

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

February 20, 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 8:30 a.m., Monday, February 20, 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 left at 11:38 a.m.

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 was a change to the Agenda: The discussion of the Village of Lodgepole Study under Strategic Issues, will be held in Executive Session. Smith made a motion to approve the Agenda as amended. 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 Wednesday, February 8, 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

No guests were present.

APPROVAL OF JANUARY 27, 2017, BOARD MINUTES

Fehringer announced that with no corrections to the January 27, 2017, Board Minutes, they stand approved as published.

PUBLIC HEARING AND COMMENT PERIOD

No one appeared before the Board.

LEGISLATIVE & ENVIRONMENTAL UPDATE

Lindahl reported on several of the Legislative issues, and the NREA positions. We will operate with the understanding that Wheat Belt's positions are the same as NREA's.

Lindahl mentioned that he sent a "letter of opposition" on LB 626, which was included in the Board book.

Lindahl attended the Legislative hearings with a neutral stance on LB 127 pertaining to Meeting Notices. Lindahl and Chaon attended the hearings on LB 660, Retail Choice, and LB 657 Unbundling, last week. Lindahl will be testifying on LB 87 regarding Net Metering on February 22, 2017.

Lindahl reported and discussed bulk power load and bulk transmission systems.

Troy Bredenkamp, NREA General Manager, joined the Board meeting via Skype at 8:45 a.m. Bredenkamp reported and discussed the NREA Legislative positions, and answered questions from the directors. The session ended at 9:30 a.m.

Fehringer thanked Lindahl for the copy of the White House Executive Order Reducing Regulation and Controlling Regulatory Costs that was in the Board book.

Lindahl stated that a copy of his testimony on Bill LB 87, was on the Drop Box for the directors to view.

GENERAL MANAGER'S REPORT

Personnel

Lindahl stated that a personnel issue would be discussed in Executive Session.

Financials

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

Lindahl reported that the year-end financials are completed, but we are still waiting for authority from the auditors to close the books. The year-end Form 7 was included in the Financial book. A complete analysis will be given by the Auditors at the March Board meeting.

Lindahl reported that the requirements were met for bonding authority, and we will be paying off the last of the two percent RUS debt on March 5, 2017.

Lindahl entertained questions from the directors, and discussion followed.

The Tri-State bill analysis was also discussed concerning peak.

Lindahl informed the Board that we were not billed for the new phone system in 2016. He asked for an exception to the 2017 Budget to include the carry-over from the 2016 Budget to pay the bill.

A motion was made by Gortemaker to approve the exception to the 2017 Budget, and to pay the new phone system bill in the amount of \$7,097.74. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

NREA Education Survey

NREA requested that the directors complete a survey on Board Education. Lindahl put the survey on the screen, and the directors responded to the questions as a group. The staff education portion of the survey was conducted earlier.

Discussion was held concerning having education/informative classes conducted at our facilities for several of the co-ops/PPD's in the area.

Rate I-2 and Rate C-2

Lindahl reported and discussed scenarios on the I-2 rate. Lindahl included a copy of the re-worded Rate I-2 in the Board book for approval.

Lindahl also discussed Rate C-2 for the commercial customers. The C-2 Rate has been modified, adding the twelve-month sign-up, and mirrors the I-2 Rate. The proposed copy of the C-2 Rate was included in the Board book for approval.

Following questions and discussion, Blomenkamp made a motion to approve the I-2 Rate and C-2 Rate with the proposed changes. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

Other:

Lindahl discussed facilitating broadband to our customers. He will be part of a group to continue the conversation.

STRATEGIC ISSUES

Facility Update

Lindahl included a copy of the Listing Activity Report for inquiries on the old facilities in the Board book that was provided by the realtor.

Lindahl reported that the window shades have been ordered for the Conference room. Chaon has found some portable, movable, sound barrier walls that we are going to try. We continue to work on the sand/well issue with M & S Drilling. Lindahl and Chaon reported on the front door issues.

Sidney Communications Tower Sale

Lindahl had nothing new to report

Long-Term Rates and Programs

Lindahl has not met with Bob McDonald yet.

Sub Transmission Project

Borges reported that there is one mile of line remaining to be built.

Four Year Work Plan

Lindahl reported that work will begin on the new Four-Year Work Plan in 2018 and 2019.

A break was taken at 10:18 a.m.

The meeting resumed at 10:26 a.m.

Village of Lodgepole Study

Executive Session

An Executive Session was called to discuss the Village of Lodgepole Study update and personnel issues. A motion was made by Milanuk to go into Executive Session at 10:27 a.m. The motion was seconded by Zimmerman. Roll call vote: Yea: All present. Motion carried.

Attendees during the Village of Lodgepole Study update included Reilly, Borges, Hostetler and Lindahl.

A motion to end the Executive Session was made by Gortemaker at 10:59 a.m. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

Financing

Lindahl reported that it is still not advantageous to call and re-issue the 2012 bonds. Lindahl met with Mike Lewis of CFC, and he provided an option for some intermediate financing for consideration.

TRI-STATE

Tri-State Board Meeting

Morgan reviewed his February report. Questions and discussion followed.

Morgan reported that White River has asked Tri-State staff for a buyout number. Tri-State staff has had to spend a great deal of time obtaining buyout dollar figures, and is considering charging for the staff time.

Tri-State FERC Update

Morgan said there was nothing to report.

Tri-State Member Board Survey

Morgan reported that Tri-State has contracted with a company to conduct a member board survey and a separate survey from the managers. The survey is to get a feel for what the systems need, what they like and what they would like to see in the future. A collective board open group discussion will be held

following the survey's completion.

MEETING REPORTS

NREA Legislative Meeting

Lindahl entertained questions from the directors, and there were none.

NREA Managers Meeting

Lindahl reported on electrifying truck stops or rest stops to reduce engine idling to help with automobile emissions. He reported on alternative ways of offering service. Discussion followed.

Tri-State Contract Committee

Lindahl discussed his report in the Board book.

Tri-State Rate Committee

Lindahl and Morgan reported. Discussion was held on the Bluestem Energy contract.

Policies and Resolutions

Policy C-4: Work on Customer's Premises; Policy C-8: Time Limitations; and Policy C-10: Reading of Meters and Meter Calibration have minor grammatical changes. Policy C-5: Relocation, Retirement, Removal of Facilities and Minimum Bills; Policy C-6: Standard Construction Practice; and Policy C-7: Payment Responsibility, have no recommended changes.

A motion was made by Gortemaker to readopt Policies C-4, C-5, C-6, C-7, C-8, and C-10 with no recommended changes or minor grammatical changes. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

Policy C-9: Disconnect for Nonpayment: Changes to reflect Irrigation billing changes and grammar consistency. Motion was made by Milanuk to readopt Policy C-9 with the recommended changes. Blomenkamp seconded the motion. Roll call vote: Yea: All present. Motion carried.

Policy C-11: Irrigation Accounts was discussed concerning irrigation testing. The Policy will be considered for approval at the March Board meeting.

SAFETY ISSUES and SAFETY MEETING MINUTES

The February 10, 2017, Safety Meeting Minutes were reviewed.

Training: NREA JT&S instructor Kory Hildebrand conducted a presentation on defensive driving, phone texting, and driving impaired.

Safety Committee Meeting Minutes

The February 10, 2017, Safety Committee Meeting Minutes were reviewed.

CONSTRUCTION, MAINTENANCE & OPERATIONS

Major Outages

Reilly reviewed the information in the Board Book. Reilly reported on outages and damages caused by someone moving an irrigation system.

Construction, Maintenance & Operations

Borges reported that his crew is working on the transmission line.

Reilly reported on the electricians' meeting held at the new WBPPD facilities.

BUSINESS REPORT

Wieser asked if there were any questions concerning her report.

Wieser reported that she will be checking into texting programs to send messages to our customers. Other avenues of getting information out to customers were discussed.

Wieser discussed a "Time of Use" form being developed for our customers. It would also be available on the Wheat Belt website.

METERING, INFORMATION and TECHNOLOGY

Rosenbaum had nothing further to add to his report.

Borges reported on net metering.

Weeda reported on the new meters, and said the initial install group for testing purposes will be held in the Covalt Substation area.

INFORMATION and TECHNOLOGY

No questions were directed to Weeda concerning his report.

Security Report

A National Association of Regulatory Utility Commissioners Cybersecurity report was included in the Board book.

FUTURE MEETINGS, TRAINING AND ARRANGEMENTS

Peterson reviewed the upcoming meetings with the Directors.

ELECTION OF DELEGATES AND OTHER ORGANIZATIONAL ITEMS

Tri-State Voting Delegate and Alternate Delegate

A motion was made by Milanuk to retain Morgan as the Voting Delegate and Fehringer as the Alternate Delegate. Blomenkamp seconded the motion. Roll call vote: Yea: All present. Motion carried.

OTHER:

The next Board meeting will be **Friday, March 24th**.

FEBRUARY 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