

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

SEPTEMBER 25, 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, September 25, 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; Pam Wieser, Business Manager; Kelli Chaon, Executive Assistant; and Jim Weeda, IT Manager.

Debra Schlaman recorded these Minutes at the request of Board Secretary, Marcus Milanuk.

All stood for the Pledge of Allegiance to the Flag.

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 a change to the Agenda. Fehringer moved Item #9 – Budget, before Item #8 – General Manager Review, so that both items could be discussed in Executive Session. Morgan 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, September 13, 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.

Subsequent to adjournment of the meeting, it was determined that the proper Wheat Belt Meeting Notice was not published.

INTRODUCTION OF GUESTS

The Employee Issues Committee members were present – Eric Reimers, Tom Mathine, Cole Birkel, and Shelley Peterson.

APPROVAL OF AUGUST 25, 2017, BOARD MINUTES

Fehringer announced that there were no corrections to the August 25, 2017, Board Minutes, and they would stand approved as published.

PUBLIC HEARING & COMMENT PERIOD

No one appeared before the Board.

GENERAL MANAGER'S REPORT

Personnel

Lindahl reported that the personnel level is fully staffed at 27 full-time employees.

Legislative & Regulatory

The hearing on the interim study on Public Power in Nebraska, was held Friday, September 22, at the State Capitol. Lindahl, Fehringer, Morgan and Smith attended. Fehringer, Morgan and Smith commented on the hearing. Lindahl reported that everyone, but one, of the people testifying, was in favor of public power. Discussion followed.

Lindahl reported that there will be an interim study on broadband internet in the state. The hearing has not been scheduled.

Other

Lindahl reported on his TedX talk. The You-tube presentation will be available in a few weeks.

Lindahl ran a rough analysis on the time of use irrigation rate. The non-time-of-use vs. time-of-use results were reported and discussed.

Lindahl reported that NRECA is doing an article on time-of-use /load control showing substantial savings. Wheat Belt will be a part of the feature. Fehringer congratulated Blomenkamp for bringing the issue forward, and helping Wheat Belt to get the rate established.

Fehringer commented on the Federated Litigation Report in the Board book.

Legal

Lindahl, Fehringer, and Wieser attended the Legal Seminar in Lincoln a few weeks ago. Accountability and disclosure and conflict of interest were two topics Lindahl found very interesting. Lindahl reported on applicable topics for the directors. The current Wheat Belt policy on employees using Wheat Belt items for personal purposes will need to be addressed. Discussion followed.

Financials

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

Lindahl reported on positive margins.

Blomenkamp questioned the billing losses. Lindahl explained the various losses and how, where and why they occur. Lindahl provided a slide comparison between Wheat Belt and other systems.

CoBank renewed our revolving line of credit until September 30, 2018.

Budget

Employee Benefits

The Employee Issues Committee is comprised of one management, two inside, and two outside employees. The Committee presented their information under a separate packet. Tom Mathine reported for the Committee and answered questions. Chaon and Wieser reported on the safety bonus in length. Journeyman salaries vs. office wages were discussed. A market update will be needed for next year. The 2016 wages were provided to the Board.

A coffee break was taken at 9:40 a.m.

The meeting resumed at 9:45 a.m.

An Executive Session was called at 9:45 a.m. to discuss the General Manager Review and employee wages. Lindahl was present for a part of the Executive Session. Motion was made by Milanuk and seconded by Smith to go into

Executive Session. Roll call vote: Yea: All present. Motion carried.

The meeting resumed at 11:00 a.m. A motion was made by Milanuk, and seconded by Zimmerman, to resume the meeting in open session. Roll call vote: Yea: All present. Motion carried.

Following the Executive Session, Smith made a motion to leave the one percent safety bonus and increase the wages 3.5%. At the end of 2018, the safety record will be reviewed, and any additional bonus will be determined at that time. Benefits will remain the same.

Following discussion among the directors, Smith called for another Executive Session at 11:10 a.m. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

The meeting resumed at 11:24 a.m. A motion was made by Milanuk and seconded by Zimmerman to resume the meeting in open session. Roll call vote: Yea: All present. Motion carried.

Following the second Executive Session, Smith rescinded his motion.

Smith made a motion to give the employees a 3.5% wage increase on the 2017 base wages, which is \$33.17 based on the journeyman wage. This base does not include the existing one percent safety bonus. The Board will evaluate the employees 2018 safety performance at the January 2019, Board meeting. The current 2017 no lost-time bonus, of \$100, will stand for this year only, pending a no lost-time accident in the remainder of 2017. The current benefit levels will be maintained. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

Following the General Manager Review, a motion was made by Gortemaker to set Lindahl's annual salary at \$156,000, plus the same benefits package as the rest of the employees. Zimmerman seconded the motion. Yea: Smith, Morgan, Milanuk, Fehringer, Gortemaker, Blumenkamp, Zimmerman. Motion carried.

Other

Milanuk reported on Wind Energy Conversion Facilities. Information was included in the Board book. Discussion followed.

STRATEGIC ISSUES

Facility Update

Lindahl met with the realtor for the old headquarters, the Cheyenne County Economic Development Director, and the Nebraska Department of Economic

Development. They toured the old facilities, and they will help to actively promote the facilities.

Cabela's conducted a photo shoot for an upcoming publication at our new headquarters. Some of the employees participated in the photo shoot. Cabela's presented us with a gift card for our time and trouble which will be used to purchase items for the Christmas drawing.

Big Iron will conduct an auction for the sale of the digger truck, mower, and other items on November 8th.

An Employment Law training session was held at the headquarters, with several of the neighboring systems attending. The costs will be shared.

Lindahl reported that the City Manager indicated that we will be receiving a letter to remove the Wheat Belt sign at the old facilities. Lindahl will address as the building is being used by Wheat Belt. Discussion followed.

A cyber security assessment will be held at Wheat Belt next week with people from neighboring systems attending.

Long Term Rates and Programs

Bob McDonald continues to work on the rates.

Sub Transmission Project

The topic is currently on hold for other projects.

Four Year Work Plan

There was nothing new to report.

Village of Lodgepole Study

Lindahl will attend the Lodgepole Board meeting on October 2nd to present a proposal. Lindahl presented the Directors a copy of a proposal, and asked for comments or changes as soon as possible. The directors felt the proposal should be presented in advance of the Lodgepole Board meeting so it could be reviewed prior to the meeting by their Board members. Questions and discussion followed.

Renewable Energy Projects

Lindahl reported that Bluestem is still awaiting pricing on panels. The project is still on hold.

Broadband

Lindahl has a meeting with the NITC Community Council in October. Lindahl met with a company representative that has a plan to provide broadband service to rural Seward County. He will continue the discussion with them and others regarding our area.

Delivery Point

On hold pending other options.

TRI-STATE

Tri-State Board Meeting

Morgan reviewed his September report and discussion followed. Morgan emphasized that the Tri-State budget was approved.

Morgan reported that the Southwest Power Pool letter was sent, and by 2019, Tri-State may be a member of the Southwest Power Pool.

Tri-State FERC Update

Lindahl reported that there was nothing new to report.

A lunch break was taken at 12:07 p.m.

The meeting resumed at 12:45 p.m.

MEETING REPORTS

Employment Law Training

Lindahl reviewed his report in the Board book.

NREA Managers Meeting

The Fall NREA Managers meeting was held in conjunction with the NREA Legal Seminar in Lincoln.

Lindahl reported:

Dave Jarecke provided an update on Drone regulations and requirements.

Molly Bargmann from the Nebraska Emergency Management Agency reported on disaster assistance, and items to have in place to make the NEMA/FEMA

process smoother. In the near future, Lindahl will present two policies relating to disaster assistance for approval.

Black Start (grid failure) exercises and their coordination needs to be established with the G&T's. Lindahl will look into establishing a plan for Wheat Belt.

The ACRE year will now be from January 1 to December 31.

NREA Legal Seminar

Lindahl reported earlier in the meeting.

POLICIES AND RESOLUTIONS

Policy E-21: Harassment; Policy E-22: Smoking Policy; Policy E-23: Return to Work; Policy E-24: On-Call Compensation; Policy E-25: First Aid and CPR Certification; Policy E-26: Suggestion Plan; and Policy E-27: Employee Behavior.

A motion was made by Morgan to readopt Policies E-21, E-22, E-23, E-24, E-25, E-26, and E-27, with no changes or with changes as presented. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

Milanuk presented different costs for irrigation disconnects and fuses. Discussion followed concerning Policy C-25. Following discussion, Reilly will check with Northwest Rural to see how they did their program. It was also suggested to put the underground to the wells on the agenda for the mini Strategic Planning Session in January. The Directors would also like to know how much underground to irrigation wells we have in the system.

Policy C-25: Irrigation Disconnect Rebate Program:

Lindahl reported and explained Policy C-25. Following discussion, a motion was made by Gortemaker to abolish Policy C-25. Following discussion, Gortemaker withdrew his motion. The decision was made to table Policy C-25 until January.

SAFETY ISSUES and SAFETY MEETING MINUTES

The September 8, 2017, Safety Meeting Minutes were thoroughly reviewed. Questions and discussion followed.

Training: NREA JT&S Greg Nelson, conducted Pole Top/Bucket Rescue.

CONSTRUCTION, MAINTENANCE & OPERATIONS

Major Outages

No major outages were reported.

Construction, Maintenance & Operations

Reilly reviewed his report in the Board book.

Industrial Customer Line Extension

Reilly reported.

New 115 KV Delivery Point

Reilly reported that we need to let Tri-State know when we want to proceed. If the river crossing is not approved by Corps of Engineers, we will have to ask for the delivery point to be expedited.

Four-Year Work Plan

Reilly asked the Board for permission to take \$15,000 of the \$38,567 balance from Work Plan item 500-20 Gurley Substation, replacing four circuit reclosers, and add the \$15,000 to Work Plan item 500-30 Big Springs Substation, replacing seventeen 15KV switches and three 36KV arresters. He would not be adding any more money to the Work Plan, just moving money from one work plan item to another.

Following discussion, Smith made a motion to approve moving the monies from one work plan item to another work plan item in the amount of \$15,000.

Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

Cheyenne County Fairgrounds Lights

Reilly reported on the status of the Wheat Belt Invoice for the repair of the arena lights. Following discussion, the Directors would like the Cheyenne County Fair Board Chairman to appear at the October Board meeting to discuss the situation.

Business Report

Wieser reviewed her report in the Board book.

Metering, Information and Technology

Rosenbaum was reading meters so Weeda reviewed the report in the Board book. Weeda discussed the Landis & Gyr sale.

IT Report

Weeda had nothing new to add to his report.

Security Report

Weeda had nothing new to add to his report.

FUTURE MEETINGS, TRAINING & ARRANGEMENTS

Peterson reviewed the upcoming meetings with the Directors.

ELECTION OF DELEGATES

CFC

The CFC voting delegates currently are: Morgan and Fehringer. Following discussion, the delegates will remain the same.

Federated Insurance

Federated's voting delegates are currently Fehringer and Morgan. Following discussion Fehringer will remain as the Federated Insurance voting delegate.

OTHER:

Lindahl reported that Jim Matheson, NRECA CEO, requested a one-half hour meeting at the Region 7 meeting with a Wheat Belt representative. Milanuk will meet with Mr. Matheson on Tuesday, October 17th, at 11:00 a.m.

Milanuk attended and commented on the Hot Line School.

A request was made to change the October Board meeting date. A motion was made by Milanuk and seconded by Gortemaker to change the October Board meeting to Monday, October 23, 2017. Roll call vote: Yea: All present. Motion carried.

The next Board meeting will be **Monday, October 23, 2017.**

SEPTEMBER BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 1:40 p.m.

ATTEST:

Bernard G. Fehringer, President

Marcus Milanuk, Secretary