

**APPROVED REGULAR MEETING MINUTES**

**BOARD OF DIRECTORS - WHEAT BELT PPD**

**January 26, 2018**

The regular monthly meeting of the Board of Directors of Wheat Belt Public Power District was called to order by President Bernard Fehringer, at 8:33 a.m., Friday, January 26, 2018, 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  
Brian Zimmerman

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

Director Doug Smith was absent.

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**

Milanuk made a motion to approve the Agenda as presented. 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 Friday, January 10, 2018, 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. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

### **INTRODUCTION OF GUESTS**

Kendra Strommen, Wheat Belt Legal Counsel.

### **APPROVAL OF DECEMBER 22, 2017, BOARD MINUTES**

Fehringer announced that there were no corrections to the December 22, 2017, Board Minutes, and they would stand approved as published.

### **PUBLIC HEARING & COMMENT PERIOD**

No one appeared before the Board.

### **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 by Lindahl and Strommen. Fehringer and Blomenkamp received nominations. Blomenkamp withdrew his nomination. A motion was made by Gortemaker and seconded by Milanuk to cast a unanimous ballot for Fehringer. Roll call vote: Yea: All present. Motion carried. Fehringer was re-elected President.

##### **Vice President:**

The Chair was returned to President Fehringer, who called for written nominations for Vice President. Each Director nominated a candidate for the office of Vice President. Nominations were tallied, and Morgan and Smith were nominated for the office of Vice President. Ballots were cast for one of the nominees and Morgan was 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 Milanuk was unanimously nominated for the office of Secretary. A motion was made by Morgan and seconded by Gortemaker to cast a unanimous ballot for Milanuk as Secretary. Roll call vote: Yea: All present.

Motion carried. 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 and Zimmerman were nominated for the office of Treasurer. Ballots were cast for the nominees and Gortemaker was re-elected as 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 Zimmerman and Blomenkamp 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 the Wheat Belt representative on the Tri-State Board. Each Director nominated a candidate for the representative on the Tri-State Board. Nominations were tallied, and Morgan was nominated as the Wheat Belt representative on the Tri-State Board. A motion was made by Milanuk and seconded by Gortemaker to cast a unanimous ballot for Morgan. Roll call vote: Yea: All present. Motion carried. Morgan was re-elected as the Wheat Belt representative on the Tri-State Board.

**Nebraska Rural Electric Association Board of Director:**

President Fehringer called for written nominations for the Wheat Belt representative on the NREA Board. Nominations were tallied and Milanuk and Zimmerman were nominated as the representative for the NREA Board of Director position. Ballots were again cast for one of the nominees and Milanuk was elected as the Wheat Belt representative for the NREA Board.

**GENERAL MANAGER'S REPORT**

**Personnel**

Lindahl reported that the personnel level is fully staffed at 27 employees. A new employee, Lacey Gulbranson, has been hired as the Energy Optimization Specialist. She will begin February 19, 2018, and we will be at 28 full-time employees.

Lindahl reported that we have been working with the Sidney Public Schools on a job shadow/internship program. A student has chosen Wheat Belt to shadow in

the engineering and IT departments. He will be present two days a week for two hours, and mostly work with Borges and Weeda for the rest of the semester. The student receives credit and exposure to the industry.

Lindahl also announced that the Peetz Future Business Leaders of America class is studying business and chose Wheat Belt to visit on February 13<sup>th</sup>. Five or six students will spend a few hours visiting with staff regarding their various department duties.

### **Financials**

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

Year-end figures will be submitted at a later date. It will probably be March before all the end-of-the-year adjustments are made following the Audit. The auditors are hoping to report in March to the Board on the audit results.

Fehringer asked to see a break out of the credit card charged items for any purchase over \$5,000 on the Check Register report provided in the Board book.

### **Legislative & Regulatory**

Lindahl reported and discussed some items and answered questions.

He wished to defer answering some questions until next week following the Legislative Meeting in Lincoln where he will obtain new information. Lindahl discussed some bills in the Legislature.

Lindahl reported that historically, Wheat Belt assumes the same position on Legislative bills as NREA, unless we oppose for some reason. Following discussion, Wheat Belt will continue to oppose or support as the NREA suggests.

### **Other**

Lindahl reported:

Fehringer asked if we received any information on our sign issue, and Attorney Strommen reported that we had received a verbal agreement from the City Attorney.

We provided an additional \$5,000 out of our \$25,000 pledge to WNCC. CoBank also sent a match of \$5,000.

Lindahl reminded the Directors that it was time to file the Statements of Financial Interest, which are due March 1, 2018.

Lindahl said he would send the ACRE contributions in after the Board meeting for the Directors who wished to renew.

We received a check from Federated for a rebate from the Workers Compensation Retention program for \$15,027. The Program is not just about dividends, its about keeping people safe and on the job.

Lindahl attended an irrigation workshop at High West Energy and reported. He suggested the possibility of having a “Rate 101” session at the customer meeting. Joe Mancinelli, President at NewGen, explained the utility from the G&T side to the distribution side at the workshop. Discussion followed on trying to have a few people do presentations at the Customer Meeting such as Bob McDonald, Tri-State representatives, and NREA representatives, including Mr. Mancinelli, if possible.

Discussion was held on advertising for the customer meeting. Wieser reported that there would be neon “stickers” on the billing envelopes in March, a message on the billing statements, and the magazine insert will include an invitation. There will also be ads on “swap shop” and the Ogallala radio.

## **EXECUTIVE SESSION**

Gortemaker made a motion to go into Executive Session to discuss Board policy and CT and multiplier errors at 9:23 a.m. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried. Lindahl, Wieser and Strommen were present.

The meeting resumed at 10:23 a.m. A motion was made by Gortemaker and seconded by Milanuk to resume the meeting. Roll call vote: Yea: All present. Motion carried.

A coffee break was taken at 10:24 a.m.

The meeting resumed at 10:30 a.m.

Peterson reported on the Insurance coverage provided for the Directors and answered questions.

## **STRATEGIC ISSUES**

### **Facility**

Lindahl presented the new Stefka Agency Realtor Agreements to the Directors. The main headquarters and the truck barn will now be listed as separate properties. Following discussion, a motion was made by Morgan granting the General Manager the authority to sign the two Realtor Agreements.

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

### **2018 Rates**

New changes and information were provided in the Directors' drop boxes. Lindahl explained the changes and information on the I-1 and I-2 Irrigation Rates. A lengthy discussion and questions followed. A motion was made by Morgan to adopt the proposed rate schedules as recommended, to go into effect March 1, 2018, except for Irrigation. New rates for irrigation accounts will go into effect April 1, 2018. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

A new Rate (Distribution Generation Avoided Cost: DG-1) was proposed by Lindahl and discussion followed. Milanuk made a motion to adopt DG-1. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

Lindahl announced that a proposed rate for the Village of Lodgepole will be presented at a later date. Discussion followed by Lindahl and the Directors.

### **Sub-Transmission Project**

Borges is still waiting for inventory items for the project.

### **Four-Year Work Plan**

This was deferred to a later time.

### **Village of Lodgepole**

Lindahl reported that he is still working on a sale for resale rate proposal.

### **Renewable Energy Projects**

Alternative technology is being considered.

### **Communication**

The Wheat Belt Customer meeting is scheduled for March 23<sup>rd</sup> and was discussed.

### **Other**

Lindahl discussed the new headquarters energy usage, which was included in the Board book.

## **Board Strategic Planning Session Recap**

Lindahl recapped the 2017 Strategic Goals and discussed the 2018 Strategic Planning Meeting.

Lindahl asked the Directors for their goals:

Items mentioned: secondary on underground irrigation – costs need to be evaluated; secondary wire; depreciation; irrigation disconnects. Reliability – begin rebuilding the system over the next thirty years. Work it into the construction work plan. Do we need another crew or contract for special projects? Research and propose a plan. Upgrade the system – new poles, larger wire and re-span it. Raise the wire.

Work Plan for 2019 with a higher rate of construction. Propose a new plan to the Board.

Focus on economic development programs.

Lindahl: reliability, economic development. Proper auditing procedures. Line loss; base line studies on details across the system that need attention. Watch Legislative bills. Broadband; and research programs for promotion of electric vehicles.

Discussed borrowing monies, and how soon with the interest rates going up. Lindahl is to bring something back next month or March. An amount to be determined – 1.5 million dollars.

Discussed the auditors visiting with one of the Directors, and Morgan volunteered.

## **Power Supply Reports**

### **Tri-State Board Meeting**

Morgan reviewed his January Board meeting report.

Morgan reported that the newest wind farm went commercial the end of December, and Tri-State is now purchasing power. The Craig Unit 3 went down and Tri-State is assessing and repairing the unit. It will be off until May 15<sup>th</sup> at a cost of six million dollars.

Morgan reported that a Tri-State rate mitigation plan is being developed.

### **Tri-State FERC Update**

Nothing was reported.

**A lunch break was taken at 12:10 p.m.**

**The meeting resumed at 12:49 p.m.**

## **MEETING REPORTS**

### **Tri-State Manager's Meeting**

Lindahl reviewed his report and discussed utility scale battery storage. A lengthy discussion followed on the batteries, and the potential rate impacts.

### **NPPD/NREA Broadband Working Group Meeting**

Lindahl discussed the Broadband task force bill, and the strategy to have public power represented.

## **POLICIES AND RESOLUTIONS**

### **Wheat Belt Bylaws**

The suggested changes were: to change the Public Comment time to 8:35 a.m. instead of 8:40 a.m. and add Article XI – Dispute Resolution to the District Bylaws. Following discussion, Zimmerman made a motion to accept the recommended changes. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried. Fehringer volunteered to properly format the changes.

### **Policy A-1: Purpose, Formulation, Adoption, Review and Distribution of Board Policies; Policy C-1: Line Extension; 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. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

## **SAFETY ISSUES and SAFETY MEETING MINUTES**

The January 10, 2018, Safety Meeting Minutes were thoroughly reviewed with questions and answers.

Training: CPR/First Aid/AED was conducted by Sarah Strawn from WNCC. Director Blomenkamp was present.

The Safety Improvement Plan was included in the Board book and Reilly reviewed the completed items.

Lindahl stated that a fire drill/tornado drill would be conducted during a Board meeting. Lindahl mentioned that an active shooter program may be conducted during a Board meeting also.

## **CONSTRUCTION, MAINTENANCE & OPERATIONS**

### **Major Outages:**

Reilly had no major outages to report, but reported on the outage to replace the new switches in the Big Springs Sub.

### **Construction, Maintenance & Operations**

Reilly reviewed the report in the Board Book. The new Street Trek vehicle location system is up and running.

### **Large Services**

Borges reported that the contractors had finished one portion of the new line to the potato storage facility.

### **CT Metered Services**

Reilly distributed a new report on the 744 CT metered services that have been checked.

## **BUSINESS REPORT**

Wieser reported that Tri-State has a matching funds project with cold weather heat pumps. Information was included in the Board book. Following discussion, Wieser was instructed to get more information and report at the February Board meeting.

### **Irrigation Write-Offs**

The CT meter errors were discussed in the Executive Session. A motion was made by Milanuk to table all the CT meter errors discussion until the February Board meeting. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

### **Village of Oshkosh**

Wieser reviewed her report in the Board book. Discussion followed.

**METERING, INFORMATION and TECHNOLOGY**

Rosenbaum was not present and Weeda indicated he had nothing new to add for Jeff.

**IT Report**

Weeda had nothing new to add to his report.

**Security Report**

Weeda had nothing new to add to this report except that another public power district had been hit with ransom ware.

**FUTURE MEETINGS, TRAINING & ARRANGEMENTS**

Peterson reviewed the upcoming meetings with the Directors.

**ELECTION OF DELEGATES**

CFC – currently Morgan and Fehringer are the voting delegate and alternate delegate. Following discussion, the voting delegates will remain the same.

**The next Board meeting will be Wednesday, February 21, 2018.**

**The Wheat Belt Customer Meeting will be Friday, March 23, 2018.**

**JANUARY BOARD MEETING ADJOURNMENT**

There being no further business to come before the Board, the President declared the meeting adjourned at 1:52 p.m.

ATTEST:

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Bernard G. Fehringer, President

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Marcus Milanuk, Secretary

