

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

June 23, 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 8:32 a.m., Friday, June 23, 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; Earl Reilly, Operations Manager; Jim Weeda, IT Manager; Jeff Rosenbaum, Senior Meter Technician; Ryan Borges, Staking Engineer; and Pam Wieser, Business 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.

All stood for the Pledge of Allegiance to the Flag.

APPROVAL OF AGENDA

Fehringer announced that a modified agenda was emailed on Wednesday, June 21, 2017. The modified agenda contained an action item was added to the Operations/Construction section for Ash Hollow. Smith made a motion to approve the Agenda as amended. 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, June 7 2017, 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. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

INTRODUCTION OF GUESTS

President Fehringer welcomed Eric Reimers, Engineering Technician.

APPROVAL OF MAY 26, 2017, BOARD MINUTES

Fehringer announced that with no corrections to the May 26, 2017, Board Minutes, they stand approved as published.

PUBLIC HEARING AND COMMENT PERIOD

No one appeared before the Board.

FINANCIAL PLANNING REVIEW

The Irrigation Survey that NREA conducts annually was reviewed and discussed.

Investment Review

The RUS prepayments and the reserves for our bond issues were reviewed. Wheat Belt's total cash and future cash budgets for the next five years were also discussed in detail.

Debt Review

Lindahl presented Wheat Belt's total debt as \$5.111M. Discussion was held on calling the 2012 and 2014 bond issues, borrowing the budgeted \$500,000 for the 2017 budget, possibly borrowing an additional \$500,000 for the 2018 budget and rolling it all into a single issue. This would have multiple benefits for the District.

Cost of Power

A discussion was conducted regarding the future Tri-State rates and the effect it may play on Wheat Belt's rates and revenue.

Long Term Financial Forecast Review

The long-range forecast was reviewed in detail. Future rates, and cost of power were discussed.

Lindahl reported we are still waiting on Bob McDonald for the rate study. Board consensus is to have Lindahl bring a proposal to the Board with a \$500,000 and a \$1M bond issue proposal to review. The risk to wait on this is interest rates going up. Also, the Board would like to know what consequences there are, should we call the bonds early.

Lindahl added that we also have CFC and CoBank lines of credit available to use if needed.

GENERAL MANAGER'S REPORT

Personnel

Lindahl stated that we are fully staffed at 27 full-time employees. There will be one employee out on disability at the end of the month.

Legislative & Regulatory

A summary of bills passed that are of interest to WBPPD is included in the Board Book from NREA.

Lindahl is working with Kristin Gottschalk to conduct necessary legislative and department visits while he is in Washington, D.C for the Interact Conference. Lindahl reported he has already met with Senator Bostelman regarding broadband in rural areas.

Morgan stated he would like to discuss LB973. He is seeing a problem with the height and width for moving large farm equipment. Morgan stated this bill is not practical for farmers moving machinery. Fehringer would like Morgan to bring this up at the August NREA Legislative Committee meeting in Scottsbluff.

Lindahl informed the Board he will be doing a TED Talk on the history of how our industry was able to get electricity to rural homes, etc., and how this will work for the future of broadband installation to the rural areas.

Financials

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

BREAK: 9:55 a.m.

RESUME: 10:00 a.m.

Executive Session

An Executive Session was called at 10:00 a.m. to discuss personnel issues, legal

issues, contract matters, and electrical inspections. Lindahl, Borges, Reilly, Hostetler, and Wieser remained for part of the Executive Session.

Motion was made by Smith to go into Executive Session. Morgan seconded the motion. Roll call vote: Yea: All present. Motion carried.

The meeting resumed at 11:50 a.m.

A motion was made by Milanuk to resume the meeting. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

STRATEGIC ISSUES

Facility Update

Hostetler received a letter from the County Assessor stating we would be assessed property tax on our headquarter building, and transformer yard on Illinois St. A protest has been filed and a hearing is scheduled for July 3, 2017, at 1:15 p.m.

Lindahl reported we are still having sand issues in the water. M & S Drilling has suggested drilling a new well. The Board's consensus is to accept M & S Drilling's suggestion to drill the well.

Eric Reichert Construction is here working on the last few items on the list to be repaired under the one-year warranty.

Sub Transmission Project

Currently on hold for other projects.

Four Year Work Plan

There was nothing new to report.

Village of Lodgepole Study

This was discussed during the Executive Session.

Delivery Point

Lindahl reported there are no new developments on this.

LUNCH: 12:06 a.m.

RESUME: 12:44 p.m.

TRI-STATE

Tri-State Board Meeting

Morgan reviewed his June report. Questions and discussion followed.

Morgan stated Tri-State had another member request a buyout amount. It was determined the member had no intentions of leaving Tri-State, they just wanted to know the figure. Tri-State is going to review this matter, and possibly start charging members for the buy-out numbers.

A letter from San Miguel's customers to Tri-State regarding renewable generation was also discussed in detail.

Tri-State FERC Update

Lindahl reported that there have been two people nominated for the FERC Commissioners, but nothing has been decided at this time.

MEETING REPORTS

NREA Managers Meeting

Lindahl reviewed his report, which was provided in the Board book.

POLICIES AND RESOLUTIONS

Policy E-1: Employment Policies; Policy E-2: Paid Time Off (PTO); Policy E-3: Holidays; Policy E-4: Uniforms and Safety Equipment; Policy E-6: Educational Courses); Policy E-7: Expenses; Policy E-8: District Vehicles and Mileage Payments; and Policy E-9: Physical Examination.

A motion was made by Gortemaker to readopt Policies E-1, E-2, E-3, E-4, E-6, E-8, and E-9 with no changes. Policy E-7 will be tabled at this time. Smith seconded the motion. Roll call vote: Yea: All present. Motion carried.

SAFETY ISSUES and SAFETY MEETING MINUTES

The June 9, 2017, Safety Meeting Minutes were thoroughly reviewed. Questions and discussion followed.

Training: NREA JT&S, Cleve Stople, PPE use and Care.

CONSTRUCTION, MAINTENANCE & OPERATIONS

Borges gave the report, as Reilly had to step out of the meeting. Borges fielded

questions from the written report. He also stated that Reilly and Gipfert attended the PCB Training, and with the current administration in the White House, they are not anticipating any new regulations.

Major Outages

A storm knocked out the 115KV line from Angora to Wildhorse. This was the same storm that hit Bayard and caused all the damage.

Six men from our construction crew have been assisting Chimney Rock PPD with mutual aid this past week to help with the storm damage.

Mapping System Demonstration

This demonstration will be conducted after the Board meeting by Eric Reimers for any Board Members wishing to stay and see it.

Industrial Customer Line Extension

Borges reported they are still waiting on easements to come back. He stated they may be in contact with NPPD to discuss a metering point to serve this customer until the easements can be obtained to cross the river.

Ash Hollow Temporary Service

Borges stated Ash Hollow will be holding a Nebraska 150th Celebration July 21-23, 2017. Ash Hollow has requested a temporary 200-amp service be installed. After a lengthy discussion, Milanuk moved to install and remove the 200-amp service for the celebration at no cost to the customer, but Ash Hollow must pay for any consumption and the monthly basic fee. Smith seconded the motion. Roll call vote: Yea: Milanuk, Fehringer, Gortemaker, Blomenkamp, Zimmerman, and Smith. Nay: Morgan. Motion carried.

BUSINESS REPORT

Wieser reviewed her report presented in the Board Book.

Water Heater Rebates

Wieser asked for clarification regarding water heater rebates. The consensus of the Board is to leave the current policy in place regarding rebates.

Irrigation Test Write Off

Irrigation write off's have been requested for Account 17629 for \$542.40 and Account 51261 for \$181.44. Smith moved to approve the two irrigation write

off's. Zimmerman seconded the motion. Roll call vote: Yea: All Present. Motion carried.

Waiver of Board Policy

President Fehringer transferred the control of the meeting to Vice President Smith to discuss the waiver, and excused himself for the discussion due to personal conflict.

The first waiver involves Account 8011. The service was installed in May of 2007 and the demand component didn't work for the customer. A change was approved to disconnect the service and extend the contract a year, for each year it was disconnected, and the contract minimum was not met. The customer requested to have the stipulation of the contract being extended, waived. The payoff for the contract will be \$2,136.06. Morgan moved to approve the waiver, and Zimmerman seconded the motion. Roll call vote: Yea: Milanuk, Gortemaker, Blomenkamp, Zimmerman, Smith, and Morgan. Abstain: Fehringer. Motion carried.

Vice President Smith transferred the meeting back to President Fehringer.

The second waiver involves Accounts 44204 and 41421. The customer signed up for the new I-2 TOU Rate in March. The customer has since determined he cannot remotely control his pivots. So, he has asked to be moved back to the I-1 Rate. Smith moved to honor the request to allow this customer to move back to the I-1 Rate with a \$100 administrative fee per account to cover the costs of metering reprogramming and billing software changes. This move is only being approved as it was a pilot year for this new rate. Motion seconded by Gortemaker. Roll call vote: Yea: All Present. Motion carried.

METERING, INFORMATION and TECHNOLOGY

Rosenbaum reviewed his report, and answered questions.

Rosenbaum reported that metering issues have been found on four accounts. The multiplier was entered wrong on the billing system side when the new meters were installed. Milanuk moved to adjust and refund the three accounts that were overbilled back to when error occurred. The fourth account that was underbilled will be tabled at this time to get a legal opinion regarding collection. Zimmerman seconded the motion. Roll call vote: Yea: All Present. Motion carried.

INFORMATION and TECHNOLOGY

IT Report

Weeda had nothing new to add to his written report.

Security Report

Weeda had nothing new to add to his written report.

DELEGATES

NRECA Delegates

NRECA Delegates currently are: Voting Delegate, Smith; and Alternate, Fehring. Smith will not be attending the meeting, but the alternate Fehring will. The delegates will remain as is.

NRECA Director Election (at NREA)

Milanuk moved to change Delegate to Smith and Alternate to Blomenkamp. Zimmerman seconded the motion. Roll call vote: Yea: All Present. Motion carried.

FUTURE MEETINGS, TRAINING AND ARRANGEMENTS

Peterson reviewed the upcoming meetings with the Directors.

OTHER:

The next Board meeting will be **Friday, July 21, 2017**.

JUNE BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 2:04 p.m.

ATTEST:

Bernard G. Fehring, President

Marcus Milanuk, Secretary