

**APPROVED REGULAR MEETING MINUTES**  
**BOARD OF DIRECTORS - WHEAT BELT PPD**

**October 19, 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, October 19, 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; 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**

Morgan made a motion to approve the 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 Thursday, October 8, 2015, and proof of publication showing such notice as published is attached and thereby made a part of these Minutes. Milanuk 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**

Deryl Travis from Arbor Wealth Management and Mark Cape, Employee Committee Issues representative.

Cape thanked the Board for considering the wage proposal, and for approving the wage increase.

## **APPROVAL OF SEPTEMBER 28, 2015, BOARD MINUTES**

Milanuk made a motion to defer approval of the September 28, 2015, Board Meeting Minutes until after discussion in Executive Session. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

Fehringer commented that Federated will be issuing their own Cyber Security Insurance as it has been approved for the State of Nebraska. Lindahl will compare pricing with our current provider, Lenexa Services, Inc.

## **PUBLIC HEARING & COMMENT PERIOD**

Steve Mattoon and Kendra Strommen, attorneys with the Matzke & Mattoon Law Firm, paid a visit to introduce themselves and meet the Board of Directors.

## **GENERAL MANAGER' S REPORT**

### **Personnel**

Staffing will be at 27 full-time employees with the hiring of Cole Birkel for the Oshkosh Lineman position.

### **Legislative & Regulatory**

Nothing was reported.

### **Other:**

Lindahl has been working with Ruth Marks from Tri-State on setting the dates for the Strategic Planning Session. January 27-29, 2016, seem to be the only open dates at this time. Board and staff orientation will be held on the third day for the new Board members and old, as well as staff. Morgan encouraged everyone to attend the training. The Strategic Planning Sessions will begin at 8:00 a.m. Lindahl will reserve the hotel rooms and schedule the evening dinners. Lindahl will conduct mini strategic sessions with the employees the week of December 14 to gain their input. Melissa Garcia from Custer Public Power will facilitate the employee meetings.

Lindahl announced that Federated Insurance elected to cover 25 acres of damage on the Floyd Derry Farms in the amount of \$3,390.

Lindahl included a summary of positions that he currently serves on in the Board book. The list includes some of the past positions also. He felt it might be handy in preparation for the strategic planning session to re-visit the appropriate level of involvement in the external organizations.

Lindahl included in the Board book, information on the available Midwest Electric Consumers open Board seat, which will be filled in December at the Annual Meeting.

Lindahl received a request form Diana Reich, Manager at Chimney Rock, proposing the concept of an IT staff sharing. The Board agreed to researching the proposal.

The NREA IT Summit will be held April 26 & 27, 2016, in Kearney. Weeda and Reuter are lining up the speakers and Tri-State is helping also. The two-day conference will have sessions for beginners, and advanced sessions for the IT professionals on cyber security.

Lindahl and Barry Lawson of NRECA gave a presentation at the Region 7 & 9 meeting in Salt Lake City, UT, on Cyber Security. Lindahl asked the Directors for critiques.

Fehringer commented on the letter in the Board book from Phil Irwin from Federated Rural Electric Insurance Exchange, thanking Lindahl for his efforts in getting the ball rolling with the RFD-TV project on bringing public electrical safety to a national audience.

## **Financials**

Lindahl reviewed the financial reports, which were presented under separate cover and answered questions. Lindahl reported that Deryl Travis would talk about our investments and other financials.

## **INVESTMENT REPORT**

Deryl Travis, Managing Partner and Senior Financial Advisor from Arbor Wealth Management, presented the investment report. Travis distributed a Portfolio Report to the Directors reflecting Wheat Belt's investment returns and performances. Also, Travis reported on U.S. inflation and interest rates, energy price impacts, global trading, and index returns. Travis fielded questions from the directors and discussion followed.

## STRATEGIC ISSUES

**Facility update:** Progress continues at the new facilities. Windows are being installed. Lindahl scheduled a tour following the Board meeting.

A motion was made by Gortemaker to ratify the September bill already paid to Eric Reichert Insulation and Construction, Inc., on October 12, 2015, in the amount of \$326,635.71. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

**Facility Change Orders Consideration:** Two change orders were presented from Hewgley & Associates. Change Order #7 is to reduce the size of the fuel storage pad by fifty percent and to increase the concrete between the building and the transformer pad to 20' x 30' in front of door, with six inch concrete. The cost of this change is net zero dollars. Motion was made by Gortemaker and seconded by Morgan to approve Change Order #7. Roll call vote: Yea: All present. Motion carried.

Change Order #6 is to add a hallway door to conference room A120. Motion was made to approve Change Order #6 by Morgan. Seconded by Milanuk. Roll call vote: Yea: Zimmerman, Smith, Morgan, Milanuk, Fehring and Blomenkamp. Nay: Gortemaker. Motion carried.

**Facility Sale:** Lindahl received information about a few organizations that had interest in the facilities, and he will follow up in the next few weeks. Discussion was held on the appraisal figure, the time frame for selling the facilities, and how to actively market the current facilities. Following discussion among the Directors, a consensus was reached on the asking price for the facilities and the date of availability.

**A coffee break was taken at 10:00 a.m.**

**The meeting resumed at 10:12 a.m.**

**Blue Creek Substation Land Sale:** Tri-State and NPPD are negotiating the sale of the transformer. Wheat Belt would still be responsible for the wheeling rate going to our Oshkosh Substation. NPPD would be responsible for the wheeling rate to Wheat Belt, going to the Village of Lewellen.

**Sub-Transmission Project:** Borges met with two landowners who agreed to put the transmission line two feet off the property line boundary. Borges is still addressing the guy and anchor issue at the end of the project.

**Large Truck Replacement:** Lindahl will continue to work on some options and present them at a later date.

**Large Customer Line Extension Policy:** Discussion was held regarding a customer that would require a new 115kV system to serve them. Lindahl is working on a risk tolerance issue. Discussion was held on rate implications, options and risk.

## **BUDGET**

**Preliminary Ten Year Large Items Budget:** Lindahl presented the Ten Year Large Item Budget and a lengthy discussion followed with questions and answers. The consensus of the Board was to approve the Preliminary Ten Year Large Items Budget as presented, for planning purposes. Changes can still be made prior to the December Board meeting, at which time Lindahl will ask for final approval. The Board would like to have a rate study by ESC conducted in 2016 for 2017.

**Rates:** Lindahl presented another Financial Forecast report, and no rate revenue increase was recommended.

Lindahl presented new rate recommendations. Following lengthy discussion, questions and answers, a motion was made by Gortemaker to accept the rates as presented with the changes recommended by the Board. Zimmerman seconded the motion. Roll call vote: Yea: all present. Motion carried.

**Preliminary Cash Budget:** Lindahl will present the Preliminary Cash Budget at the November Board meeting.

An **Executive Session** was called for by Smith and seconded by Milanuk at 11:35 a.m., to discuss personnel and wage and salary. Roll call vote: Yea: All present. Motion carried.

A motion was made by Smith and seconded by Gortemaker to resume the meeting at 12:09 p.m. Roll call vote: Yea: All present. Motion carried.

Following the Executive Session, Morgan made a motion to approve the September Board Minutes as presented, but to delete the two paragraphs above the meeting adjournment. The one-half percent cost of living will go to all employees except the linemen, foremen and equipment operators. Motion was seconded by Milanuk. Roll call vote: Yea: All present. Motion carried.

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

**The meeting resumed at 12:50 p.m.**

### **Tri-State Meeting Reports**

**Tri-State Board Meeting:** Morgan reviewed his October report and discussion followed. Morgan commented on the Tri-State News Release on the 25-Megawatt Alta Luna Solar Project, a copy of which was included in the Board book. Discussion, questions and answers followed. Morgan reported that Tri-State is in dispute with Basin on contract extensions. Discussion was held among Morgan and the Directors. Morgan reported that at the Las Conchas Fire trial, the testimony is ongoing, and currently the hearing is to determine liability.

**Tri-State FERC Complaint:** No update.

### **MEETING REPORTS**

**NRECA Region 7 and 9:** The NRECA Regional meeting was held in Salt Lake City on September 29 – October 1. Milanuk and Fehringer attended classes and reported. Discussion among the Directors followed.

**Tri-State Managers Committee:** The Tri-State Managers Committee met on October 8-9. Lindahl reported that he attended a presentation on reciprocating engine electric generation technology and how that might play a role in Tri-State's future to help back up renewable energy. Discussion followed.

Lindahl reported that he met with WNCC on the Veterans program.

### **POLICIES & RESOLUTIONS**

**Policy F-1: Checks, Drafts, Etc.:** Following discussion among the Directors, a motion was made by Gortemaker to increase the discretionary staff check signing amount to \$10,000 instead of \$8,000. The motion was seconded by Milanuk. Roll call vote: Yea: All present. Motion carried.

**Policy F-2: Financial Goals; Policy F-3: Investments; and Policy F-4: Handling of Payments:** A motion was made by Smith to approve Policy F-2, (adding the last sentence as a separate line item and a wording correction on number 4 to "least"), and readopting Policy F-3 and F-4. The motion was seconded by Morgan. Roll call vote: Yea: All present. Motion carried.

### **SAFETY ISSUES and SAFETY MEETING MINUTES**

The October 9, 2015, Safety Meeting Minutes were reviewed and discussed.

Training for the October meeting was on Accident Investigation, conducted by Matt Nelson, NREA JT&S Instructor. Director Fehringer was also in attendance.

## **CONSTRUCTION, MAINTENANCE & OPERATION**

### **Major Outages**

Reilly reported that on Sunday, October 18, a switching error caused us to drop the Ethanol plant. We may have lost 43 meters due to the voltage spike.

There was also a phase burn down on the 34.5 KV line north of Progress Rail on Sunday. Dalton Rural and the Gurley Substations were out approximately one-half hour. The Vo-Tech Substation was off for approximately forty minutes.

### **Blue Creek Substation**

Tri-State is considering buying the transformer from NPPD.

### **Dalton 115 Substation**

The crew has been doing maintenance at the Substation while it is de-energized. Testing on the three new breakers is scheduled to begin on November 2<sup>nd</sup>, and be back on line when the testing is completed.

### **Unit 28**

Reilly reported that Unit 28 will be due for trade around Christmas. Following discussion, it was the Board's decision to follow prior procedures, and try to sell the unit with an established dollar minimum bid of \$13,000.

## **BUSINESS REPORT**

Lindahl reviewed Wieser's report and asked for questions.

## **METERING, INFORMATION and TECHNOLOGY**

Rosenbaum was restoring meters. Weeda gave a report on the meters lost on Sunday. Weeda reported that Eaton (Cannon) had a severe storm October 6<sup>th</sup> at their electronics manufacturing center in Juarez, Mexico. Consequently, meters will not be shipped for the remainder of 2015. We have meters in stock to replace those that were lost, and it is beneficial that the irrigation season is almost over.

Rosenbaum contacted the NRD and Pheasants Forever for trees for the new facilities. A drip system was recommended by the Directors.

## **INFORMATION and TECHNOLOGY**

Weeda reported that he attended another Nebraska Safety Broadband Working

Group meeting. Lindahl commented on the broadband task force also.

Weeda reported on the new anti-spyware/malware program that he has purchased and installed.

Weeda is the representative for NREA on the FirstNet Board, and a report was included in the Board book.

### **FUTURE MEETINGS, TRAINING AND ARRANGEMENTS**

Peterson reviewed the upcoming meetings with the Directors.

Fehringer expressed an interest in the upcoming Wind & Solar Conference & Exhibition to be held in Omaha, November 4 & 5, 2015.

### **ELECTION OF DELEGATES AND OTHER ORGANIZATIONAL ITEMS**

Fehringer noted that several association voting delegates will need to be addressed as a few of the directors will not be attending the meetings.

The NREA Director, Voting Delegate and Alternate Delegate needed to be re-certified, and following discussion, they will remain the same.

Director – Fehringer  
Voting Delegate – Fehringer  
Alternate Delegate – Smith/Lindahl

### **OCTOBER BOARD MEETING ADJOURNMENT**

There being no further business to come before the Board, the President declared the meeting adjourned at 1:32 p.m.

ATTEST:

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Bernard G. Fehringer, President

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Marcus Milanuk, Secretary