



BOARD OF DIRECTORS' MEETING

Friday, January 17, 2020

8:30 a.m.

Kalahari Resort – Wisconsin Dells

MINUTES

To be approved by the Board of Directors on May 15, 2020

President John Murphy 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, David Bekkum, Dale Bender, Brian Carroll, Leo Diehl, John Fales, Tim Herlitzka, Paul Hermanson, Ron Janzen, Brian Knapp, Nicolas Kumm, George Morrissey, John Murphy, Troy Murphy, Jared Oosterhouse, Jeff Peterson, Joe Pickart, Tim Putz, Brian Rhodes, Todd Tessmann, Jill Weiss, and Rick Wicklund. Melanie Krause and Greg Kuhn joined the meeting by phone. Executive Director Tim Heinrich and other MEUW staff also attended.

The minutes of the December 11, 2019, Board of Directors' teleconference meeting were presented. Hermanson motioned approval; Wicklund seconded. Motion passed unanimously.

Murphy opened the floor for Member Comments. There were none.

Executive Director Heinrich and Board Secretary/Treasurer Herlitzka provided a Financial Report, reviewing the preliminary and unaudited income statement and balance sheet provided in advance of the meeting. Heinrich highlighted several factors that contributed to the projected 2019 year-end deficit, including expenses related to topical workshops; increased employee expenses, especially in the Electric Utility Safety and Training Program; legal expenses related to the work of the Small Cell Wireless Task Force; consulting fees for the Executive Director salary study and comprehensive employee benefits review; and unexpected expenses for the purchase of new furnaces at the 725 Lois Drive building and a replacement laptop for the Executive Director. Board member discussion focused on the association's legal fees and a request that the Executive Committee meet with Boardman & Clark to "re-set" expectations of General Counsel services and formalize a letter of engagement for services and fees. There was further discussion about controlling costs to manage the Board-approved 2020 deficit budget. Herlitzka noted MEUW's solid cash position, acknowledging that using existing cash on hand to pay for budget overruns is obviously not sustainable over the long-term. The Board encouraged the association to develop a Cash Reserve Policy. Pickart motioned approval of the Financial Report; Putz seconded. Motion passed unanimously.

Heinrich presented the Executive Director's Report and began by thanking everyone for their attendance at the Electric Operations Conference & Expo. He reported 65 MEUW member utilities had registered. An online survey seeking feedback about the conference will be distributed to all attendees.

MEUW is hosting a "Day at the Capitol" on Thursday, February 13. All members are encouraged to send one or more representatives for the legislative lobbying day, which will begin at 8:30 a.m. and conclude after lunch. Details are available on MEUW's Website. There is no cost to attend; registration is encouraged before

February 7. Heinrich noted that the event is exclusive to municipal electric utilities, unlike recent past events held in conjunction with the League, the water associations and others.

A new training opportunity focused on improving interpersonal communications is being offered March 12. The course – “That’s Not What I Said ... or Was It?” – is part of a new series of soft skills sessions and addresses specific strategies for workplace communications. Additionally, plans are being made to hold a Work Order and Asset Management Workshop in the fall of 2020. Jodi Dobson from Baker Tilly has agreed to facilitate the workshop, which will be similar to one held in 2015. The date and location will be finalized soon.

Heinrich reported on a December meeting he had with Carrie Templeton, Chief of Staff at the Public Service Commission. The meeting was very positive and included discussions about MEUW hosting another “field day” for PSC staff (Lake Mills is the proposed site of the 2020 event) as well as tentative plans for holding MEUW’s bi-annual Credit and Collections Conference at the PSC offices in March 2021.

He also made note of the dates of this year’s Annual Conference, which is May 13 to 15 at the Holiday Inn in Manitowoc. The schedule for the conference will include pre-conference recreational activities, including the golf outing, on Wednesday afternoon, with the opening reception that evening. Conference general sessions and breakouts will take place Thursday, with the Awards Ceremony during the lunch. MEUW’s Annual Business Meeting will take place on Friday at 8:30 a.m.

Manager of Safety Services Mike Czuprynski provided a brief report, noting that L’Anse and Baraga, Mich. have joined the Regional Safety Program. Further, MEUW continues to receive requests for á la carte groundman training for those individuals who are not linemen. Also, the new flagger standard took effect on January 1, and MEUW is arranging for seminars across the state to train on the new standard. A full list of upcoming seminars is available on the Website. MEUW Safety Award applications will be sent in February; awards are presented at the Annual Meeting.

As part of Association Business, the Board reviewed plans for the Leadership Academy that is being developed as part of MEUW’s long-term Strategic Plan. Heinrich noted that the concept of the Academy is to provide training for talented, up-and-coming individuals to help develop a set of key competencies that are vital to ensure municipal utilities continue to thrive. Many municipal utility leaders have never had any kind of formal leadership training, so MEUW’s Leadership Academy can help current and future leaders’ professional development. The Academy curriculum is being developed based on seven core competencies that emerged from workshop discussions held with MEUW Board members in September 2019. In an effort to pilot the training offered through the new Academy, Heinrich proposed conducting a one-day workshop on April 22 that focuses on one of the competencies – “building collaboration.” The workshop will be facilitated by Eagle’s Flight, the same consultant that helped to develop the competency model. Member utilities will be encouraged to send individuals to attend; cost is estimated to be \$325 per person. The Board discussed the merits of the project, noting the number of upcoming retirements and the need for this type of training. Diehl motioned approval of the pilot training session; Bender seconded. Motion passed unanimously.

Heinrich provided an update on the work of the Small Cell Wireless Ad Hoc Committee that was formed by the Board in May 2019. A kickoff meeting was held in August, and Boardman & Clark got to work developing standardized pole-attachment agreements and a model ordinance. A subset of the Committee has been working through the technical requirements of such an agreement. To date, MEUW has incurred nearly \$20,000 in legal fees for the project, and Heinrich noted that Board had not specifically authorized those expenditures. Early on, Anita Gallucci indicated the total cost for Boardman & Clark’s services would be around \$50,000. There was considerable discussion about the Committee’s work and consensus that this effort is well-suited for MEUW to support because the small cell deployments will eventually impact all member communities and a unified approach is preferred. Kumm motioned to authorize spending from the

general fund for legal fees not to exceed \$55,000 for the development of standard small-cell wireless agreements (including engineering drawings) by the date of the next MEUW Board Meeting (May 15, 2020); Pickart seconded. Motion passed unanimously.

Board members were asked to consider a recommendation of the Safety and Education Committee to establish uniform guidelines pertaining to compensation paid for out-of-state mutual aid work. The issue is one that has been debated for some time, and the differing pay rates among municipal workers (and also between Wisconsin crews and union crews from other states) has been a source of tension while working out-of-state events. The Safety and Education Committee recommended adopting standard pay rates determined by the requesting and responding utilities' prevailing wage (the higher of the two). After debate, Pickart motioned that the Safety and Education Committee's recommendation be approved and adopted by the Board; Morrissey seconded. Further discussion followed. The motion failed 11-7, with Directors Adler, Herlitzka, Morrissey, Pickart, Putz, Wardell and Wicklund voting in favor, and Directors Bekkum, Bender, Diehl, Hermanson, Knapp, Krause, Kuhn, Kumm, J. Murphy, Oosterhouse, and Weiss voting against. Following the roll-call vote, Hermanson motioned for the Board to request the Safety and Education Committee reconsider its recommendation and bring an alternative proposal forward for the next Board meeting; Diehl seconded. Motion passed unanimously.

In Other Business, Director Bender announced his intent to resign as District 6 Director due to his upcoming retirement. After consulting with District 6 Alternate Director T. Murphy, who expressed his desire to continue as an Alternate Director, Director Bender recommended to President J. Murphy that Scott Gald of City Utilities of Richland Center, be appointed to serve the remainder of Director Bender's term, which expires at the Annual Meeting in May 2020. President J. Murphy recommends the Board appoint Gald as District 6 Director. Hermanson motioned approval of President J. Murphy's recommendation; Morrissey seconded. Motion passed unanimously.

Also, a group of retired and active cooperative employees is leading an effort to create a specialty license plate in Wisconsin to recognize lineworkers. The group has requested MEUW sponsor the project and contribute toward the \$15,500 fee needed to develop the specialty plate. Heinrich presented the request for Board consideration. No action was taken.

There being no further business, the meeting adjourned at 9:49 a.m.