

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

NOVEMBER 20, 2017

The regular monthly meeting of the Board of Directors of Wheat Belt Public Power District was called to order by President Bernard Fehring, at 8:30 a.m., Monday, November 20, 2017, at the District Headquarters, 11306 RD 32, Sidney, Cheyenne County, Nebraska.

ROLL CALL

The following Directors were present:

Mike Blomenkamp

Bernard Fehring

John Gortemaker, left at 12:55 p.m.

Marcus Milanuk, left at 12:55 p.m.

Stuart Morgan

Doug Smith

Brian Zimmerman

Also present were Tim Lindahl, General Manager; Carolyn Hostetler, Chief Financial Officer; Pam Wieser, Business Manager; Ryan Borges, Staking Engineer; Earl Reilly, Operations Manager; Jim Weeda, IT Manager; and Kelli Chaon, Executive Assistant.

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 Fehring, declared a quorum present.

Attention of the Directors and attendees was directed to the Open Meetings poster.

APPROVAL OF AGENDA

Fehring announced that Mr. Tom Godding was present at the meeting, and his agenda item would be addressed first under the General Manager's report. Milanuk 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, November 8, 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. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

INTRODUCTION OF GUESTS

Fehringer announced that Kendra Strommen, the District's Attorney, would be in attendance and that Mr. Tom Godding was present to discuss his irrigation accounts with the Directors.

APPROVAL OF OCTOBER 23, 2017, BOARD MINUTES

Fehringer announced that there were no corrections to the October 23, 2017, Board Minutes, and they would stand approved as published.

PUBLIC HEARING & COMMENT PERIOD

No one appeared before the Board.

GENERAL MANAGER'S REPORT

Customer Write-off CT

Tom Godding was present, and stated that he had two accounts out of three where the CT loops were wired incorrectly on his irrigation accounts. Mr. Godding asked for consideration of an adjustment on the approximately \$81,000 that was owed. He thanked the Board for their consideration. The Directors voiced their opinions on the issue and Wieser voiced hers. Wieser stated that there have been issues in the past where adjustments were necessary to recover lost revenue, and that we had gone back multiple years. We lose meters annually. She discussed the policy and Statute that allows Wheat Belt to adjust five years, but informed the Board that there were actually several years that could not be adjusted. Later in the conversation, Wieser also indicated that there had been an adjustment made to recover cost of power on an account that had used excessive power because of a mechanical error on the customer side.

Questions were directed to and answered by Mr. Godding and the Directors. Following discussion, Morgan made a motion to write-off the charges as it was Wheat Belt's wiring errors. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

Fehringer stated that a precedent was being established by agreeing to write-off the account. Discussion followed.

Personnel

Lindahl reported that the personnel level is fully staffed.

Legislative & Regulatory

Lindahl reported that he will attend the interim study hearings on rural broadband in Nebraska. Lindahl discussed and answered questions concerning the data collected and how it is used.

Lindahl reported on Nebraska Link, and will meet with them on Tuesday. Discussion followed, and questions were answered.

Tax exempt municipal bonds were discussed. The current tax proposals in Congress will prohibit advance funding of bonds. They would have to be converted to taxable bonds. Hostetler and Lindahl explained.

City of Sidney Zoning Violation

Lindahl and Fehringer attended the City Council meeting on October 24, 2017. They submitted structured comments in the “public comment” section of the meeting, and followed with written comments by Strommen. Strommen reported on the feedback and the suggestions that were put forth. The City Attorney, J. Leef, contacted Strommen with stipulations on the sign. She wanted “by appointment only” added to the front door, change the name on the sign to something like “Wheat Belt Downtown Warehouse”, and placing a table and chairs in the conference room for meeting purposes. Discussion and opinions followed. If we complied with the requirements of a new sign made by Basin, put in the table and chairs, and wording added to the front door, Strommen will get the requirements in writing.

American Bank Request

Lindahl reported that the American Bank made a request to use our backup operations facility as a possible emergency recovery headquarters for their use as well. Discussion followed and Lindahl explained their plan. Strommen will do further research on the legal ramifications of their using our facilities, and will report to the Board at a later time.

Legal

Strommen reported on other legal matters.

Other

Lindahl reported that CoBank contributed \$5,000 to the WNCC, Lineman

Program, matching our contribution.

Discussion was held concerning Morgan and Fehringer's contribution for the year. It was decided not to rebate their checks to the Fair Board. Morgan would like to donate his \$250 allotment to the Leyton Public School Foundation and Fehringer will think about it.

Lindahl reported on the approval of the Keystone Pipeline.

Financials

Lindahl reviewed the financial reports, which were presented under separate cover. Lindahl reported that the RUS loan is prepaid nearly in full.

Auction Results

Lindahl reported on the truck and other items that were sold, and will calculate the net proceeds.

Proposed 2018 Board Meeting Dates

The proposed 2018 Board meeting dates were discussed. The Directors wanted to move the July Board meeting to Wednesday, July 25, 2018. The rest of the meeting dates will remain the same.

A coffee break was taken @ 10:12 a.m.

The meeting resumed @ 10:23 a.m.

Executive Session

An Executive Session was called at 10:23 a.m. to discuss legal matters, and personnel issues. Lindahl was present for the Executive Session. Motion was made by Morgan and seconded by Gortemaker to go into Executive Session. Roll call vote: Yea: All present. Motion carried.

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

2018 Budget

Large Item Budget

Questions and discussion began Lindahl's report. It was noted that the proposed 1.5 million dollars in new bond issue was not included in the current

budget. He will recalculate the interest and principle payments for all of the bond issues to be included in the final budget.

A preliminary large item budget was included in the Board book for review and discussion. Following discussion, it was suggested that Bob McDonald attend the Strategic Planning session on January 19, 2018.

The Budget hearing will be advertised next month in the newspaper.

Approval of the Budget will be made at the December Board meeting.

2018 Rates

The new proposed rate changes were discussed at length. Lindahl will recommend change proposals to McDonald, and report next month for approval. Morgan indicated that PR will be needed for our customers because of the increase, and how it will be viewed on the billing.

Power Supply Reports

Morgan reported that the financial forecast looks really good for the next ten years. Tri-State is working on a rate stabilization program. Morgan reported on Basin and the Dakota gas losses.

Tri-State Board Meeting

Morgan reviewed his November Board meeting report.

Tri-State FERC Update

Morgan and Lindahl had nothing new to report.

A lunch break was taken at 12:20 p.m.

A Director/employee hallway putt-putt golf tournament was held beginning at 1:00 p.m.

The meeting resumed at 2:35 p.m.

STRATEGIC ISSUES

Facility Update

Lindahl discussed the code violation under the General Manager's report.

Long Term Rates and Programs

The rates were previously discussed under the budget section.

Sub Transmission Project

Borges is working on staking and ordering items.

Four-Year Work Plan

Borges' Work Plan presentation was postponed again until the December Board Meeting.

Village of Lodgepole Study

Lindahl reported that Tri-State is working on a load development rate and they indicated that more information is needed before pricing can be presented to Lodgepole.

Renewable Energy Projects

Lindahl reported that Bluestem is still awaiting pricing on panels.

Broadband

Lindahl will continue to work on the broadband issues heavily prior to the Interim hearing. Lindahl will meet with Senator Freisen as part of a three-person panel representing public power.

Communication

Lindahl reported that we are working towards hosting an "annual" type meeting in 2018. Monies were included in the Budget for the "annual" meeting and Lindahl discussed the possibility of scheduling it for April, 2018.

Delivery Point

This project is on hold pending other options.

MEETING REPORTS

NREA/NPPD Broadband Meeting

Lindahl reviewed his report in the Board book. He will be moderating a broadband meeting at the NREA meeting.

Strategic Technology Advisory Council

Lindahl's report was included in the Board book. Lindahl has a book of the research projects for review by anyone interested.

Tri-State Manager's Meeting

Lindahl reviewed his report in the Board book, and answered questions.

POLICIES AND RESOLUTIONS

Policy F-4: Handling of Payments: Lindahl explained the reason for the additional sentence in the last paragraph. Following questions and discussion, Smith made a motion to adopt Policy F-4 with the suggested changes. Blomenkamp seconded the motion. Roll call vote: Yea: All present. Motion carried.

Policy E-28: Grievance Procedure; Policy E-29: Guidelines for Discipline and Termination; Policy E-30: Access to Employee Exposure and Medical Records; Policy E-31: Change in Work Hours and Premium Rates; Policy E-32: Exchange Time; Policy E-33: Military Leave for Reservists; and Policy E-35: Prevention of Identity Theft.

A motion was made by Blomenkamp to readopt Policies E-28, E-29, E-30, E-31, E-32, E-33 and E-35, with no changes. Morgan seconded the motion. Roll call vote: Yea: All present. Motion carried.

Policy E-34: Personal Use of Wheat Belt Tools or Equipment: Lindahl asked if the current policy fell within the law or if changes needed to be made, or the policy retired? Following discussion among the directors, Policy E-34 will remain as written, and Lindahl will speak with Mr. Jarecke at the NREA December meeting.

Lindahl reported that in December the Wheat Belt Bylaws will be reviewed by the Board of Directors. Notice of this review will be included in the meeting Notice.

SAFETY ISSUES and SAFETY MEETING MINUTES

The November 7, 2017, Safety Meeting Minutes were thoroughly reviewed. Questions and discussion followed.

Training: FEMA badges, Nebraska 811 and RVW mapping.

Reilly reviewed the report in the Board book, and answered questions.

The 2018 On-Call Schedule was included in the Board book.

Safety Committee Meeting Minutes

The November 7, 2018, Safety Committee Meeting Minutes were reviewed and discussed. The 2018 Safety Meeting dates were included in the Board book.

Safety Bonus Structure: Mr. Jarecke indicated that we need a policy on the safety bonus structure, and Lindahl will create a new policy and submit it for approval in the new year.

CONSTRUCTION, MAINTENANCE & OPERATIONS

Reilly reviewed his report in the Board book and answered questions concerning the outage caused by a grain auger hitting our line. The damages will be billed to the customer. Blumenkamp complimented the crews on their quick repairs of the line rebuild after the auger made contact with our line.

Major Outages

Nothing new to report.

Construction, Maintenance & Operations

Nothing new to report.

New Large Services

Borges will meet with a contractor about crossing the river with their equipment. The contractor will install all the poles from the starting point to the north side of the river.

New 115 KV Delivery Point

The Directors indicated that staff is to go forth with obtaining cost figures. The reliability enhancements are worth researching the costs. Hopefully figures will be available by the January Strategic Planning meeting.

Business Report

Wieser reviewed her report and answered questions.

Irrigation Write-Off

A write-off for Account 2686 at Location 02656 in the amount of \$326.40 and Account 17629 at Location 40099 in the amount of \$1,104.00, for a total of \$1,430.40, was requested by Wieser. Smith made a motion to grant the write-off requests in the amount of \$1,430.40. Zimmerman seconded the motion. Roll

call vote: Yea: All present. Motion carried.

Wieser reported on a customer disconnect retirement issue, and answered questions.

Metering, Information and Technology

Rosenbaum included changes in the initiative to prevent metering errors, especially the CT's, in the Board book for review. Discussion followed on the subject, and the possible purchase of a portable metering testing unit.

IT Report

Weeda had nothing new to add to his report.

Security Report

Weeda had nothing new to add to his report.

Four Year Work Plan Modification

A motion was made by Morgan to modify our existing Four-Year Work Plan for the approval of the first phase of the new AMI system for the purchase of equipment in the amount of \$500,000. Blomenkamp seconded the motion. Roll call vote: Yea: All present. Motion carried.

FUTURE MEETINGS, TRAINING & ARRANGEMENTS

Peterson reviewed the upcoming meetings with the Directors.

ELECTION OF DELEGATES

Nothing this month.

The next Board meeting date will be December 22, 2017.

NOVEMBER BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 3:17 p.m.

ATTEST:

Bernard G. Fehring, President

Marcus Milanuk, Secretary