

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

March 23, 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 8:00 a.m., Friday, March 23, 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
Brian Zimmerman

Marcus Milanuk
Stuart Morgan
Doug Smith

Also present were Tim Lindahl, General Manager; Carolyn Hostetler, Chief Financial Officer; Earl Reilly, Operations Manager; Pam Wieser, Business Manager; Ryan Borges, Staking Engineer; Jeff Rosenbaum, Senior Meter Technician; Jim Weeda, IT Manager, Kelli Chaon, Executive Assistant and Lacey Gulbranson, Energy Optimization Specialist.

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 Wednesday, March 7, 2018, and proof of publication showing such notice as

published is attached, and thereby, made a part of these Minutes. Smith 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

Kim Christiansen – Nebraska Rural Electric Association General Manager.

Mike McInnes, Chief Executive Officer at Tri-State, arrived at 8:30 a.m.

Jay Spearman, Ameritas Investment Corp.

APPROVAL OF FEBRUARY 21, 2018, BOARD MINUTES

Fehringer announced that there were no corrections to the February 21, 2018, 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 28 full-time employees. We also have one powerline intern, and one non-paid high school job shadow student.

Financials

Lindahl reported that we are still waiting for the adjustments from the Auditors prior to closing 2017. The investments/cash report, check register, and the Tri-State billing information was included in the Board book.

The auditors have requested to appear at the April Board meeting to present their final analysis and report.

Lindahl reported that he and Hostetler met with a representative from Security First Bank concerning rate information, and would share the information in the Executive Session with the Directors.

Legislative & Regulatory

Lindahl included the NREA Legislative Updates in the Board book. Additional information was provided in the Drop Box.

Legal

Lindahl reported that a legal issue would be discussed in Executive Session.

Lindahl advised the Board that the Bridgeport Ethanol plant wants to add a 1.5 megawatt generator to their plant. A new stand-by-service rate would need to be developed. Joe Mancinelli of NewGen, sent a proposal to develop the stand-by rate, not to exceed a fee of \$4,900. The costs will be rolled back into the development of the rate, and there will also be metering costs involved.

Following discussion, a motion was made by Morgan to engage NewGen Solutions, to provide Wheat Belt with a retail stand-by-rate for a fee not to exceed \$4,900, for the E-2 Rate. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

Lindahl and Weeda met with Vistabeam, who is interested in conducting a free feasibility study to cover the vast majority of our territory with fixed wireless. Lindahl reported and explained the legalities involved in providing the infrastructure, etc.

EXECUTIVE SESSION

Smith made a motion to go into Executive Session to discuss legal matters and a financial proposal, at 8:33 a.m. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried. Lindahl, Borges, Reilly and Hostetler (for the financial portion) were present.

A motion was made by Milanuk and seconded by Smith to resume the meeting at 9:06 a.m. Roll call vote: Yea: All present. Motion carried.

A break was taken at 9:06 a.m.

The meeting resumed at 9:11 a.m.

Following the Executive Session, a motion was made by Gortemaker and seconded by Morgan that a subpoena be required before Reilly provides deposition testimony in a Subrogation case. Roll call vote: Yea: All present. Motion carried.

STRATEGIC ISSUES

Facility

Lindahl stated that there has been interest in the West Warehouse.

We received written authorization to put our sign back up; however, in the written

authorization, there is a requirement that we obtain a permit to do so, which causes concern as that was not part of the original agreement. Strommen will report at a later date.

Delivery Point

Lindahl and Gulbranson conducted a presentation on the potential new Cold Water Creek delivery point. Lindahl recapped information presented to the Board last month as to the financial impact on rates. Gulbranson presented water moratoriums and restriction impact information. Borges presented the engineering upgrade costs to the Directors. Questions and discussion among staff and Directors followed the presentations.

A motion was made by Smith to proceed with the new Cold Water Creek delivery point. Zimmerman seconded the motion. Further discussion on line loss continued. Roll call vote: Yea: Fehringer, Gortemaker, Milanuk, Morgan, Smith and Zimmerman. Nay: Blomenkamp. Motion carried.

Debt Issuance

Lindahl included information from Jay Spearman of Ameritas in the Board book. Also included for consideration were Resolutions that are required to issue bonds, for \$1.5M and \$4M, including refunding and refinancing the 2012 Issue, in the Board book.

Mr. Spearman distributed a refunding analysis on the 2012 Series Bonds, and the figures for issuing a New Money Project for \$1,500,000 and \$4,000,000. Questions and discussion followed.

Following a lengthy discussion, Smith made a motion to issue new debt for \$4.05 million for previous construction projects and additional construction. Motion died for lack of a second.

Discussion continued. Gortemaker offered a substitute motion to approve the Resolution to issue Bonds (included in the Board book) in the amount of \$4.05 million, excluding the call of the 2012 Bond Issue. Morgan seconded the motion. Yea: All present. Motion carried.

Spearman discussed several borrowing options with the Directors. It was suggested to Lindahl that he talk to Security First Bank and get a proposal to refinance the 2012 Bond Series and to partially finance the \$4.05M. The information to be presented at the April Board meeting.

Village of Lodgepole

Work continues by Lindahl, but he has not been available to attend a meeting

with the Village of Lodgepole to present the new conceptual rate schedule.

Renewable Energy Projects

Lindahl had nothing new to report.

Broadband

The NREA/NPPD task force is working towards conducting a feasibility study to determine best solutions and costs.

Sub-Transmission Project

Borges reported that the insulators arrived, and they will be working on the project.

Customer Meeting

Lindahl stated that the Directors would be introduced at the meeting.

Economic Development

Lindahl has been visiting with several people and organizations about the opportunities that our community can provide.

Power Supply Reports

Tri-State Board Meeting

Morgan reviewed his March Board meeting report.

Morgan reported that the Southwest Power Pool's Board of Directors approved the next phase of the continuing effort to integrate the Mountain West Transmission Group into the regional transmission organization's membership. Mike McInnes from Tri-State expanded on the subject.

Fehringer commented that he approves of the new Tri-State rate structure. Fehringer noted that changing the demand-energy factor from 58/42 to its current 52/48 value, is causing the spread between high and low power cost members to close. This has been a longtime goal of Tri-State.

Several questions were directed to McInnes and he responded.

Tri-State FERC Update

Nothing was reported.

Midwest Reports

Nothing was reported.

MEETING REPORTS

WyoBraska MDM Meeting

The main topic was the 1999 Western Nebraska Hotline/Underground Training Facility Ownership Agreement on the training field, located at the North Warehouse. A copy of the Agreement was included in the Board book.

NRECA Annual Meeting

Morgan reported on the sessions he attended. He stated that Lindahl's presentation was very good on "hacking."

Tri-State DG Advisory Council Meeting

Lindahl's report was included in the Board book, and no additional comments were presented.

NREA/NPPD Broadband Meeting

Lindahl's report was included in the Board book, and no additional comments were presented.

CoBank Meeting

Blomenkamp attended the meeting and reported.

POLICIES AND RESOLUTIONS

Wheat Belt Bylaws

The Bylaws contained language and layout changes. Morgan made a motion to adopt the Bylaws as presented. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

Policy C-11: Irrigation Accounts; Policy C-12: Exception to General Provisions; Policy C-13: Nondiscrimination; Policy C-14: Damage to District Property; Policy C-15: Failure of Customer Equipment; Policy C-16: Tree Trimming; C-17: Yard and Lease/Rental Lights; Policy C-26: Double Throw Installation; Policy C-27: Line Interference and Policy M-1: Surplus Vehicles and Equipment Disposal.

A motion was made by Gortemaker to readopt Policies C-11, C-12, C-13, C-14, C-15, C-16, C-17, C-26, C-27, and M-1 with no recommended changes. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

A proposed policy on under billing needs to be reviewed and discussed at a later time.

SAFETY ISSUES and SAFETY MEETING MINUTES

The March 14, 2018, Safety Meeting Minutes were thoroughly reviewed with questions and answers.

Training: SPCC Review; RESAP Observation; CT Metering

The May Safety Meeting will be Monday, May 7, and Active Shooter Training will be conducted by the Nebraska State Patrol at 9:00 a.m.

CONSTRUCTION, MAINTENANCE & OPERATIONS

Major Outages:

Reilly had no major outages to report.

Construction, Maintenance & Operations

Reilly had nothing to add.

CT Metering

Reilly reported that Cal Bargsley from Landis & Gyr meters, Neal Hart and Logan Knudsen from Border States, conducted CT metering training at the Safety meeting.

Work Plan Item 300-107

Nothing new was added to the report in the Board book.

Material for 34.5 Line

Nothing new was added to the report in the Board book

BUSINESS REPORT

Wieser reported on the Customer meeting that was starting at noon.

Irrigation

All irrigation accounts will be read at midnight on March 31st for the AMI system, and April 1 for those that do not read automatically, for the April 1 statements.

Scholarships

Fehringer wanted to thank Linda Morgan for reviewing the Scholarship applications.

Video of Board Meeting

Wieser reported on a company that does Board meeting videos, and the Directors were against the idea of videoing the Board Meetings.

METERING, INFORMATION and TECHNOLOGY

Rosenbaum stated that there are six new TOU irrigation accounts, and four have been removed.

IT Report

Weeda's report was in the Drop Box.

Security Report

Weeda's report was in the Drop Box.

FUTURE MEETINGS, TRAINING & ARRANGEMENTS

Peterson reviewed the upcoming meetings with the Directors.

ELECTION OF DELEGATES

Nothing this month.

Other Business

Kim Christiansen from NREA, visited with the Board. Broadband money for underserved rural areas is available. She has been enjoying watching the Legislature in action. The Open Records Bill was debated for three hours, and it lost. She brought "Working for Nebraska" t-shirts to be distributed to the employees, etc.

The next Board meeting will be Friday, April 27, 2018, beginning at 8:30 a.m.

MARCH BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 11:25 a.m.

ATTEST:

Bernard G. Fehringer, President

Marcus Milanuk, Secretary

