

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

August 26, 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, August 26, 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 – left @ 12:52

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

Changes to the Agenda: Brad Nebergall, Adam Herink, and Kendra Strommen did not attend the meeting as scheduled.

Milanuk made a motion to approve the updated Agenda as E-mailed and 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, August 16, 2016, and proof of publication showing such notice as published is attached, and thereby, made a part of these Minutes. Gortemaker 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 Tom Mathine, Construction Lineman.

APPROVAL OF JULY 22, 2016, BOARD MINUTES

Fehringer announced that with no corrections to the July 22, 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:

Personnel

Staffing is at 27 full-time employees.

Legislative & Regulatory

Lindahl included Legal Reporting Service publications for review.

Lindahl continues to meet with the candidates for District 47, and attend town hall meetings.

Lindahl included information from Dave Jarecke on the Website ADA compliance. He also included correspondence from NRECA on the RUS Limited English Proficiency Requirements (LEP) required by the USDA to be an RUS borrower.

Other:

Lindahl reported on the AMI pilot project contract negotiations. Attorney Strommen is working on the language issues in the contract. The liability issues were discussed. Discussion and questions were answered by Lindahl.

Lindahl discussed NRECA onsite training which was brought up at the MDM group. The possibility of hosting training at Wheat Belt for the region was

discussed. Both staff and board training would be beneficial for all. Lindahl reported that hotline school is next week at the training field.

At the Statewide meeting the question was raised about who built and paid for the hotline and underground school grounds and facilities. Hostetler and Lindahl responded.

Lindahl will be conducting a press conference with WNCC. It will focus on the commitment to the Power Line School and our investment in our future workforce. This will be September 15th at 3:00 p.m. Dan Westman, our Dalton Maintenance Lineman, is a graduate of the Power Line School, and will also be present.

Lindahl will participate in a Cheyenne County Market Strategy project.

Lindahl will speak at the NRECA Region 7 and 9 meetings on the topic of Cyber Security.

Financials

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

The Tri-State peak periods were discussed.

Lindahl reported the bill for the generator has not been received. Lindahl also reported that Hewgley and Associates will be paid once the final drawings and Occupancy Certificates are received. We also have not received final billing from Reichert. Lindahl stated that Eric Reichert's responsiveness has been excellent and was very complimentary toward Reichert.

Irrigation usage as well as industrial usage was discussed.

Staff is starting the internal budget process for 2017, and will begin presenting items at the September Board meeting. Lindahl has been working on updating the data and structure of the Long-Term Financial Forecast. Lindahl has also been working on the debt module so that the directors may see long-term impacts of utilizing debt to stabilize rates, and improve plant replacement.

FERC Ruling on Qualifying Facilities Fixed Cost Recovery

The subject was deferred for further reporting by Tri-State's Brad Nebergall and Buestem Energy Solutions', Adam Herink. Lindahl answered questions, and reported to the Board. The rehearing for clarification as perspectives differ, will be forthcoming. Lindahl read the letter from Bluestem Energy's Adam Herink, to the directors. A lengthy discussion followed.

Strategic Plan Progress Review

Lindahl asked for comments or questions. He reported that a great deal of the plan has been accomplished, and many of the rest of the items are in process.

One action item was that Wheat Belt was to adopt NREA's legislative positions. Discussion was held on the possibility of having NREA's Kristen Gottschalk attend a Board meeting, and report to the directors on upcoming Legislative issues. Then Wheat Belt would be in a better position to adopt the same positions, and testify to support NREA and Tri-State. Lindahl would like to take formal action next year to have something official on a yearly basis for guidance of record, and be able to take positions.

A break was taken at 9:55 a.m.

The meeting resumed at 10:10 a.m.

Growth Opportunities: We continue to work with the Village of Lodgepole. Questions and discussion followed. Lindahl has met with the new City of Sidney Manager, and continues to work with the Cheyenne County Economic Development Director for growth opportunities.

Technology Investment: Lindahl discussed partnering to see if there are opportunities to bring communication to some of our customers that do not have good broadband service. Discussion followed.

Discussion was held on the possibility of taking an afternoon to strategic plan with the staff and directors to review the current Strategic Plan, and to focus on what needs to be getting done and how to accomplish some of the items.

KRTA Ratio Analysis: The CFC Key Ratio Trend Analysis reports (graphs) were included in the Board book and reviewed. Questions and discussion followed.

NRECA Resolutions: Lindahl provided the National Resolutions Committee Report and 2016 Compendium of Proposed Resolutions in the Board book for review by the directors.

Cost of Service Study: Bob McDonald from ESC is working on the report.

STRATEGIC ISSUES

Facility Update: Lindahl reported on utility savings for the month of July. Demand management will be conducted going forward.

The moving process continues. The men have been diligently moving the warehouse and outside items (poles, transformers, etc.).

Facility Bill Approval: We have not received any additional bills at this time. We are expecting a bill for the generator.

Facility Sale: No progress. Large vinyl banners have been printed by Basin, with “For Sale” and contact information, to be hung at the downtown facilities. Lindahl reported that we can lease the building if needed, per Strommen. Lindahl did meet with Tina Hochwender from the Cheyenne County Economic Development as well as Ed Sadler, the new City of Sidney Manager, expressing our desire to market the facility. They expressed “no interest” at this time.

Sub-Transmission Project

Borges reported that he had heard from one of the landowners who has been in touch with the City of Sidney trying to determine who is the actual landowner of the corner property.

Rates

Lindahl reported that Bob McDonald of ESC continues to work on the rates.

Bluestem Energy Renewable Energy Project

Nothing new.

Line Rebuild consideration for Low Revenue Accounts

A lengthy discussion was held on the pro’s and con’s and ramifications of rebuilding underground line on faulted stockwells and low revenue accounts. Lindahl reported on how the rates are set. The assets are based on when the lines were installed. Borges was instructed to talk to the landowner and to economically serve the account. Accounts in the future will be handled on an individual basis.

A lunch break was taken at 12:15 p.m.

The meeting resumed at 12:55 p.m.

Tri-State Meeting Reports

Tri-State Board Meeting: Morgan reviewed his August report, and discussion followed. Fehringer questioned the “total generation” costs, and Morgan will look into it and report next month. Morgan and Lindahl reported on the proposed rate increase and using the Tri-State deferred revenue account to defray the increased costs.

Tri-State FERC Complaint

This was discussed/reported earlier.

Tri-State Contract Committee Meeting:

Lindahl reported.

Tri-State Managers Meeting

Lindahl reported. The new facilities worked very well for the meeting. Lindahl received good responses from the participants.

MEETING REPORTS

NREA Committee and Board Meeting:

Fehringer provided an oral report and discussion followed. Milanuk commented that people are still needed to man the State Fair booth. Milanuk was congratulated for being appointed to the Statewide Services Committee.

WyoBraska MDM Meeting:

Lindahl attended and reported.

POLICIES & RESOLUTIONS

Policy E-19: Drug Free Workplace; Policy E-19A: Drug and Alcohol Testing; Policy E-20: Safety Policy; Policy E-20D: Bloodborne Pathogen Program; Policy E-20E: Hearing Conservation Program; Policy E-20F: Powered Industrial Trucks; Policy E-20H: Energy Control (Lock-out/Tag-out) Program; and Policy E-20C: Hazard Communication Plan: Motion was made by Milanuk to readopt Policy E-19, Policy E-19A, Policy E-20, Policy E-20D, Policy E-20E, Policy E-20F, Policy E-20H, and Policy E-20C. Smith seconded the motion. Roll call vote: Yea: All present. Motion carried.

Policy E-20A: Safety and Injury Prevention Program; Policy E-20B: Emergency Management/Evacuation Plan; and Policy E-20G: Fire Prevention Plan: A motion was made by Morgan, and seconded by Gortemaker to approve wording changes to Policy E-20A, Policy E-20B and Policy E-20G, to reflect new committee members, and new headquarter changes. Roll call vote: Yea: All present. Motion carried.

SAFETY ISSUES and SAFETY MEETING MINUTES

The August 12, 2016, Safety Meeting Minutes were reviewed, and discussed. Reilly reported, and answered questions.

Director Milanuk attended the Safety Meeting. Training was conducted by NREA JT&S Instructor, Kory Hilderbrand, on pole top rescue.

Safety Committee Meeting Minutes

The August 12, 2016, Safety Committee Meeting Minutes were reviewed, and discussed.

Reilly reported that the Committee members reviewed the Policies and recommended the changes that were approved this month.

CONSTRUCTION, MAINTENANCE & OPERATION

Major Outages

Reilly reported on the outages caused by storms in the past month, and reviewed the information in the Board book.

Construction, Maintenance & Operations

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

Four Year Work Plan

Reilly asked for an amendment to the Work Plan to take \$18,000 of the \$33,516 balance from 500-24 Redington Substation – replace three circuit reclosers and add 500-28 Oshkosh Substation – replace twelve 25KV switches, and replace three metering voltage transformers. He is not adding additional money to the work plan, just moving money from one work plan item to another. Gortemaker made a motion to amend the Work Plan as reported by Reilly. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

Capital Budget Items

Sealed bids were received August 8, 2016, for the replacement of Unit 27, bucket truck. The operators will check out the various trucks at the overhead school and decide which truck they want to order.

BUSINESS REPORT

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

Customer Service/Marketing: Wieser reported that utilities have been exempted on the final rule on the robo-call issue.

Fairs and Parades: Parades will be coming up and Wieser reported that they will be using a bucket truck, and will need linemen volunteers to participate.

Insurance Update: Wieser and Peterson attended the NRECA React Conference in Indianapolis this month. The main purpose is to go over changes and upcoming legislation or changes to the benefits plan, and to network with NRECA's staff and the vendors they use. They attended the Pension and 401K sessions as well.

Wieser reported that we have received our insurance rates for the coming year.

Youth Camp: Wieser included the "Thank You" notes that the kids were asked to write at Camp in the Board book.

METERING, INFORMATION and TECHNOLOGY

Rosenbaum was reading meters. Lindahl reviewed his report and answered questions.

INFORMATION and TECHNOLOGY

Weeda was not present to review his report.

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

CFC Delegates – Currently Zimmerman and Fehringer. Fehringer voted for the District 7 Director Candidate as Zimmerman had already left the meeting. The voting delegates will remain the same for the coming year.

Midwest Electric Consumers Association Delegates – Currently Zimmerman and Fehringer. The voting delegates will remain the same for the coming year.

Basin Electric – Currently Morgan and Fehringer. The voting delegates will remain the same for the coming year.

Other

Fehringer asked if there were any further questions/discussion from the directors.

The next Board Meeting will be held on September 23, 2016.

AUGUST BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 1:45 p.m.

ATTEST:

Bernard G. Fehringer, President

Marcus Milanuk, Secretary