

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

December 23, 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, December 23, 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; Earl Reilly, Operations Manager; Ryan Borges, Staking Engineer; Jeff Rosenbaum, Senior Meter Technician; 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.

All stood for the Pledge of Allegiance to the Flag.

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, December 9, 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 his grandson, Charles Fehringer.

APPROVAL OF NOVEMBER 21, 2016, BOARD MINUTES

Fehringer announced that with no corrections to the November 21, 2016, Board Minutes, they stand approved as published.

APPROVAL OF DECEMBER 9, 2016, SPECIAL BOARD MEETING MINUTES

Fehringer announced that with no corrections to the December 9, 2016, Special Board Meeting Minutes, they stand approved as published.

PUBLIC HEARING AND COMMENT PERIOD

No one appeared before the Board.

GENERAL MANAGER'S REPORT

Personnel

Jacob Ashmore was offered an internship with Wheat Belt, but has declined the offer to accept an offer which may lead to full-time employment after the internship.

Other

Lindahl stated that the Budget hearing was scheduled at 9:30 a.m., and they would stop the reporting at that time to address the Budget hearing.

Lindahl called for questions or comments: Smith asked about the Bluestem Energy project, and how our decline to pursue the project was received? Discussion among the directors and Lindahl followed.

Discussion was held concerning the NREA Credit Union and the Nebraska Energy Federal Credit Union.

Lindahl was asked by the National Renewable Energy Laboratory, part of the DOE, if he would be willing to lead a one-hour workshop on the topic of Engaging Executives on Cyber Security. The session will be held on January 18th.

Lindahl reported that his term on the NRECA Strategic Technology Advisory

Council was scheduled to end in 2017. He has been asked to stay on the Council for another term.

Lindahl has been working with Troy Bredenkamp, NREA General Manager, to talk with participants on Cyber Security at the NREA meeting in the future.

John Hoke at Niobrara Valley is hosting a 21st Century rate-making class on February 20th, which is the same day as the Wheat Belt Board meeting.

A customer meeting is being planned for late January or early February, to discuss the new rates, long-term plans, and will focus on the new time of use irrigation option. It will be hosted at the new headquarters and will be publicized in the newspapers and via phone calls.

The ACRE renewal forms were on the director tables and discussion was held.

The 2017 IRS mileage rate decreased to 53.5 cents per mile.

The Sidney tower sale is still on the agenda. Lindahl has not had time to properly put an agreement together.

Legislative & Regulatory

Lindahl provided an article in the Board book on the passage of a water bill that dealt with the coal ash issue. Lindahl included a copy of the NRECA Legal Reporting Service Report in the Board book, and Fehringier raised a question concerning the report. Discussion followed.

Financials

Lindahl reviewed the financial reports, which were presented under separate cover, and answered questions. Lindahl reviewed bond requirements with the directors. Discussion on financial topics/rates followed.

2017 BUDGET HEARING

Fehringier officially opened the Budget hearing at 9:30 a.m.

Lindahl reported on the 4.9% revenue increase from rates. He explained the cost of power over a five-year average. The payroll increase of 1.5 percent and the benefit increase was included. The maximum risk is built in on HRA expenses. He added in an additional half-year position for a lineman. The budget figures do not take into account any time of use irrigation rate impact.

Lindahl reviewed the line item expenses on the 2017 Cash Requirements Budget.

Lindahl discussed the Ten-Year Large Item Budget also, with the additional items added at the bottom of the list. The two items are: the Lodgepole study, and the addition of a sand filtration unit for the water system at the headquarters in the amount of \$6,884, installed.

The replacement of Unit 3 will be carried over to 2017, in the amount of \$36,000.

Hostetler and Wieser answered questions from the directors.

Smith made a motion to approve the 2017 Budget with the carry-over adjustment of the Unit 3 truck. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

STRATEGIC ISSUES

Facility Update

We still have not received the final plans. Lindahl reported on Mr. Hewgley's health issues.

After visiting with the auditors, we will begin depreciating the facility, retroactively to July 1, 2016.

We continue to "tweak" the building energy systems to optimize the utility bill.

Sound proofing for the conference room is still being addressed.

Board Book Applications

Discussion was held concerning the presentations made to the Board last month. It was decided to continue as we are for now. It was discussed about sending out the industry news on a weekly basis rather than putting in the Board book.

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

The meeting resumed at 10:14 a.m.

Long-Term Rates and Programs

The subject will be discussed at length at the January Strategic Planning Session.

Strategic Planning Session

Lindahl included a preliminary Agenda in the Board book. It was suggested to put the Agenda in order of importance. What is not addressed, can be moved to

another day, or following a Board meeting. The intent of the Planning Session is to update our current plan, and give a general long-term direction on topics and projects, which can be addressed over the next 12-36 months.

The Planning Session is scheduled for January 13, 2017. Bob McDonald from ESC and David McGirr from AgSense have been invited to attend. Other irrigation system providers will also be present to discuss new technology, etc.

Discussion was held concerning a broadband working group in Cheyenne County. Also, Lindahl reported that Bill Drummond, from Midwest Electric Consumers, will be attending the February meeting.

Sub Transmission Project

Borges reported that there is one mile of poles left to put in the ground.

Facility Sale

Lindahl included a copy of the Contract from Robert Stefka with the Stefka Agency in North Platte, Nebraska, for the utilization of their realtor services. The Agreement has been reviewed by Wheat Belt's legal counsel. The fees were negotiated, based on the structure of the sale.

Following discussion, a motion was made by Morgan to allow Lindahl to enter into the Contract with the Stefka Agency for the sale of the old headquarters and the vehicle storage warehouse. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

Village of Lodgepole

Lindahl reported that an on-site visit has been scheduled for the first week in February by Henry Cano of NRECA.

TRI-STATE

Tri-State Board Meeting

Morgan reviewed his December report. Questions and discussion followed. He discussed margins to meet financial goals, and using deferred margins. The internal goal policy was discussed.

Tri-State FERC Update

Morgan said there was nothing to report.

Tri-State Contract Committee

Lindahl asked if there were any questions on his report. He asked what it would take for us to sign a new contract with Tri-State. A lengthy discussion followed. Discussion was held regarding the Basin extension of the Tri-State contract.

Tri-State Rate Committee

Morgan reported and the directors reviewed Lindahl's report in the Board book. Questions were answered and discussion followed. The McGinley lawsuit (1983) was discussed and Lindahl said he would forward the lawsuit information to the directors.

MEETING REPORTS

NREA Annual Meeting

Lindahl reported.

Midwest Electric Consumers Annual Meeting

Lindahl did a presentation at the meeting, and reported on the meeting. Smith and Fehringer reported also. Milanuk asked about WAPA, and Lindahl, Fehringer and Morgan responded.

BYLAWS

The Bylaws were reviewed, and the headquarters location needs to be changed to reflect our current address.

Motion was made by Smith to readopt the Bylaws with the recommended changes. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

SAFETY ISSUES and SAFETY MEETING MINUTES

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

Training: NRECA JT&S Greg Nelson on chain saws and chain saw safety.

The Safety Meeting dates and the 2017 On-Call Schedules were distributed to the employees and were included in the Board book. Reports from Peters, Bartels and Reilly were included in the Board book from their trip to attend the Safety Leadership Summit.

Reilly distributed the Safety meeting sign-up sheet to the directors, asking them to designate their choice of which monthly meeting they would like to attend.

Borges was elected chairman of the Nebraska Rural Electric Association, Job Training and Safety Committee.

Reilly introduced the “Wall of Fame” in the hallway to the directors.

CONSTRUCTION, MAINTENANCE & OPERATIONS

Major Outages

Reilly reviewed the information in the Board Book.

Construction, Maintenance & Operations

Reilly reviewed the report in the Board Book and answered questions.

The trade-in offer on Unit 27 was discussed. Reilly will report at the next meeting if the Lineman School is interested in the truck.

Borges reported that his crew is only working on building the 34.5 line to the Vo-Tech Substation.

2016 Physical Inventory

Borges asked for permission to adjust the book quantity to match the physical quantity. This would be a negative adjustment of \$2,251.49. Milanuk made a motion to approve the 2016 Physical Inventory negative adjustment in the amount of \$2,251.49. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

BUSINESS REPORT

Wieser reviewed her report.

Bad Debt Write-off

Wieser asked for permission to write-off three bad debt accounts in the amount of \$1,209.08. Morgan made a motion to accept the write-off debts in the amount of \$1,209.08. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

2017 NRECA Youth Tour Applications

Two applications to attend the 2017 NRECA Youth Tour have been received. A

motion was made by Gortemaker to send both of the applicants to the 2017 Youth Tour. They will be required to give a presentation to the Board following the Tour. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

METERING, INFORMATION and TECHNOLOGY

Rosenbaum reviewed his report. The L&G Gridstream Contract has been signed and forwarded to L&G for the pilot project meters. Rosenbaum stated that it will probably be May before installation of the meters would begin.

Rosenbaum stated that the new metering pickup had arrived.

INFORMATION and TECHNOLOGY

Weeda was not present. His report was reviewed.

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

The NRTC Director Voting Delegate – Fehringer, and the Alternate Voting Delegate – Morgan, will remain the same.

Other

Fehringer reminded the directors that the Strategic Planning Session will be January 13th. The January Board meeting will follow two weeks later on January 27th.

Industry news was included in the back of the Board book.

DECEMBER BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 12:03 p.m.

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ATTEST:

Bernard G. Fehringer, President

Marcus Milanuk, Secretary