

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

June 24, 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, June 24, 2016, at the District Headquarters, 11306 RD 32, 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; Earl Reilly, Operations Manager; Jeff Rosenbaum, Senior Meter Technician; Andy Kuhns, IT/AMI Technician; 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

Gortemaker made a motion to approve the Agenda as presented. Zimmerman 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 Monday, June 13, 2016, 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. Morgan seconded the

motion. Roll call vote: Yea: All present. Motion carried.

APPROVAL OF MAY 27, 2016, BOARD MINUTES

Fehringer announced that with no corrections to the May 27, 2016, Board Minutes, they stand approved as published.

PUBLIC HEARING AND COMMENT PERIOD

No one appeared before the Board.

GENERAL MANAGER'S REPORT

Lindahl asked for questions from what was written in his report. He then reported:

Personnel

Staffing is at 27 full-time employees. Lindahl reported that Chase Armstrong, Construction Lineman, was married this month to Emma. Lindahl thanked the employees for their hard work this past month with the additional task of moving and preparing for the Open House.

Legislative & Regulatory

Lindahl included the latest issue from the NRECA Legal Reporting Service in the Board book.

Other:

Lindahl reported that a Tri-State Cyber Security Conference has been organized for October in conjunction with the Tri-State Managers' meeting.

Morgan discussed the echoing in the Conference Room. Lindahl stated that it will be a priority to address the issue.

Financials

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

Discussion was held concerning the 2016 Tri-State Cost of Power report in the Board book. Lindahl and Weeda explained the anomalies in the Form 7 Part R report in the Board book.

Cost of the May storm and the Mutual Aid totals will be reported when they are available.

FINANCIAL PLANNING REVIEW

Investment Review

Lindahl reviewed his report in the Board book, answered questions, and discussion followed. Discussion was held on the lines of credit interest rates and municipal bonds.

Debt Review

Lindahl reviewed the report in the Board book, answered questions, and discussion followed.

Cost of Power Review

Lindahl reviewed the report in the Board book, answered questions, and discussion followed. Lindahl reported that cost of power will continue to play the largest role in long-term planning. He will develop a tool in which to input variables to find the optimum level of comfort for debt, rates, etc.

Rate Review

Lindahl reviewed the report in the Board book, answered questions, and discussion followed. Lindahl reported that we are working with ESC in Fort Collins, Colorado, to review our existing rates, and to recommend changes to better align them with our needs. In addition to our existing rates, we hope to be able to recommend some rate options to put the control of power costs into the customers' hands. Within the next few months, Lindahl will have some options to present to the Board.

Long Term Financial Forecast Review

Lindahl reviewed the report in the Board book, answered questions, and discussion followed.

Other

Lindahl included a historical financial report for the directors' review in the Board book. The report spans the years of 2008 to 2015. Lindahl also included a series of graphs for benchmarking against other Nebraska systems.

STRATEGIC ISSUES

Facility update: Lindahl reported that we have been operating at the new headquarters since May 25th. We are still waiting for an occupancy certificate from the Fire Marshal. There are several items that need to be addressed by the contractor prior to the certificate being issued. The generator is the last big item to be installed, and it has shipped, so it should be installed in the near future.

Facility Bill Approval: A construction bill was not received this month. However, a final bill from Joseph R. Hewgley & Associates for their services was received. A motion was made by Gortemaker authorizing Lindahl to pay Hewgley & Associates for their services in the total amount of \$79,335.00 when the generator is installed, and he feels the projects are completed. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

Facility Sale: Lindahl reported that there is an interested party. He hasn't pursued negotiations because we are not out of the facilities yet.

Facility Change Order

No official change order considerations for this month were reported.

Sub-Transmission Project

Borges is hoping to pound stakes next month.

Rates

A meeting is scheduled for the last week in June with ESC.

Bluestem Energy Renewable Energy Project

Lindahl reported that Tri-State made no changes to the transmission demand component in Policy 115. FERC, however, did rule against Tri-State in their avoided cost rate for Qualifying Facilities above the five percent. Discussion followed. The project is on hold for now.

A break was taken at 10:04 a.m.

The meeting resumed at 10:16 a.m.

Tri-State Meeting Reports

Tri-State Board Meeting: Morgan reviewed his June report, and discussion followed. Morgan answered questions on the FERC ruling against Tri-State. Lindahl reported that he will serve on the Tri-State Contract Committee.

Tri-State QF (Qualified Facilities) Waiver:

Lindahl and Morgan reported on the QF Waiver, and discussion followed. Following discussion, it was the Board's recommendation that we do not take action.

MEETING REPORTS

NREA Summer Manager's Meeting:

Lindahl reported and reviewed his report in the Board book.

The Tri-State Managers' meeting will be held at our new Headquarters on July 27th and 28th.

POLICIES & RESOLUTIONS

Policy E-1: Employment Policies; Policy E-2: Paid Time Off (PTO); Policy E-3: Holidays; Policy E-4: Uniforms and Safety Equipment; Policy E-6: Educational Courses; Policy E-7: Expenses; Policy E-8: District Vehicles and Mileage Payments; and Policy E-9: Physical Examination: Motion was made by Milanuk to readopt Policy E-1, Policy E-2, Policy E-3, Policy E-4, Policy E-6, Policy E-7, Policy E-8, and Policy E-9. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

SAFETY ISSUES and SAFETY MEETING MINUTES

The June 10, 2016, Safety Meeting Minutes were reviewed, and discussed. Borges reported, and answered questions.

No director attended the Safety Meeting. Neal Hart and Justin Zerbe from Kriz-Davis conducted training on the Cooper Nova Reclosers Form 6 Controls.

Borges reported that planes, farmers and vehicle accidents have been hard on poles this year.

CONSTRUCTION, MAINTENANCE & OPERATION

Major Outages

Borges reported that on June 11th, a car hit a three-phase bank pole on the east circuit of the Sidney Substation causing a major outage.

Construction, Maintenance & Operations

Borges reviewed the report in the Board book, and answered questions.

Borges reported that several new services have been built. Borges would like to start the conversation concerning aging stock well services.

Borges reported that the pole testing has been completed, and 95 poles will need to be replaced. Discussion was held on “shrew” issues and working on poles. NREA is working with UNL to try to find a solution to the issue.

BUSINESS REPORT

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

Customer Service/Marketing: Wieser reported that with the move, a planned vacation on her part and the Customer Appreciation/Open House, it has been a busy month.

Fairs and Parades: Tri-State and Basin were good enough to design and print banners for the 70th Anniversary and Customer Appreciation Open House. The theme for the parades this year will be, “70 Years of Serving You.”

Irrigation Write-Off: Wieser reported that action will be needed to write off the demand charges for irrigation well testing at Location 52869 in the amount of \$618.80 and Location 01760 in the amount of \$493.24, for a total of \$1,112.04. Morgan made a motion to approve the irrigation demand charge write-offs in the amount of \$1,112.04. Zimmerman seconded the motion. Roll call vote: Yea: All present.

Drop Box for Payment: Wieser reported that the drop box will be installed next week.

METERING, INFORMATION and TECHNOLOGY

Rosenbaum introduced the new IT/AMI technician Andy Kuhns. He reviewed his Board report, and answered questions.

INFORMATION and TECHNOLOGY

Weeda reviewed his report in the Board book, and answered questions. He also reported that he received the results of the Microsoft License Verification process, and we have all the necessary licenses.

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

Fehringer announced that Co-Bank delegates will need to be selected at the July Board meeting.

OTHER

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

The July Board meeting will be held on July 22, 2016.

MAY BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 11:03 a.m.

ATTEST:

Bernard G. Fehringer, President

Marcus Milanuk, Secretary