

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

January 27, 2017

The regular monthly meeting of the Board of Directors of Wheat Belt Public Power District was called to order by President Bernard Fehringer, at 8:31 a.m., Friday, January 27, 2017, 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; 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.

All stood for the Pledge of Allegiance to the Flag.

APPROVAL OF AGENDA

Fehringer announced that there were two changes to the Agenda: Election for the Assistant Secretary will follow the election of the Treasurer. Also, the discussion of Policy E-23 will be held 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 Wednesday, January 11, 2017, and proof of publication showing such notice as published is attached, and thereby, made a part of these Minutes. Morgan made a 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 introduced Mark Cape, Maintenance Operator.

APPROVAL OF DECEMBER 23, 2016, BOARD MINUTES

Fehringer announced that with no corrections to the December 23, 2016, Board Minutes, they stand approved as published.

APPROVAL OF JANUARY 13, 2017, SPECIAL BOARD MEETING MINUTES

Fehringer announced that with no corrections to the January 13, 2017, Special Board Meeting Minutes, they stand approved as published.

PUBLIC HEARING AND COMMENT PERIOD

No one appeared before the Board.

OATH OF OFFICE

The Oath of Office was conducted for Brian Zimmerman, Douglas Smith and Bernard Fehringer. They respectively repeated their Oaths of Office after being re-elected as Wheat Belt Public Power District Board of Directors following the November Elections.

BOARD ORGANIZATION

Election of Officers:

President:

The Chair was surrendered to the General Manager for written nominations for the office of President. Each director nominated a candidate for the office of President. Nominations were tallied. Fehringer and Milanuk were nominated for President. Ballots were cast for one of the nominees, and Fehringer was re-elected President.

Vice President:

The Chair was returned to the President-elect Fehringer, who called for written nominations for Vice-President. Each director nominated a candidate for the office of Vice-President. Smith, Milanuk and Morgan were nominated for the office of Vice-President. Ballots were cast for one of the nominees and there was a tie between Morgan and Milanuk. Morgan and Milanuk withdrew. A motion was made by Gortemaker to cast a unanimous ballot for Smith. Seconded by Blomenkamp. Roll call vote: Yea: All present. Motion carried. Smith was re-elected as Vice-President.

Secretary:

President Fehringer called for written nominations for the office of Secretary. Each director nominated a candidate for the office of Secretary. Nominations were tallied, and Gortemaker and Milanuk were nominated for the office of Secretary. Ballots were cast for one of the nominees and Milanuk was re-elected as Secretary.

Treasurer:

President Fehringer called for written nominations for Treasurer. Each director nominated a candidate for the office of Treasurer. Nominations were tallied and Gortemaker was unanimously nominated for the office of Treasurer. A motion was made by Milanuk to cast a unanimous ballot for Gortemaker. Blomenkamp seconded the motion. Roll call vote: Yea: All present. Motion carried. Gortemaker was re-elected Treasurer.

Assistant Secretary:

President Fehringer called for written nominations for Assistant Secretary. Each director nominated a candidate for the office of Assistant Secretary. Nominations were tallied, and Blomenkamp and Zimmerman were nominated for the office of Assistant Secretary. Ballots were cast for the nominees and Zimmerman was re-elected Assistant Secretary.

Tri-State Board of Director:

President Fehringer called for written nominations for Tri-State Board of Director. Each director nominated a candidate for the office of Tri-State Board of Director. Nominations were tallied, and Morgan was nominated for the office of Tri-State Board of Director. A motion was made by Milanuk and seconded by Blomenkamp to cast a unanimous vote for Morgan. Roll call vote: Yea: All present. Motion carried. Morgan was re-elected as the Tri-State Board of Director.

Nebraska Rural Electric Association Board of Director:

President Fehringer called for written nominations for the NREA Board of Director. Nominations were tallied, and Milanuk and Fehringer were nominated for the NREA Board of Director position. Ballots were again cast for one of the nominees, and Fehringer was re-elected as the NREA Board of Director.

GENERAL MANAGER'S REPORT

Personnel

Lindahl reported that we are fully staffed at 27 full time employees. We have one employee out on disability due to surgery.

Legislative and Regulatory

Lindahl included the Government Relations Director for NREA, Kristen Gottschalk's Legislative Update in the Board book. Lindahl explained what the requirements would entail in an unbundling bill (LB 657) and a retail choice bill (LB 660) that have been introduced. Director questions, and a lengthy discussion followed.

A net metering bill (LB 87) and a pole attachment bill were discussed by Lindahl and Fehringer with the directors. Blomenkamp brought up questions concerning LB 547 on eminent domain. Discussion followed.

Lindahl and the directors will be attending the NREA Legislative Conference next week, and will obtain more information on the Legislative situation.

Lindahl reported that Wheat Belt normally adopts the NREA position on proposed bills unless the Board says otherwise. We will operate under their positions currently.

Financials

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

Lindahl reported that the auditors were on site this week, and plan on presenting their report at the March Board meeting. The year-end financials will not be reported until all the adjustments are completed. Lindahl and Hostetler were able to discuss with the auditors the proper way to depreciate the new building.

Lindahl included a copy of the check received from Federated for the Worker's Compensation rebate totaling \$19,246.

Lindahl reported that Bill Drummond of Midwest Electric Consumers Association asked to reschedule his February visit until April. Lindahl will adjust the agendas accordingly.

A break was taken at 9:45a.m.

The meeting resumed at 9:50 a.m.

Executive Session

An Executive Session was called to discuss Policy E-23: Return to Work. A motion was made by Milanuk to go into Executive Session at 9:51 a.m. The motion was seconded by Zimmerman. Roll call vote: Yea: All present. Motion carried.

A motion to go out of Executive Session was made by Gortemaker at 10:10 a.m. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

A motion was made by Gortemaker to provide an exception to Policy E-23 to allow Mr. Dean Gipfert to come back on light duty as specified by staff and released by a doctor without the thirty-day full duty release, considering the non-lineman part of the work he does with respect to environmental compliance. Without the exception, the release would require that full duty be authorized by the doctor by April 1st. The motion was seconded by Zimmerman. Roll call vote: Yea: All present. Motion carried.

STRATEGIC ISSUES

Facility Update

The old facilities are listed for sale and a new sign has been hung on the building.

We are still having sand issues with the well water at the new facilities. Replacing the front doors at the new headquarters is under discussion. We still have not received the final plans, and we have not made the final payment to the architects.

Sidney Communications Tower Sale

Lindahl had nothing new to report

Long-Term Rates and Programs

Lindahl will meet with Bob McDonald of ESC next week. He will discuss raising

rates over a five-year period instead of a seven to ten-year period as was suggested earlier.

Sub Transmission Project

Borges reported that the construction crew will be stringing wire next week.

Four Year Work Plan

Information was provided to the directors in the drop box. Lindahl will leave the topic on the agenda for further consideration.

Village of Lodgepole

NRECA will be on-site the first week in February to conduct their preliminary analysis, and provide us with a preliminary plan. A Skype report may be given at a Board meeting following the inspection.

Power Supply

Lindahl and Morgan presented information on new contracts, a level of self-generation and patronage refunds. Questions and discussion followed.

Other

A customer meeting is scheduled for February 15th at 1:00 p.m. An electrician training session will be held at 11:00 a.m. Lindahl is working on a strategic overview of where we are, and our general direction going forward. Focus will be on the economics of Wheat Belt and our rates. He will show graphs on how we compare to our peers.

TRI-STATE

Tri-State Board Meeting

Morgan reviewed his January report. Questions and discussion followed.

Morgan discussed margins to meet financial goals, and using deferred margins. Coal production was discussed.

Tri-State FERC Update

Morgan said there was nothing to report.

Tri-State Bylaws Review

Fehringer asked if there were any questions on suggested Bylaw changes. There were none from the directors.

MEETING REPORTS

NRECA CEO Conference

Lindahl entertained questions from the directors and there were none.

NREA Managers Meeting

Lindahl's report was included in the Board book.

Tri-State Managers Meeting

Lindahl reported. The Allam Cycle was discussed.

NRECA/NREL Cyber Workshop

Lindahl reported. Lindahl raised the question on how to focus on strategic views of risk/return/reward?

Policies and Resolutions

Policy A-1: Purpose, Formulation, Adoption, Review and Distribution of Board Policies; Policy C-1: Line Extension Policy; Policy C-2: Right-of-Way; and Policy C-3: Attachments to Poles.

A motion was made by Milanuk to readopt Policies A-1, C-1, C-2 and C-3 with no recommended changes. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

Resolution 17-01:

Lindahl reported on the bonding Resolution with Ameritas Investment Corp., which was included in the directors' drop box for review. Following discussion, Smith made a motion to accept Resolution 17-01 with an anticipated maximum amount of 1.5 million dollars for the Work Plan. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

SAFETY ISSUES and SAFETY MEETING MINUTES

The January 11, 2017, Safety Meeting Minutes were reviewed. Training: The 2016 Safety Manual was reviewed. A refresher video on CPR and

First Aid was viewed.

Fehringer asked to pass on congrats to Jordan Peters on passing his second Merchant test.

Also congrats was extended to the employees for having worked a total of 431,323.25 hours since the last lost time incident. Wheat Belt's 27 employees worked a total of 51,912.50 hours in 2016, 500 more hours than the previous year.

Blomenkamp raised a question on the truck servicing/repair pricing and Reilly reported.

Milanuk raised a question on the new radios and their AVL capabilities, and Reilly reported.

CONSTRUCTION, MAINTENANCE & OPERATIONS

Major Outages

Reilly reviewed the information in the Board Book.

Construction, Maintenance & Operations

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

Work Plan Amendment

Reilly reported on adding Work Plan 500-29 to replace three breakers at the Weyerts Substation at \$20,000 each for a total of \$60,000. One will be replaced now, and the other two as needed. A motion was made by Smith to approve the exception to the Work Plan to replace one breaker now in the Weyerts Substation for \$20,000, and the other two as needed for a total of \$60,000. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

Cost of Construction Study for 2017

The 2017 Cost of Construction Study was included in the Board book, and Borges answered questions directed to him by the directors.

BUSINESS REPORT

Fehringer reported on an issue with a customer, and complimented the staff on their help and professionalism.

Wieser reviewed her report.

Wieser reported on Farm and Ranch Day in Oshkosh. The remaining pies were delivered to nursing homes in Oshkosh and Sidney.

A thank you letter from a 2016 scholarship recipient was included in the Board book, and discussed. Wieser reported on the Credit Union scholarships available to employees, who are members, for their children.

METERING, INFORMATION and TECHNOLOGY

Rosenbaum reviewed his report. There have been three more net metering devices installed for residential solar panels.

First Net Meeting

Weeda reviewed his report. First Net broadband was reported/discussed.

INFORMATION and TECHNOLOGY

No questions were directed to Weeda concerning his report.

Security Report

The Security report was reviewed. Weeda mentioned that a security culture needs to be cultivated.

FUTURE MEETINGS, TRAINING AND ARRANGEMENTS

Peterson reviewed the upcoming meetings with the Directors.

ELECTION OF DELEGATES AND OTHER ORGANIZATIONAL ITEMS

CFC: Currently the Voting Delegate and Alternate Delegate were Zimmerman and Fehringer. Zimmerman will not be attending the meeting, so a motion was made by Milanuk to appoint Morgan as the Voting Delegate. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

Other

Lindahl requested a July Board meeting date change. Following discussion, a motion was made by Milanuk, and seconded by Smith, to change the July Board meeting date to Friday, July 21st. Roll call vote: Yea: All present. Motion carried.

Round Table

Industry news was included in the back of the Board book and in the drop box. The next Board meeting will be **Monday**, February 20th.

JANUARY BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 12:05 p.m.

ATTEST:

Bernard G. Fehringer, President

Marcus Milanuk, Secretary