



BOARD ELECTION POLICY

Revised: September 20, 2016

History

In 1987, as momentum gathered in the State Legislature for comprehensive One Call Notification Center legislation, a diverse group of underground damage prevention stakeholders galvanized to help create the statutory framework that came to be known as Minnesota Statutes, Chapter 216D and form Gopher State One Call (GSOC) as the State's approved provider of notification center services.

Both private industry and government officials were convinced that a privately run call center with input from the stakeholders would be the best option for Minnesota as it moved to a single source for notification of underground facility operators of intended excavations. This consensus is outlined in the original structure of Minnesota Statutes, Chapter 216D. The private sector would first be given the opportunity to create a non-profit corporation whose structure and fulfillment of statutory requirements would subject to approval by the Commissioner of the Department of Public Safety. The law also provided that if the Commissioner did not approve the industries' private nonprofit organization, it would be left to the State to establish rules and provide for a State-controlled notification center.

The challenge in framing the governance structure of the nonprofit corporation was to both meet the requirement of Chapter 216D.03 Subdivision 2(a) to have the Board members elected by "operators, excavators and other persons eligible to participate in the center" and yet foster an environment where there was confidence no one company and no one industry sector's interests would dominate the others. The organizers wished to stay away from a model where specific interests were represented to one where a director would serve a larger constituent interest. They did not want to create a political platform, but wished to assure the organization would be non-political. The concept of contested public elections for volunteer positions was rejected. The organizers were intent on creating a corporation that would keep public safety continually at the forefront of decision making. The corporate organization would need to support an atmosphere where the Board and its members could deliberate and act freely and independently of the influence of any employer, trade organization or other special interests.

Various membership models were considered and discarded. For example, it was felt that membership voting by "one member, one vote" would give outsized representation to local governmental entities. On the other hand, weighting voting power by number of notifications or fees paid was viewed to place too much focus on a very few utilities. The organizers wanted to assure that smaller utilities, excavators and outstate Minnesota had a voice and a variety of perspectives were considered. These goals were consistent with good governance principals to assure that Board members were not serving to focus on a single issue for only a portion of the industry.

The solution was to organize GSOC as a non-member, nonprofit corporation, where the Board would elect the board of directors through an election process they created. This governance structure is typical of many other successful nonprofits and has become a popular choice for nonprofit corporations over the last 25 years. In fact, the national Common Ground Alliance (CGA) has moved towards this form of organization. In this organizational structure, a Board member may represent the interests of all stakeholders in carrying out GSOC's damage prevention mission and is not beholden to an employer or any other organization for his or her Board presence. The Board and its members are able to make decisions in the best interest of GSOC, underground safety and the people of the State of Minnesota in general, without concern for retaliation or discrimination if a particular decision happens to be unpopular with a segment of the industry or an employer.

This organizational framework was specifically approved by Minnesota Department of Public Safety Commissioner Tschida, who reviewed and approved the corporate structure and GSOC, as provided under Chapter 216D, to be the non-profit corporation responsible to implement the one call notification center services in Minnesota. Once GSOC was established and approved by the Commissioner, GSOC became empowered as the notification center under MSA Chapter 216D. This recognition remains in full force and effect today.

Preamble

GSOC has engaged in continual efforts to insure the Board maintains a wide spectrum of subject matter expertise. The Board also works to assure it also contains perspective from both the metropolitan and outstate areas of Minnesota in order to serve all of the State. Areas of subject matter expertise and variety of perspectives have changed over the years as the nature and ownership of underground infrastructure has evolved. For example, in 1987 when GSOC was formed, telephone companies were a major factor in the industry and underground cable telecommunications were scarcely a factor. Today, the two openly compete in the marketplace for customers. The Board reviews Board composition at least every two years to ensure the Board maintains the benefits of a sound variety of subject matter expertise and experience.

Due to the desire to maintain independence from outside control and special interest influences, the Board maintains robust confidentiality and conflict of interest policies that it expects all of its Board members to adhere to, including government employees. These Board policies are available for review by prospective Board member candidates upon request.

The Board holds elections annually. GSOC seeks Board members with strong subject matter expertise and direct industry experience in issues affecting safety for specific segments of the underground infrastructure or excavation industries, a keen interest in safety and in underground damage prevention in particular, a collaborative and cooperative spirit, a willingness to serve independently from the interests of any employer, trade organization or other group and serve on behalf of all stakeholders, and a desire to help make Minnesota the preeminent notification center in the Country. Persons demonstrating these qualities with an interest in serving and willingness to abide by GSOC Board policies are encouraged to apply to the Board for consideration.

Statement of Intent

Gopher State One Call desires a strong and robust, independent Board of Directors with broad subject matter expertise from a variety of Minnesota damage prevention stakeholders. The Board also desires to separate the process of electing members of the Board from paid GSOC employees and personnel to promote a strong governance foundation for GSOC. GSOC values a Board which will operate independently of outside influences and make decisions which will be in the best interests of the public as a whole. This Policy is designed to establish guidelines for electing members of the Board to promote clarity and consistency in the election process and to highlight the importance of GSOC's confidentiality and conflict of interest policies in maintaining a sound, independent Board.

General Policy

GSOC shall use the following guidelines to select the members of the Board:

1. Directors shall be elected annually at the January meeting of the Board.
2. Because the GSOC is a "non-member" organization, the Board is responsible for the election of its directors.
3. The Director of the Minnesota Office of Pipeline Safety (the Minnesota State Fire Marshall) shall be the only member of the Board who has a statutory position on the Board. No other company or association shall own or be entitled to a position on the Board.
4. The Board shall establish and supervise the process for electing members of the Board. The Chair shall be responsible for initiating and conducting the process with the assistance of counsel to the Board and such Board members as the Chair shall designate. The Board shall identify industry segments from time to time which the Board desires to draw subject matter expertise and perspective from (for example, municipal owned utilities or major gas distribution) and the Chair will seek to assure there is Board membership from those segments. The Board shall periodically review these industry segments, at least every two (2) years, to assure they provide a sound cross section of the underground damage prevention industry.
5. The Board shall seek input from various sources in the industry segment for potential candidates to consider including companies, trade associates and individuals with experience in the industry. The Board is encouraged to and may also seek input from governmental associations or units of government with respect to Board membership from governmental entities (such as municipal owned utilities or transportation department).
6. The Chair, with assistance from counsel to the Board and other Board members designated by the Chair, shall obtain relevant information and documentation concerning the qualifications and suitability of a potential candidate, including without limitation, the person's subject matter expertise, interest in damage prevention and public safety and ability to maintain the best interests of GSOC and public safety throughout the State of Minnesota at the forefront of decision

making and to avoid conflicts of interest. In the event of a vacancy and the foregoing criteria for the candidate are sufficiently demonstrated to the Board Chair, the Chair shall present the candidate to the Board for consideration. In the case of a particular controversy, the Chair shall have the final determination on any issues relating to the preliminary screening and presentation process.

7. To the extent possible, the vetting process shall include a meeting with representatives of the Board. A new candidate must demonstrate willingness to adhere to and comply with GSOC's confidentiality and conflict of interest policies in particular as a condition of Board consideration.
8. In the event multiple individuals are proposed for a single vacancy and deemed qualified by the Chair, the Chair shall establish criteria for selecting a candidate to suggest to the Board and shall advise the Board of the criteria and the evaluation, which shall be subject to the Board's review.
9. GSOC employees, including the COO of GSOC, shall not have any role whatsoever in the process for nominating, evaluating, selecting, or electing members of the Board.
10. GSOC shall have the right to reject any or all candidates without providing any reason for its decision.
11. Any person or organization desiring to be considered for membership on the Board must provide all requisite information and documentation to the Chair of the Board, as determined appropriate by the Chair of the Board, including without limitation, a candidate profile, conflict of interest questionnaire and other Board requirements.
12. GSOC shall seek nominations from the entire industry and not be limited to members of any particular association or trade group. Paying dues to a trade group or association shall not be deemed a prerequisite or requirement for nomination or election to the Board.
13. GSOC affirms the Board's intent that maintaining a balance of industry perspectives is important to the constitution of the Board and affirms its desire to have Board representation include some members with a rural perspective (outside of the Twin Cities metropolitan area) in order to help assure a balance of perspectives.