

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

September 25, 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 8:32 a.m., Friday, September 25, 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 - Left at 2:00 p.m.

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

Kelli Chaon and 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

Smith made a motion to approve the amended Agenda as presented. Gortemaker seconded the motion. Roll call vote: Yea: All Present. Motion carried.

NOTICE OF MEETING

Notice of the meeting was given by publication in the Sidney Sun-Telegraph on Tuesday, September 15, 2015, and proof of publication showing such notice as published is attached and thereby made a part of these Minutes. Smith made a motion to waive the reading of the meeting notice. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

INTRODUCTION OF GUESTS

The Employee Issues Committee Representatives: Secrest, Cape, Peterson and Reimers.

APPROVAL OF AUGUST 28, 2015, BOARD MINUTES

Milanuk moved to waive the reading of the August 28, 2015, Board Meeting Minutes, and that they be approved as presented. Morgan seconded the motion. Roll call vote: Yea: All present. Motion carried.

PUBLIC HEARING & COMMENT PERIOD

Susan Narjes appeared before the Board, representing the Cheyenne County Fair Ground Pavilion Committee. She gave a presentation regarding the new multi-use pavilion proposal. The committee was asking to have the existing service moved to the west side of the building. They asked to have Wheat Belt partner/sponsor some of the costs. Currently there are eight accounts at the fairgrounds. They would like someone do an analysis on where the lines go. Borges suggested having an electrician trace the lines, and he would work with whomever the fairground committee chose. Lindahl suggested adding LED lighting to the arena, etc. to help with electrical costs since Wheat Belt and Tri-State offer rebates. Borges provided a rough estimate for the line relocation/retirement.

Following discussion, Smith moved to approve \$5,125 to relocate/retire the line for the pavilion project. Motion was seconded by Milanuk. Roll call vote: Yea: All present. Motion carried.

GENERAL MANAGER' S REPORT

Personnel

Staffing is at 26 full-time employees. Dylan Bradley, Oshkosh Lineman, took a position with Basin Electric. We have advertised the vacancy, and are currently reviewing applications. The position will be held open until the right person is found.

Legislative & Regulatory

Nothing was reported.

Other:

A valve broke on Unit 27, causing damage to the piston, sleeve and turbo. The estimated repair is \$9,000. A partial rebuild on this engine was conducted in May

of 2014, and the warranty on the repair was twelve months. In order to expedite the truck's return to service, Lindahl authorized the order of the parts after talking with Fehringer. Unit 27 is due for replacement in 2017. Lindahl asked for an exception to the budget for \$9,000 for the repairs to Unit 27. A motion was made by Morgan to approve the exception to the budget for \$9,000. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

Lindahl reported that the first series on electrical safety stories ran on RFDTV earlier this month.

Lindahl was referred by Tri-State to speak at the Region 7 & 9 meeting in Salt Lake City, UT, this month on the topic of Cyber Security. Lindahl will be presenting with Barry Lawson of NRECA during the second general session on Wednesday.

Federated now offers their own Cyber Security coverage. We have been covered under Lockton, which was a product facilitated by Federated. Nebraska is not quite ready to roll on this coverage yet, but Lindahl will keep the Board posted so that this might be considered as part of our insurance coverage.

Lindahl included a solicitation to become a member of the Nebraska Petroleum Producers Association. Curtis Kayton, Manager of Southwest PPD, joined and asked that other managers consider joining. Director consensus is to add it to the upcoming budget for next year.

Lindahl included, in the Board book, the "retraction" that the Garden County News printed in their paper about the real estate transfer/irrigation power agreement error which was published by the news previously. An article will be in the magazine in the near future.

Financials

Lindahl reviewed the financial reports.

STRATEGIC ISSUES

Facility update: Progress is being made at the new facility. Lindahl scheduled a tour for after the Board meeting. A quick safety briefing was conducted.

The Notice of Interest for Hazard Mitigation for Grant Funding for the backup generator was submitted.

A motion was made by Milanuk to ratify the September bill already paid to Eric Reichert Insulation and Construction, Inc., on September 15, 2015, in the amount of \$458,766.35. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

Facility Sale: Lindahl had another inquiry on the sale of the current facilities. He will visit more with the individual in the future.

Rates Design: Lindahl reported that the wholesale rate was approved by the Tri-State Board. Lindahl presented the positive and/or negative impact on each of the Wheat Belt rate schedules. A motion was made by Milanuk to approve the Air Force D-1 Rate Schedule as proposed. Seconded by Gortemaker. Roll call vote: Yea: All present. Motion carried. The remaining rate schedules will be discussed at a future Board meeting.

District Legal Counsel: A motion was made by Morgan to enter into a Retainer Employment Agreement with the Matzke and Mattoon Law Office for Wheat Belt's legal counsel. Seconded by Milanuk. Roll call vote: Yea: All present. Motion carried. Sonntag will be retained for the remainder of the year.

District Auditor: Lindahl received a Bid and Engagement letter from Dana F. Cole. Smith made a motion to retain Dana F. Cole as District Auditor for one year. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

Co-Bank Line of Credit: The loan documents were received to establish the Line of Credit. Lindahl reported that a Resolution was included in the Board book for approval under Agenda Item 13. Lindahl has not had district legal counsel review the packet. Gortemaker made a motion to pass the Resolution pending legal review. Motion was seconded by Smith. Roll call vote: Yea: All present. Motion carried.

Irrigation Water Allocation: The South Platte NRD hosted a public forum on the potential to further limit water pumping to fourteen inches. Board consensus was to not take a position regarding this issue.

Sub-Transmission Project: Borges is working with the County Assessor to determine land ownership for an easement.

Large Truck Replacement: Discussion was held regarding changing the large truck rotation from fourteen years to twelve years and possible financing options.

Large Customer Line Extension Policy: Discussion was held regarding a customer that would require a new 115kV system to serve them. Lindahl will be compiling further information to be presented to the Board at a later date.

Facility Change Orders Consideration: Two change orders were presented from Hewgley & Associates. The first change order is in regards to adding an exit from the locker room per the State Fire Marshal. Motion was made to approve the additional exit by Smith. Seconded by Gortemaker. Roll call vote: Yea: All present. Motion carried.

The second change order was for upgrading the insulation in the roof of the office areas of the building. After a lengthy discussion, the board consensus was to leave the insulation as R27 as quoted.

BUDGET

Employee Wages and Benefits: The Employee Issues Committee spokesperson was Mark Cape. Cape reviewed the salary packet that was mailed to the Directors and answered questions. Lindahl supplied the Compensate Wage Survey to be discussed in Executive Session.

A break was taken at 9:58 a.m.

The meeting resumed at 10:10 a.m.

EXECUTIVE SESSION

An Executive Session was called to consider the employee wage and benefit package along with the General Manager's Review. A motion was made by Gortemaker and seconded by Zimmerman to go into Executive session at 10:12 a.m. Roll call vote: Yea: All present. Motion carried.

A motion was made by Morgan and seconded by Gortemaker to come out of Executive session at 11:25 a.m. Roll call vote: Yea: All present. Motion carried.

Following the Executive Session, a motion was made by Morgan and seconded by Milanuk to increase linemen, foremen and equipment operators wage by \$2.46 per hour. All employees except linemen, foremen and equipment operators will receive a one-half percent wage increase. All employees will receive the benefits package as presented, beginning January 1, 2016. The amount of \$28,000 requested by Lindahl to bring employees to market value per the wage survey was approved. The one percent safety bonus that was awarded in 2014, will remain as a bonus. Roll call vote: Yea: All present. Motion carried.

Gortemaker made a motion to increase the General Manager's salary to \$148,000 beginning January 1, 2016, and to include the benefits package as presented. Seconded by Zimmerman. Roll call vote: Yea: All present. Motion carried.

A lunch break was taken at 12:02 p.m.

The meeting resumed at 12:40 p.m.

TRI-STATE

Tri-State Board Meeting

Morgan reviewed his September Tri-State Board Meeting report and discussion followed. Morgan reported on the solar projects and renewables which require back-up, and the effects on the environment. The U.S. Department of the Interior signed off on a modified mining plan for the Colo-Wyo mine.

Tri-State FERC Complaint

Nothing new to report.

MEETING REPORTS

NREA Fall Managers Meeting

The Fall Managers meeting was held in conjunction with the Legal Seminar. Lindahl reported and answered questions.

NREA Legal Seminar

Lindahl and Wieser attended the meeting. Kendra Strommen and Tanya Martens from the Matzke & Mattoon Law Office also attended. Discussion followed with questions answered by Lindahl.

WYOBASKA MDM Meeting

The meeting was held at Wheat Belt. Senator Schilz also attended and discussed a variety of issues. Dr. Todd Holcomb and Jennifer Rogers of WNCC gave an update on their programs and discussed the power line training program.

POLICIES & RESOLUTIONS

Policy E-21: Harassment; Policy E-22: Smoking Policy (with minor wording changes); Policy E-23: Return to Work; Policy E-24: On-Call Compensation; Policy E-25: First Aid and CPR Certification; Policy E-26: Suggestion Plan; and Policy E-27: Employee Behavior: Morgan made a motion to readopt Policy E-21, Policy E-22 (with minor wording changes), Policy E-23, Policy E-24, Policy E-25, Policy E-26, and Policy E-27, as presented. Milanuk seconded the motion. Roll call vote: Yea: All present. Zimmerman not present. Motion carried.

SAFETY ISSUES and SAFETY MEETING MINUTES

The September 9, 2015, Safety Meeting minutes were reviewed and discussed.

Training for the September meeting was on Hantavirus, Cooper Form 6 Recloser Controls and the OPE-04 Avian Reporting.

CONSTRUCTION, MAINTENANCE & OPERATIONS REPORT

Major Outages: Reilly reported that on Monday, September 7th, the WAPA 115kV line from Big Springs to Sidney opened due to lightning. The outage lasted approximately 50 minutes.

Construction, Maintenance & Operations: Reilly reported on what was noted in the Board book. He also informed the Board that the tree trimmers should be finished in the coming week. He also reported that there were three poles hit by farm machinery this month. The Dalton 115kV Substation work will begin October 5th. Also, a customer submitted a claim that we damaged 25 acres of wheat.

BUSINESS REPORT

Wieser reviewed her report in the Board book.

METERING

Rosenbaum was not present. His report in the Board book was reviewed.

INFORMATION AND TECHNOLOGY REPORT

Weeda had nothing further to report than what was in the Board book.

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

FUTURE MEETINGS, TRAINING, AND ARRANGEMENTS

Peterson reviewed the upcoming meetings. Morgan reported that he would be unable to attend the October 23rd Board meeting. Following discussion, the October Board meeting will be held Monday, October 19th. The November meeting will be held, Monday, November 23rd and the December Board meeting will be held Monday, December 21st.

ELECTION OF DELEGATES AND OTHER ORGANIZATIONAL ITEMS

A Federated Rural Electric Insurance Exchange Delegate Appointment sheet granting voting delegate Fehringer to vote at the Regional meeting, was signed

by Milanuk, Secretary of the Board.

SEPTEMBER BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 2:20 p.m.

ATTEST:

Bernard G. Fehringer, President

Marcus Milanuk, Secretary