

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

April 29, 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 29, 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; Earl Reilly, Operations 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

Fehringer announced that there would be a change to the Agenda. Adam Herink, Matt Robinette and Ken Schilz from Bluestem Energy would make a presentation at 8:40 a.m. in Executive Session. Gortemaker made a motion to approve the Agenda as amended. Milanuk 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, April 19, 2016, and proof of publication showing such notice as published is attached and thereby made a part of these Minutes. Smith made a

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motion to waive the reading of the meeting notice. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

INTRODUCTION OF GUESTS

Fehringer stated that Adam Herink, Matt Robinette and Ken Schilz from Bluestem Energy would be present at 8:40 a.m.

APPROVAL OF APRIL 1, 2016, BOARD MINUTES

Fehringer announced that with no corrections to the April 1, 2016, Board Minutes, they stand approved as published.

PUBLIC HEARING AND COMMENT PERIOD

No one appeared before the Board.

GENERAL MANAGER'S REPORT

Lindahl reported that the Fifth Grade Safety Fair was being conducted in the Warehouse. Lindahl said that this would be the last Board meeting in the current facilities. The next meeting would be in the new headquarters. Lindahl stated that Hostetler had extra printed Audit reports available if anyone would like a copy. Lindahl announced that he would not be attending the Legislative Rally in Washington, DC. A meeting with the Department of Energy was scheduled for the Nebraska contingency and he was disappointed he was not going to be present. Hostetler reported that she is having issues with the Dept. of Energy concerning a mandatory survey on revenues, sales and load. Trying to supply the information and reporting it at the Federal level has been difficult.

Herink, Robinette and Schilz arrived at 8:40 a.m.

BLUESTEM ENERGY REPORT

Adam Herink stated that the Town Hall meeting, held in Dalton, was one of the best meetings they had ever attended.

An **Executive Session** was requested to discuss contract negotiations with Bluestem Energy at 8:48 a.m. by Milanuk. The motion was seconded by Morgan. Roll call vote: Yea: All present. Motion carried.

A motion was made by Smith to conclude the Executive Session at 10:05 a.m. The motion was seconded by Morgan. Roll call vote: Yea: All present. Motion carried.

A break was taken at 10:06 a.m.

The meeting resumed at 10:21 a.m.

GENERAL MANAGER'S REPORT (continued)

Personnel

Staffing is at 26 full-time employees and one on disability. The open AMI/IT position has been advertised in the Sidney Sun-Telegraph and other places. Two interviews have been conducted.

Legislative & Regulatory

The Unicameral has adjourned for the session. The Wind for Export bill was the only bill of significant interest to us that passed. The passage of the bill circumvented the committee process. A potential harm in the bill for us was the loss of eminent domain on any property that is part of a wind farm.

Lindahl reported that there was some good news on the FEMA front. FEMA had denied claims submitted by utilities in Iowa because they had not performed conductor testing. This testing required splicing and testing conductor frequently, leading over time to having a tremendous amount of splices in each mile of line, not to mention the cost. The Iowa utilities prevailed in the case and won.

Other:

Lindahl included a letter from the Fish and Wildlife in the Board book indicating a concern with our environmental assessment for the Four Year Work Plan. Lindahl reported and discussion followed.

Lindahl reported on the Co-Bank project. He found out that he did not have signing authority nor did Wieser. The paperwork needed to be re-signed with just the officers or add in the Resolution that the CEO can sign. Every document requires two signatures. If the Resolution is changed, Lindahl would like to have the signers to be the CEO and one director, which would match Policy.

A motion was made by Smith to amend the CoBank Resolution. Change the pledge of "property" to "revenue" of the District and to add the Chief Executive Officer as a signer on documents. The motion was seconded by Gortemaker. Roll call vote: Yea all present. Motion carried.

Lindahl reported on the first NREA Tech Conference. They received very good feedback. Peers from Norris, NPPD, Cornhusker, Dawson and Custer were presenters with Lindahl facilitating. Tri-State is trying to organize a similar conference for members in the fall on Cyber Security.

Lindahl commented on the Town Hall meeting conducted with Bluestem Energy. He said there were no negative comments from customers, and they were extremely positive on the project and on the new facilities.

Financials

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

STRATEGIC ISSUES

Facility update: Progress continues. Lindahl participated in a walk through on Monday, April 25th, and took substantially completed possession of the building. They have thirty days to finish the work and address all of the issues found. Lindahl moved in a conference desk and chairs, and held the first official meeting on Thursday. Major components still to be completed are portions of the electrical work, installing the generator and transfer switch, running the fiber to the IT room, radio work and phone work. The boiler has been installed and is working.

The final payment will be made on final completion. We will retain any amount of the final payment for items not installed.

In March of 2017, a one-year warranty walk through will be conducted.

Morgan asked about a sign and Lindahl reported. The outside walk through has not been conducted yet.

Facility Bill Approval: A motion was made by Milanuk to ratify the bill already paid to Eric Reichert Insulation and Construction, Inc., in April, in the amount of \$312,392.80. Gortemaker 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 reported that Tina Hochwender, Sidney's Economic Development Director, will advertise in their dealings with prospective clients as well as add it to their Location One Information System, which is used by site selectors of business/industries. Wieser has been in touch with Hochwender and suggested the Google overview. Hochwender took photos of the properties. Morgan suggested meeting with the new City Manager about the facilities and other matters.

Facility Change Order

No official change order considerations for this month were reported.

Sub-Transmission Project

Borges reported that the poles had arrived and were delivered to the Ag Lab property.

Rates

No further progress has been made.

Bluestem Energy

See earlier report.

Tri-State Meeting Reports

Tri-State Board Meeting: Morgan reviewed his April report and discussion followed. Morgan reported that the Annual Meeting went well. A lot of positive events have been taking place. Morgan reported on a “stable” rating from the S & P. Director Milanuk attended the meeting and commented favorably also.

Tri-State QF (Qualified Facilities) Waiver:

Lindahl and Morgan reported on the QF Waiver and discussion followed. It was decided to leave it on the table for now.

Policy 115 Agreement: Discussion was held on the topic.

Wholesale Electric Contract Exhibit Modifications: Wording revisions from Tri-State were completed on the Contract. A motion was made by Milanuk authorizing Lindahl to execute the Wholesale Electric Contract with Tri-State. Smith seconded the motion. Roll call vote: Yea: All present. Motion carried.

MEETING REPORTS

Tri-State Managers Meeting:

Lindahl reported. Discussion followed.

Midwest Water and Power Committee:

Lindahl reviewed his report in the Board book and answered questions. Lindahl reported that Bill Drummond, Executive Director of Midwest Electric had a

summary of the meeting, which he would make available to any of the Directors if they wanted a copy. Morgan would like a copy.

POLICIES & RESOLUTIONS

Policy C-9: Disconnect for Nonpayment: Changes were made for Industrial billing, new office hours, new office location, and reducing disconnect/reconnect service fees from \$100 to \$50. A motion was made by Smith and seconded by Zimmerman to adopt Policy C-9 with suggested changes. Roll call vote: Yea: All present. Motion carried.

Policy C-18: Dissemination of Customer Information; Policy C-19: Customer Requested Service Connections or Disconnects After Business Hours (grammatical changes); Policy C-20: Service Sizing Request (Single Customer); Policy C-21: Energy Efficiency Credit Rebates; Policy C-22: Reward For Damage Reporting; and Policy C-24: Irrigation Capacitor Rebate Program: Motion was made by Morgan to readopt Policy C-18, Policy C-19, Policy C-20, Policy C-21, Policy C-22, and Policy C-24. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

Policy C-23: Net Metering: Following discussion on the Policy, a Motion was made by Milanuk to adopt Policy C-23 with the recommended changes. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

Policy C-25: Irrigation Disconnect Rebate Program: Motion was made by Milanuk to readopt Policy C-25. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

SAFETY ISSUES and SAFETY MEETING MINUTES

The April 8, 2016, Safety Meeting Minutes were reviewed and discussed.

Training: NREA JT&S instructor Kory Hildebrand was present and basket truck escape/rescue was conducted. No director was present.

CONSTRUCTION, MAINTENANCE & OPERATION

Major Outages

Snow, ice and wind on April 16th & 17th left five broken poles, one broken crossarm and several phase burn downs. The longest any customer was out was about 12 hours. Outages were from south of Sidney and Colton to north of Broadwater.

Fehringer expressed personal compliments to the crew that got his power back on in a timely fashion.

Reilly reported that there has been a lot of substation switching being conducted. He also reported that we had rodent damage to ten poles that are being replaced.

Construction, Maintenance & Operations

Borges reported that Work Plan item 300-108 has been completed. This was a three phase #2 build to three phase T2-1/0 build. Two new irrigation wells have been energized and two more are to be built. Two were diesel conversions, one propane and one will be pumping ditch water to a pivot.

Construction Work Plan Update

Borges reported.

Milanuk pointed out a few errors in the Construction Work Plan report in the Board book and Schlaman will see that they are corrected.

BUSINESS REPORT

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

Safety Fair: The Safety Fair was being held during the Board meeting. With the possibility of rain, the Fair was moved from the Lodgepole Valley Youth Camp to the Wheat Belt warehouse and truck barn.

Customer Request: Wieser reported on a customer account, and a motion was made by Morgan to credit the penalty fees and waive the \$150 in charges. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

Irrigation Survey: Wheat Belt is still receiving a few of the surveys, but Wieser believes they can be tabulated to get an idea of the interest in some type of control or time of use rates. Most would not be interested in anything that would cost them to implement, but would like to have figures before making a commitment. Wieser will report on the results of the surveys at the next Board meeting.

FCC Phone Authorization: No comments.

Ag Social: A short essay is required for students to receive the Wheat Belt Scholarship. It was discussed how students don't want to take the time to write an essay even though they could possibly receive a \$1,000 or \$500 scholarship.

Drop Box for Payments: Wieser has ordered a drop box for payments for the new headquarters. A drop off in town will not be set up with all of the payment options that are available to customers. The drop box will be reinforced for theft protection and there will be camera protection also.

New Headquarters: Wieser has contracted for fuel, rodent and pest control, janitorial products, and is still waiting for a bid on the cleaning services.

METERING, INFORMATION and TECHNOLOGY

Rosenbaum was reading meters so Lindahl reviewed his Board report.

Rosenbaum attended a L&G metering software training class and was talking to the metering man from Cornhusker PPD. They are in the process of converting over to the Gridstream AMI system from the Cannon system and will sell us some of their L&G Cannon meters that are no longer in production from L&G for less than 20 cents on the dollar. This would get us by while we are converting over in the next few years.

The disconnect meters have been received.

Lindahl had on the agenda the modification to the Four Year Work Plan for the L&G Gridstream AMI pilot project off the Covalt Sub. Rosenbaum received bids on the cost for the pilot project at approximately \$125,000 to install the infrastructure. Weeda and Lindahl explained the process and the project to the Board. Following questions and answers, a motion was made by Gortemaker to proceed with the AMI pilot project off the Covalt Sub at a cost of \$129,798 for 200 meters, approving the exception to the Work Plan. The motion was seconded by Milanuk. Discussion was held: no cost revenue analysis was conducted, but Lindahl explained that a return on investment would be conducted over time. Roll call vote: Yea: All present. Motion carried.

INFORMATION and TECHNOLOGY

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

Weeda had not received any results from the software audit. PCS is working to provide us with a license transfer form that shows we have ownership, and that should appease Microsoft.

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

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

The May Board meeting will be held on May 27, 2016, in the new headquarters.

APRIL BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 12:26 p.m.

ATTEST:

Bernard G. Fehringer, President

Marcus Milanuk, Secretary