that occurred in Sun Prairie. She also reviewed staff changes at the PSC resulting from the election of Gov. Tony Evers.

As part of Association Business, the Board reviewed President Hermanson's recommendation to appoint alternate directors to the Board of Directors – from District 1 Weston Arndt, New Richmond, and from District 6 Troy Murphy, Prairie du Sac. Diehl motioned; Bender seconded. Motion passed unanimously.

Heinrich provided an update on the status of past-due membership dues owed by Reedsburg Utility Commission. MEUW received no response to the letter signed by Board Members and sent to RUC in mid-December. RUC was provided a "Statement of Account" on Jan. 2, which also provided notice that interest charges on the past-due amount are accruing as of Jan. 1, 2019. RUC's Brett Schuppner contacted MEUW on Jan. 14 to discuss settling the financial matter. Heinrich

recommends MEUW agree that RUC owes \$7,256.61 for its 2018 dues, which reflects the cost of one-half of the year's membership, even though MEUW did not receive written notification of RUC's cancellation until Sept. 18, 2018. Knapp motioned to accept Heinrich's recommendation; Bender seconded. Discussion followed. The motion passed with Directors Adler, Bekkum, Bender, Diehl, Herlitzka, Hermanson, Knapp, Krause, J. Murphy, Pichler, Pickart, Putz and Wicklund and Alternate Director Carroll voting in favor, and Directors Jaeckels, Posthuma and Wardell voting against.

Heinrich also noted specific language related to canceling membership included in newly published practices put forth to document MEUW's handling of membership dues. Specifically, the section is as follows:

"If a Member elects to cancel membership after the Renewal Period, MEUW must receive notice in writing, at which time the Member's access to benefits ceases immediately. The Member is responsible for a one-time cancellation fee of \$100 plus a prorated portion of the Dues until the date of cancellation. The Member is also responsible to pay for other charges incurred while a Member, including registration and program fees. Any unpaid balance is subject to a 1% monthly service charge after 30 days."

J. Murphy motioned that the language be approved beginning with 2019 dues payments; Pickart seconded. Motion passed unanimously.

Heinrich briefly reviewed the Operations Task Force Report-Out that had been provided in advance of the meeting. He noted that the task force had conducted several meetings to review and discuss MEUW's operations and he highlighted that MEUW is one of only two stand-alone (electric utility only) trade associations in the Midwest. Overall, MEUW is believed to be operating efficiently at this time and no further action is required, though the association will remain open to exploring partnerships and alliances as those opportunities arise.

The Board briefly discussed the Long-Term Strategic Plan, a draft of which was provided prior to the meeting. Heinrich noted that this draft document reflects the outcome of discussions held in September. There was no official action. The document will be presented for approval at the May meeting.

In Other Business, Director Wicklund, Chair of MEUW's Legislative and Regulatory Committee, reminded members of the importance of supporting Friends of Public Power, MEUW's political action committee.

There being no further business, the meeting adjourned at 10:47 a.m.