

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

November 21, 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 8:32 a.m., Monday, November 21, 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; Jeff Rosenbaum, Senior Meter Technician; and Jim Weeda, IT Manager.

Kelli Chaon 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. Following the Strategic Issues, an Executive Session will be held to speak with Adam Herink and Matt Robinette of Bluestem. Milanuk made a motion to approve the amended Agenda. 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 Wednesday, November 9, 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. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

INTRODUCTION OF GUESTS

Robert Stefka, Stefka Agency, will arrive at 10:00 a.m.

Kendra Strommen, Matzke and Mattoon Law Office

APPROVAL OF OCTOBER 28, 2016, BOARD MINUTES

Blomenkamp asked that an addition be made to Page 6, Paragraph 5, to read, “Blomenkamp suggested encouraging landowners to do their own mitigating using the tools provided by Wheat Belt.” Fehringer announced that with the above corrections to the October 28, 2016, Board Minutes, they stand approved.

PUBLIC HEARING AND COMMENT PERIOD

No one appeared before the Board.

GENERAL MANAGER’S REPORT

Personnel

Staffing is at 27 full-time employees. Jacob Ashmore from Oshkosh, will begin his internship with us in January.

Other

Lindahl reported that CoBank approved our application for matching funds we donated to the WNCC Lineman Program in the amount of \$5,000.

Lindahl asked the Board, on behalf of all the employees, to close the office on July 3, 2017. The employees will use a PTO, Comp or their personal day. The Board consensus was to approve the request.

Blomenkamp had questioned Lindahl in the past regarding the lights being on at the headquarter building all night. Lindahl reported he has checked into this, and will continue to monitor.

Lindahl reminded the Board that the Wheat Belt Christmas party is December 9, 2016, at Buffalo Point.

Discussion was held regarding the Solar Kit information in the Board Book.

Lindahl reported that he and Borges have been doing research on the Tesla Backup Battery Power Storage. They will continue to research this further.

No agreement has been reached regarding the Wheat Belt Sidney Radio Tower. Lindahl and Reilly will continue to work on it.

Legislative & Regulatory

Lindahl reported that our industry is in an uncertainty mode right now with the election results. The industry is hoping to have an input on future regulations that affect us.

Lindahl congratulated Smith, Zimmerman, and Fehringer on being re-elected to the Board.

Financials

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

The Federated Insurance renewal were presented in the Board Book. After review and discussion of the renewal rates, Smith moved to renew our coverage with Federated as quoted for 2017-2018. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

A break was taken at 9:30 a.m.

The meeting resumed at 9:40 a.m.

STRATEGIC ISSUES

Executive Session Bluestem Energy Project

Adam Herink and Matt Robinette of Bluestem appeared by Skype to discuss the Bluestem Energy Project. Gortemaker moved to go into Executive Session at 9:43 a.m. to consider the agreement with Bluestem. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried. Lindahl, Borges and Wheat Belt legal counsel, Kendra Strommen, were also present.

Gortemaker moved to come out of Executive Session at 10:20 a.m., and Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

Facility Update

No report at this time.

Facility Bill Approval

Lindahl reported the last two bills have been paid to Eric Reichert Construction for a total amount of \$104,157. Gortemaker moved to ratify payment of the bills totaling \$104,157. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

Facility Sale

Robert Stefka with the Stefka Agency in North Platte was in attendance to give a presentation regarding listing our old headquarter building and truck barn with them. After the presentation, he was asked to draft a listing contract and submit to the Board.

Sub Transmission Project

Borges reported as of today, there are three and half miles of poles in the ground. The work is still in progress.

Village of Lodgepole

Lindahl reported he has not had a chance to visit with Henry Cano of NRECA.

EXECUTIVE SESSION

Smith moved to go into an Executive Session to discuss personnel and irrigation rates at 10:55 a.m. Morgan seconded the motion. Roll call vote: Yea: All present. Motion carried.

Morgan moved to come out of Executive Session at 11:43 a.m. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

BUDGET

2017 Rates

I-1 Irrigation rate was discussed. Bob McDonald with ESC has worked on an additional I-2 Rate (TOU Rate), and the rates were compared and discussed. Some of the current irrigation contracts state rate changes must be reported to the customers by December 31. After discussion, Morgan stated the I-2 Rate should state On-Peak rate of \$14 per KW and Off-peak rate of \$2 per KW, so the rate reads more clear. Milanuk moved to approve the I-2 Rate (IOU Rate) with

the verbiage changes listed above, and to keep the I-1 Rate as presented as the default irrigation rate. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

2017 Large Item Budget

The preliminary Cash Budget is included in the Board Book and was discussed. Lindahl and Hostettler are still finalizing the Budget, and it will be presented next month for final approval.

TRI-STATE

Tri-State Board Meeting

Morgan reviewed his November report. Questions and discussion followed.

Tri-State FERC Update

Morgan said there was nothing to report.

Tri-State Contract Committee

Morgan reported that the Contract Committee met and discussed the affect it would have on Tri-State if all members increased their renewable average. The polling questions were inconsistent at the meeting, and will be discussed further at a later date.

Tri-State Rate Committee

Morgan reported the Rate Committee reviewed the A-39 Rate, and it seems to be working the way it was projected. A standby rate was also discussed.

MEETING REPORTS

Rural Smart Grid

Lindahl attended the Rural Smart Grid Conference, which is hosted by the vendors. He felt it is a very beneficial conference to attend to see what products and services are available and what is coming down the line.

NRECA Strategic Technology Advisory Council

Lindahl has served on this committee for five years and has one more year left to serve. He reported that when he started, they were doing \$1.4M in research projects, and are now completing \$14M in research. Lindahl fielded questions on his report.

POLICIES & RESOLUTIONS

Policies F-2, Financial Goals; E-28 Grievance Procedure; E-29 Guidelines for Discipline and Termination; E-30 Access to Employee Exposure and Medical Records; E-31 Change In Work Hours and Premium Rates; E-32 Exchange Time; E-33 Military Leave for Reservists; E-34 Personal Use of Wheat Belt Tools or Equipment; and E-35 Prevention of Identity Theft.

Motion was made by Morgan to readopt Policies E-28, E-29, E-30, E-32, E-33, E-34, and E-35 with no recommended changes, and to approve F-2, and E-31 with the proposed changes. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

SAFETY ISSUES and SAFETY MEETING MINUTES

The November 9, 2016, Safety Meeting Minutes were reviewed.

Training: NRECA, Scott Black on Employee Benefits.

CONSTRUCTION, MAINTENANCE & OPERATIONS

Major Outages

Borges reviewed the information in the Board Book.

Construction, Maintenance & Operations

Borges reviewed the reports in the Board Book and answered questions. He also stated that Reilly, Peters, and Bartels attended the NRECA Safety Leadership Summit Conference last week.

BUSINESS REPORT

Wieser had left the meeting. Her report was reviewed.

METERING, INFORMATION and TECHNOLOGY

Rosenbaum reviewed his report, and asked if there were any questions. He stated we will be working with SRS to get rights to reconnect single phase meters.

Rosenbaum and Lindahl also reported that Kendra Strommen is still working on the AMI contracts.

INFORMATION and TECHNOLOGY

Weeda reported they are still working on a few issues with the AMI server.

Security Report

The Security Report was reviewed.

FUTURE MEETINGS, TRAINING AND ARRANGEMENTS

Peterson reviewed the upcoming meetings with the Directors.

ELECTION OF DELEGATES AND OTHER ORGANIZATIONAL ITEMS

No elections were conducted this month.

Other

Lindahl reported the Midwest Bylaws have been uploaded to DropBox. Please let Zimmerman know if you have any recommendations.

There will be a Special Meeting held December 9, 2016, to discuss the Bluestem Contracts. The next regular Board meeting will be held on Friday, December 23, 2016.

Board Book App presentations will be held following the Board Meeting today. Anyone wishing to stay is welcome.

NOVEMBER BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 12:58 p.m.

ATTEST:

Bernard G. Fehringer, President

Marcus Milanuk, Secretary