

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

April 27, 2015

The regular monthly meeting of the Board of Directors of Wheat Belt Public Power District was called to order by President Bernard Fehringer, at 8:30 a.m., Monday, April 27, 2015, at the District Headquarters, 2104 Illinois Street, Sidney, Cheyenne County, Nebraska.

ROLL CALL

The following Directors were present:

Mike Blomenkamp
Bernard Fehringer
John Gortemaker
Marcus Milanuk

Stuart Morgan
Doug Smith
Brian Zimmerman

Also present were Tim Lindahl, General Manager; Carolyn Hostetler, Chief Financial Officer; Pam Wieser, Business Manager; Earl Reilly, Operations Manager; Ryan Borges, Staking Engineer; Jim Weeda, IT Manager; and Kelli Chaon, Executive Assistant.

Debra Schlaman recorded these Minutes at the request of Board Secretary, Marcus Milanuk.

President Bernard Fehringer declared a quorum present.

Attention of the Directors and attendees was directed to the Open Meetings poster.

APPROVAL OF AGENDA

Lindahl presented a modified Agenda that was sent to the directors on April 26, 2015. Milanuk made a motion to approve the modified Agenda as presented. Gortemaker seconded the motion. Yea: All present. Motion carried.

NOTICE OF MEETING

Notice of the meeting was given by publication in the Sidney Telegraph on Wednesday, April 15, 2015, and proof of publication showing such notice as published is attached and thereby made a part of these Minutes. Morgan made a motion to waive the reading of the meeting notice. Zimmerman seconded the

motion. Yea: All present. Motion carried.

INTRODUCTION OF GUESTS

Fehringer introduced Alex Berglund, Wheat Belt's WNCC Intern. Fehringer announced that Ryan Stearns and Eric Reichert will attend the groundbreaking ceremony.

APPROVAL OF MARCH 27, 2015, BOARD MINUTES

Fehringer noted that on page five of the March 27, 2015, Board Minutes, paragraph two, that the Rate Committee was held "after" instead of "prior" to the annual meeting. Gortemaker moved to waive the reading of the March 27, 2015, Board Meeting Minutes, and that they be approved as amended. Milanuk seconded the motion. Yea: All present. Motion carried.

PUBLIC HEARING & COMMENT PERIOD

No one appeared before the Board. Lindahl reported on a customer irrigation account that had shorted to ground and used a substantial amount of power and the owner wished to make payment arrangements. Options were discussed with staff, and will be discussed as listed on the Agenda.

DISTRICT AUDIT REPORT

Lindahl reported that we have not received the final 2014 Audit Report from Schmidt & Company. Approval will be postponed until next month.

GENERAL MANAGER'S REPORT

Personnel

Lindahl reported that there are 27 employees with the hiring of Dan Westman as the new Dalton Area Lineman. The linemen were recognized during the April Safety Meeting for their service and dedication to keeping the lights on. A steak lunch and "linemen" cake was provided. Lindahl also took the administrative and support personnel to lunch.

Legislative & Regulatory

Lindahl included information on notable items in the Board book from the NREA Unicameral update blog posted by Kristen Gottschalk. Also included was an article on the advancement of the State Energy Plan bill. Lindahl will be attending the NRECA Legislative Conference as well as the NREA Legislative Committee Meeting.

Other

Lindahl reported that six Sidney High School students visited Tri-State for an energy tour with Tim and Mark Cape as chaperones. There was a good response from the kids. The J M Shafer generating power plant near Ft. Lupton, Colorado, was also toured.

Morgan mentioned that Tri-State has a program for member directors. Conducting a strategic planning session and orientation for the directors at the same time was discussed.

Lindahl was asked by Tri-State to participate in their Leaders as Teachers program this summer. The program brings in individuals to speak with the employees of Tri-State on various topics. Lindahl's focus will be on who we are and some of the issues we face as a public power district.

Lindahl included a press release in the Board book from NPPD on their conversion of one of their power plants. Carbon black was discussed.

Financials

The financials were presented under separate cover and Lindahl reviewed and answered questions. The large dollar items budget was explained and discussed. The FEMA grant monies received for the Hazard Mitigation Plan were discussed. Lindahl discussed the cost of power. Discussion was held on how to show the large item expenditures for the new facilities and how the process would be handled.

STRATEGIC ISSUES

Facility Design: Discussion was held on contacting a Mason's Grand Master to conduct a cornerstone ceremony. Discussion was held on the cuts, and the lighting and HVAC rebates. Lindahl would like authority to pay the contractor bills between board meetings as the budget as a whole has been approved. Discussion followed.

Lindahl said there will be a contractor building meeting the second Tuesday of every month. Lindahl offered to e-mail a copy of the bills etc. to the directors prior to issuing a check. The contractor is to have bills to Ryan Stearns, the architect, by the fifth of each month, and Stearns will then send them to Lindahl. Payment is to be made by the 25th of each month to the general contractor.

The checks will need to be signed by the Treasurer (Gortemaker) or Fehring. If there is a problem, a special meeting will need to be called. Lindahl has the authority to resolve any minor problems. Any project change orders over \$5,000 will need to go before the directors. Change orders are to be taken to Tim, then

to the architect, then to the general contractor. A contractor trailer will be on site, and if anyone visits the site, they have to check in with the general contractor. Lindahl will set up visits for after the monthly board meetings. Following discussion on several topics, it was decided that e-mail would be the preferred method of documentation and information.

Facility Sale: Lindahl received a lead on an interested party and will pursue further.

Rates: Continues to be on hold pending the Tri-State Rate Committee report. Lindahl did include a general cost impact in the Tri-State section, illustrating our impact under the current rates.

Avian Protection Plan: Reilly reported that he received the confirmation letter this morning. The Plan will be in the May Board book.

Blue Creek Substation Land Sale: Reilly reported that the NPPD meeting on the substation land sale is set for April 29th.

A coffee break was taken at 9:52 a.m.

The meeting resumed at 10:02 a.m.

Industrial Sub-Transmission Project Path/Construction Method: Borges reported the survey is completed, and he will begin contacting landowners to reaffirm the pole locations for easement payments.

District Legal Counsel: A copy of the Attorney Job Description was included in the Board book. Fehringer distributed copies of a draft letter to the law firms in the district area and a copy of a memo from Tom Sonntag. Since the attorney works for the board, the directors will be conducting the interviews. The resumes will come to Wheat Belt, and then be distributed to the directors. It was the consensus of the Board to change the date from July to June to submit the resumes, and they will conduct interviews “prior to or during” the month of August.

MEETING REPORTS

Tri-State Board Meeting

Morgan reviewed his April Tri-State Board Meeting report and discussion followed.

Tri-State Rate Committee

Morgan presented his report in the Board book. Discussions at the Rate

Committee meeting centered on how all the rate designs would affect each individual system, if rate caps will be used, and if the design will have a phase-in period. A copy of the current and proposed rate analysis for Wheat Belt was included in the Board book.

Tri-State By-Laws

Lindahl reported that the By-Law proposed changes were passed by the Tri-State membership. The Tri-State Board of Directors will now decide on how the patronage is to be paid.

Tri-State FERC Complaint

Lindahl did not have anything new to report.

Tri-State Policy 109

Included in the Board book were the proposed changes to the Tri-State Board of Directors Policy 109: Member System Transmission Service Policy for solicitation of comments.

MEETING REPORTS

NRECA Safety Leadership Summit

Lindahl, Reilly, Dean Gipfert and Greg Jenkins attended the conference as Wheat Belt was invited to showcase a portion of our safety program. Three presentations were given, and interest was shown in the program.

Basin Managers Advisory Committee

Lindahl reported that the committee discussed the wholesale electric contracts. Lindahl also reported that Basin has a special program for residential all electric heat customers. He will research the program and details for our customers.

POLICIES & RESOLUTIONS

Policy C-18: Dissemination of Customer Information; Policy C-20: Service Sizing Requests (Single Customer); Policy C-21: Energy Efficiency Credit Rebates; Policy C-22: Reward for Damage Reporting; Policy C-23: Net Metering; and Policy C-24: Irrigation Capacitor Rebate Program: Milanuk made a motion to readopt Policy C-18, Policy C-20, Policy C-21, Policy C-22, Policy C-23 and Policy C-24 as presented. Gortemaker seconded the motion. Yea: All present. Motion carried.

Policy C-19: Customer Requested Service Connections or Disconnects After Business Hours: Grammatical changes in paragraph four were recommended. Add “time is **of the** essence...” and add “...Wheat Belt **had** followed...” Milanuk made a motion to approve Policy C-19 as amended. Zimmerman seconded the motion. Yea: All present. Motion carried.

Policy C-25: Irrigation Disconnect Rebate Program: Following discussion among the directors and staff, Gortemaker made a motion to table Policy C-25 until the next board meeting to allow staff to propose some changes relating to the location of the disconnect switch. Milanuk seconded the motion. Yea: All present. Motion carried.

SAFETY ISSUES and SAFETY MEETING MINUTES

The April 10, 2015, Safety Meeting Minutes were reviewed and discussed. Kory Hildebrand, NREA JT&S instructor was present, and Bucket Truck Operations and Safety was conducted.

Reilly reported on the RESAP inspection and observation that was held April 1, 2015.

CONSTRUCTION, MAINTENANCE & OPERATIONS REPORT

Major Outages: High winds caused approximately a twelve minute outage at the Wildhorse, Oshkosh and Lewellen Substations on March 28, 2015.

Construction, Maintenance & Operations: Reilly reported on what was noted in the Board book.

Osprey Report

Reilly reported that we set new Osprey nest platforms. These were built to hopefully lure the Osprey to build new nests on the platforms instead of the cross arms to avoid causing power outages. An article appeared in the NEBRASKAland and Nebraska Game and Parks blog sites.

Reilly reported that so far this year, we have had three car accidents where drivers hit our poles.

Discussion was held on a report by a customer saying we did crop damage while converting overhead line on his property. The claim has been submitted to Federated Rural Electric Insurance.

Borges reported that pole testing has begun.

BUSINESS REPORT

Wieser reviewed her report in the Board book.

Wieser reported that the Cheyenne County Ag Social was well attended. Two \$500 scholarships were awarded to local students.

Surge Suppression: Wieser reported that there were five suppressors on the system. Customers were notified that we were discontinuing the program, and that the suppressors would remain in place until such time as the meter was changed or there was an issue.

Customer Service/Marketing

The Customer Survey of residential customers began the week of April 13th. Peterson and Hodges will conduct the survey based on a script. Customers are given the opportunity to expand on their answers, or report on any maintenance issues. So far they have received good responses and several questions.

Irrigation

Wieser asked the directors for an irrigation write-off on Account 7492 in the amount of \$448.80. A motion was made by Smith and seconded by Milanuk approving the write-off in the amount of \$448.80 on Account 7492. Yea: All present. Motion carried.

Wieser reported on an irrigation account that had a short caused by a mouse nest which resulted in a large bill. The landowner asked Wieser to approach the Board for an extended payment plan arrangement. Following discussion, a motion was made by Gortemaker to allow the landowner a six-month payment plan to pay the bill with interest charges. Morgan seconded the motion. Yea: Blomenkamp, Fehringer, Gortemaker, Milanuk, Morgan and Zimmerman. Nay: Smith. Motion carried.

METERING

Lindahl reviewed the Board report and he and Weeda answered questions. Rosenbaum was reading meters.

Rosenbaum will be attending the NRECA Legislative Conference in Washington, DC, with Lindahl.

INFORMATION AND TECHNOLOGY REPORT

Weeda reviewed his report in the Board book and answered questions.

Reuter passed the Certified Information Security Systems Professional exam. He was the only one that passed of the three people taking the test.

The Wheat Belt 30-Day Load Chart was included in the Board book.

FUTURE MEETING, TRAINING, AND ARRANGEMENTS

Peterson reviewed the upcoming meetings.

Milanuk questioned attending the Wind and Solar Conference and Lindahl responded.

ELECTION OF DELEGATES AND OTHER ORGANIZATIONAL ITEMS

Lindahl will be attending the National Cooperative Services Corporation meeting, and was nominated as the voting delegate with Fehringer as the alternate delegate. Motion was made by Milanuk appointing Lindahl as the voting delegate and Fehringer as the alternate. Zimmerman seconded the motion. Yea: All present. Motion carried.

OTHER

Discussion was held on Lindahl running for the position on the National Rural Electric Cooperative Association Board currently held by Russ Nielsen who will be retiring. The directors supported Lindahl.

APRIL BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 11:52 a.m.

ATTEST:

Bernard G. Fehringer, President

Marcus Milanuk, Secretary