

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

April 1, 2016

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., Friday, April 1, 2016, 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; Ryan Borges, Staking Engineer; and Jim Weeda, IT Manager.

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

Milanuk 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 Friday, March 18, 2016, 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. Roll call vote: Yea: All present. Motion carried.

INTRODUCTION OF GUESTS

Fehringer introduced Auditors, Doug Millay and Mike Scow from Dana F. Cole, and Jane Bartels, Customer Care Assistant.

APPROVAL OF MARCH 4, 2016, BOARD MINUTES

Fehringer announced that with no corrections to the March 4, 2016, Board Minutes, they stand approved as published.

PUBLIC HEARING AND COMMENT PERIOD

No one appeared before the Board.

GENERAL MANAGER'S REPORT

Personnel

Staffing is at 27 full-time employees with two on disability. Lindahl would provide an update in Executive Session.

Legislative & Regulatory

Lindahl reported on: LB 725, which would take care of the land transfer issue; LB 736, which will allow us to purchase energy from CBED; LB 973, which will increase penalties for oversized loads; and LB 913, would exempt out of state companies from having to register or pay Nebraska taxes when helping in a declared disaster. All of the above were put on the consent calendar, and barring no issues, should pass. Lindahl reported that the other bill to note would be the private wind development bill. We are neutral on it. It did not come out of Committee, however, it is anticipated that it will be attached to an amendment on another bill, and go before the Unicameral.

Financials

Lindahl reviewed the financial reports, which were presented under separate cover, and answered questions.

Lindahl reported on the CFC Annual Benefits of Ownership Statement Report, which was included in the Board book. Clarification and discussion followed.

Other:

An NRECA Resolutions booklet was included in the Dropbox folder for perusal by the Directors.

District Audit Report

Doug Millay began the District Audit Report at 8:43 a.m. Copies of the Audit Report were distributed to the Directors and staff. The Audit Report was presented and reviewed by Millay. Questions and discussion followed.

Executive Session:

An Executive Session was requested at 9:49 a.m. to discuss the 2016 Audit.

A motion was made by Gortemaker and seconded by Morgan to go into Executive Session. Roll call vote: Yea: All present. Motion carried.

A motion was made by Smith and seconded by Gortemaker to resume the meeting at 10:08 a.m. Roll call vote: Yea: All present. Motion carried.

A motion was made by Morgan and seconded by Gortemaker to approve the 2016 Audit Report. Roll call vote: Yea: All present. Motion carried.

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

The meeting resumed at 10:25 a.m.

Executive Session:

An Executive Session was requested at 10:27 a.m. to discuss personnel issues, wind pricing and a supplier purchasing policy.

A motion was made by Milanuk and seconded by Zimmerman to go into Executive Session. Roll call vote: Yea: All present. Motion carried.

A motion was made by Smith and seconded by Milanuk to resume the meeting at 12:05 p.m. Roll call vote: Yea: All present. Motion carried.

A lunch break was taken at 12:08 p.m.

The meeting resumed at 12:48 p.m.

A motion was made by Gortemaker to change the April 22nd meeting date to Friday, April 29, 2016. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

Financial Report – Continuation

Lindahl continued his financial report. Questions and discussion followed.

STRATEGIC ISSUES

Facility update: Work is steadily progressing at the new facility. Lindahl reported that there will be a minimum of one year of workmanship warranty. The roof has a full workmanship warranty for one year also. The question was raised on internal damage if the roof leaked. Lindahl believed that Federated Insurance would cover any damages.

Lindahl reported that the initial “punch list” on the office had been completed, and the work is 90 percent finished. There was an inspection conducted this week, which Lindahl attended. On Friday, April 15th, a final walk through is scheduled to be conducted. There are a few items that have not been completed because of delivery schedules. We will probably take possession, and they will be installed at a later time. The boiler for the floor heat is 18 months out, and the back-up generator is not available yet. Lindahl reported that there are approximately two weeks left on the outside of the building, and the crushed concrete still needs to be spread. The tower needs to be put up, and additional concrete needs to be poured. Lindahl answered questions posed by the Directors.

Facility Bill Approval: A motion was made by Milanuk to ratify the bill already paid to Eric Reichert Insulation and Construction, Inc., in March, in the amount of \$380,615.30. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

Facility Sale: Lindahl reported that there has been no further inquiries or communications with anyone on the sale of the facilities. He will begin follow up in the near future with the parties that had expressed an interest in the facilities. Lindahl raised the question as to when to begin advertising, and it was decided to wait until after the move to the new facilities.

Facility Change Order

No official change order considerations for this month were reported.

Cyber Security Board Policies: Lindahl reported that NRECA had provided templates for a cyber security board policy, and they were included in the Board book. Lindahl would like to begin the conversation to consider implementing a Wheat Belt policy. Following discussion, it was decided to table the conversation until the fall.

Sub-Transmission Project

Borges reported that he had found a temporary storage location for poles in the area of the project. He has a meeting scheduled with the landowner concerning the water tower easement. He also contacted the party that Smith mentioned at

last month's Board meeting concerning the possible wind generation project, and reported to the Board.

Rates

Lindahl has begun the rate structure process with Bob McDonald of ESC. He is looking at designing alternate rates as well as looking at our existing ones to make any needed modifications to align them with our costs. A survey was mailed to the irrigation customers in order to get a better understanding of what types of tools they might be willing to use, ie: load control, time of day, or time of month type rates. Lindahl hopes to bring the rate options to the Board in August/September for approval in September/October.

Bluestem Energy

A community meeting has been scheduled at the Dalton Fire Hall at 1:00 p.m. on April 28th, for discussion on the potential wind generation project. Lindahl has developed some initial models to evaluate the project under the existing and proposed Tri-State Policy 115. Lindahl hopes to have something by the next Board meeting from Bluestem. Questions and discussion followed.

Tri-State Meeting Reports

Tri-State Board Meeting: Morgan reviewed his March report and discussion followed. He also reported on the upcoming Annual Meeting. Morgan reported that the membership is expected to vote "Yes" for the revised By-Law changes as presented.

Tri-State QF (Qualified Facilities) Waiver:

Lindahl and Morgan reported on the QF Waiver, which has currently been tabled.

MEETING REPORTS

NREA JT&S Meeting:

Fehringer reported that he is the chairman of the committee, and revisions to the Safety Manual were discussed with routine changes to be implemented.

NREA Legislative Meeting:

Lindahl reported. Discussion followed. Smith raised the question as to the Legislative dinner, and whether it is worth what it costs? Discussion followed, and most of the Directors and Lindahl feel that it is important and effective.

NREA Managers Meeting:

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

POLICIES & RESOLUTIONS

Policy C-11: Irrigation Accounts; Policy C-12: exceptions to General Provisions; Policy C-13: Nondiscrimination; Policy C-14: Damage to District Property; Policy C-15: Failure of Customer Equipment; Policy C-16: Tree Trimming; Policy C-17: Yard and Lease/Rental Lights; Policy C-26: Double Throw Installation; Policy C-27: Line Interference; and Policy M-1: Surplus Vehicle and Equipment Disposal: Motion was made by Milanuk to readopt Policy C-11, Policy C-12, Policy C-13, Policy C-14, Policy C-15, Policy C-16, C-17, C-26, C-27 and Policy M-1. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

SAFETY ISSUES and SAFETY MEETING MINUTES

The March 9, 2016, Safety Meeting Minutes were reviewed and discussed.

Training at the March meeting included: Review of Blood Borne Pathogens, Fire Extinguishers, Trenching and Shoring, and Lock-out/Tag-out. Director Morgan was in attendance and reported. Discussion was held concerning the nylon ropes for the trucks, and Borges explained why we do not use cable.

CONSTRUCTION, MAINTENANCE & OPERATION

Major Outages

Two poles were broken during the snow/wind storm on March 23rd.

Construction, Maintenance & Operations

Crews found ten bad CT loops and six bad meters while reading all the meters. The Tri-State mobile transformer scheduled to be energized on March 31st at the Dalton 115 Substations, has been rescheduled for April 5th.

JT&S

Larry Oetken has been hired to replace Bob Cooper.

BUSINESS REPORT

Wieser reviewed her report in the Board book, and answered questions.

Irrigation Survey: The customer service department is receiving phone calls concerning the survey. Wieser reported that they will wait another 45 days or so to receive the surveys, and then send a reminder in the next billing.

Ag Social: Wieser reported that the Ag Social is scheduled for Friday, April 1st at the Hillside Grill, and she invited the Directors to attend.

Safety Fair: The Safety Fair is scheduled for April 29th at the Lodgepole Valley Youth Camp. Basin printed a banner to give the Fair a more professional look. Photos will be posted on Facebook.

FCC Phone Authorization: Wieser reported that they are still working on collecting and compiling the FCC forms. Several customers have called the office complaining that they didn't get a phone call, and they are being asked to return the completed forms.

Write Off: Following inventory being conducted on the water heater elements, it was discovered that we are short by \$140.10. Wieser asked for permission to write-off \$140.10 to balance the inventory. A motion was made by Milanuk to approve the \$140.10 write off on the water heater elements. Blomenkamp seconded the motion: Roll call vote: Yea: All present.

Office Hours for Headquarters: Wieser reported to the Board that the office personnel would like to change the office hours to 7:30 to 4:00 with a half hour lunch break at the new facilities. Phones would be transferred to Basin at 4:00 p.m. instead of 5:00 p.m. Following questions and discussion, the Directors felt that the request was a management decision and stated that an after-hours drop box would be needed.

New Headquarters: Wieser has been working on getting prices for fuel, janitorial services and other essentials for the new headquarters facilities. She has contracted for a year with a fuel supplier. Discussion was held concerning security at the fuel tanks.

METERING, INFORMATION and TECHNOLOGY

Rosenbaum was reading meters so Lindahl reviewed his Board report.

Rosenbaum received a budgetary quote from Kriz Davis and Landis & Gyr for the provision of a Gridstream RF AMI system on the Covalt Sub. Equipment is currently on a twenty-week manufacturing lead time after receipt of an order. Staff felt it was time to begin the discussion for financing (work plan) for the project. The RF network equipment, software, project delivery services training and tools comes to \$85,170 plus meters at \$44,628 for a total of \$129,798. Then there is a monthly fee of \$675 for hosting up to 2,000 meters. Discussion followed.

Rosenbaum and Weeda installed the new cell phone modems in the four metering points at Com Scope (TE), and received the Landis & Gyr circuit boards to do the rest of the key accounts. Discussion was held concerning reading the meters after the closing of TE.

INFORMATION and TECHNOLOGY

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

Weeda was contacted to do a “voluntary” software license compliance verification audit to make sure all of our software is properly licensed. He is waiting for the final verdict.

FUTURE MEETINGS, TRAINING AND ARRANGEMENTS

Peterson reviewed the upcoming meetings with the Directors

A preliminary District calendar was included in the Board book.

ELECTION OF DELEGATES AND OTHER ORGANIZATIONAL ITEMS

No changes this month.

OTHER

Board Round Table:

Lindahl asked if there were any further questions from the Directors.

Smith asked a financial report question and Hostetler responded.

Milanuk asked a question concerning the Directors Certificate Programs Online Director Education Assessment that was included in the Board book. Lindahl and Fehringer responded.

The April Board meeting will be held on April 29, 2016.

MARCH BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 2:02 p.m.

Board Minutes – April 1, 2016
Page 9

ATTEST:

Bernard G. Fehringer, President

Marcus Milanuk, Secretary