

**APPROVED REGULAR MEETING MINUTES**  
**BOARD OF DIRECTORS - WHEAT BELT PPD**  
**SEPTEMBER 21, 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 8:30 a.m., Friday, September 21, 2018, at the District Headquarters, 11306 RD 32, Sidney, Cheyenne County, Nebraska.

**ROLL CALL**

The following Directors were present:

Mike Blomenkamp  
John Gortemaker  
Stuart Morgan  
Brian Zimmerman

Bernard Fehringer  
Marcus Milanuk  
Doug Smith

Also present were Tim Lindahl, General Manager; Carolyn Hostetler, Chief Financial Officer; Earl Reilly, Operations Manager; Ryan Borges, Staking Engineer; Pam Wieser, Business Manager; Jeff Rosenbaum, Senior Meter Technician; Lacey Gulbranson, Energy Optimization Specialist; 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 Fehringer, declared a quorum present.

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

**APPROVAL OF AGENDA**

Morgan 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, September 7, 2018, 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**

Employee Issues Committee members introduced themselves: Wieser, Peterson, Mathine, Birkel, Reimers and Gulbranson.

### **APPROVAL OF AUGUST 24, 2018, BOARD MINUTES**

Fehringer announced that there were no corrections to the August 24, 2018, Board Minutes, and they would stand approved as published.

### **Public Hearing & Comment Period**

No one appeared before the Board.

### **BUDGET**

Lindahl reported that NRECA needed the benefit changes at close of the meeting date. Large items and rates will be presented next month. The preliminary cash budget will be presented in November.

Lindahl included a Financial Forecast in the Board book, which will be updated at the October Board meeting.

### **Employee Benefits and Wage Presentation**

Gulbranson represented the Employee Issues Committee, and reviewed the documents previously mailed to the Directors. Lindahl explained the NRECA increase in the benefits questioned by Milanuk. Lindahl reported on the 2013 Market Survey Analysis, and how the results were derived. A market “true-up” was conducted in August. Questions were directed to Gulbranson and other Committee members.

Fehringer thanked the Issues Committee members for submitting the data and for their time in preparing the information. All of the Issues Committee members thanked the Board for allowing them to come before them and report.

### **EXECUTIVE SESSION**

A motion was made by Zimmerman calling for an Executive Session at 9:04 a.m. to discuss employee wages and benefits, the General Manager Review, and any personal matters that may apply. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried. Lindahl remained for the first part of the

Executive Session.

The meeting resumed at 10:45 a.m. with a motion by Gortemaker. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

A motion was made by Morgan to approve the benefits package to remain the same; approve a 96 cents per hour cost of living increase for all employees; approve an additional 54 cents per hour merit increase for the linemen; and granted \$16,000 for the General Manager to distribute where employees fall below mid-market per the wage analysis survey. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

A motion was made by Morgan to increase the General Manager's wages to \$160,000 per year, plus the same benefits package as the rest of the employees. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

## **GENERAL MANAGER'S REPORT**

### **Personnel**

Lindahl reported that the personnel level is fully staffed. Lindahl reported that a baby boy was added to the Chase Gaines family, and extended congratulations to the family.

An updated Organizational Chart was provided in the Board book.

### **Legislative & Regulatory**

Articles and memos regarding the Clean Power Plan Replacement proposal were included in the Board book. Interim studies in Nebraska, LR 426 relating to the One-Call Notification Act, and LR 441, relating to Telecommunications Issues information was included in the Board book.

Lindahl reported on the Legal Seminar. An FAA update on the drone bill was discussed. There will likely be net metering legislation introduced this session.

### **Legal**

Nothing new was reported.

### **Interconnection Study and Interconnection Costs, Bridgeport Ethanol Interconnection Costs**

Lindahl reported that Bridgeport Ethanol is still moving forward with the second generator. The bid from ESC to do an integration study is \$9,900. A feasibility study showing what would be required to interconnect the second generator was

discussed, and the Board would like to see the costs integrated into the new rate. A lengthy discussion followed with Gulbranson and Lindahl answering questions. A motion was made by Milanuk stating that if Bridgeport Ethanol will sign a contract for up to three years of standby service, we will add all integration costs, equipment and the study to the rate; or we need all the costs up front for the cost of all integrated items. Gortemaker seconded the motion. Roll call vote: Yea: All present.

### **Other**

The Chamber Forum was attended by Lindahl and Chaon.

Lindahl discussed developing a policy addressing customers who may want to opt out of a smart meter at their location. Also, is a policy necessary to address any meter data requested by law enforcement personnel. It was suggested that both policies be presented next month for Board approval.

### **Financials**

The financial report was presented under separate cover. Lindahl reported that energy was up, and demand was down. The October irrigation readings were conducted on September 15<sup>th</sup>.

## **STRATEGIC ISSUES**

### **Facility**

Lindahl reported that a few people have looked at the facilities, but no offers have been made.

Lindahl reported that we have discovered some electrical issues at the new headquarters. Chaon has been in contact with Reichert and the state electrical inspector.

### **Board Room Sound Budget**

Chaon reported that the acoustic panels have been ordered, and hopes to have them installed in time for Strategic Planning in January.

### **Broadband**

Lindahl reported that the first task force meeting will be held Monday, September 24<sup>th</sup> in Lincoln. Lindahl attended an NRECA webinar and presented information to the Board. Questions and discussion followed.

### **Sub-Transmission Project**

Mathine reported that everything is leaned, and the crew will be setting poles next week.

### **Four Year Work Plan**

The Four-Year Work Plan will be a topic for discussion during Strategic Planning in January.

### **Strategic Planning Facilitator**

Lindahl reported that Morgan has a conflict and would miss the second day. CFC has no other openings available. The bulk of the discussions will be held the first day and summarize on the second day. The Directors decided to leave the days the same, and to pursue checking with a bank to see if we can use their boardroom or a hotel. Smith made a motion to pursue any reasonable offsite location. Gortemaker seconded the motion. Roll call vote: Yea: Gortemaker and Smith. Nay: Milanuk, Fehringer, Blomenkamp, Zimmerman and Morgan. The Motion failed. Strategic Planning will be held at the Wheat Belt Headquarters.

### **Rates**

Lindahl included some of the rates in the Board book, which are based on ESC's five-year plan. Lindahl reported that there may be some minor changes prior to the October presentation for approval. The new rates would go into effect January 1, 2019. Discussion followed. Blomenkamp questioned the I-2 Time of Use Rate Schedule. Lindahl will research and report at the October Board meeting.

### **Contract vs. Additional Employees**

Lindahl had been directed to look into the costs of contract labor versus employing additional employees and reported. He indicated that it is less expensive to employ another crew versus hiring a contracted crew. It depends on how many miles are needed to be built. A long-range plan needs to be developed in conjunction with the four-year work plan, and will be discussed at Strategic Planning in January.

### **Village of Lodgepole**

Lindahl reported that a discussion was held at the Legal Seminar meeting regarding incorporated villages. Mr. Jarecke provided a model "professional retail operations agreement" at the meeting for discussion purposes. Lindahl reported and explained the pros and cons of the agreement. Lindahl was

directed to research the agreement and report to the Board.

**A lunch break was taken at 12:21 p.m.**

**The meeting resumed at 12:57 p.m.**

The Employee Issues Committee had asked the Board to approve the closing of the office on July 5, 2019, so the employees could enjoy a four-day holiday weekend. The employees would use PTO, comp time, or their personal day. A motion was made by Zimmerman authorizing the closure of the office on July 5, 2019. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

## **POWER SUPPLY REPORTS**

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

Morgan reported that Tri-State hit a new energy peak in July. Morgan provided a copy of his report to the Directors. Morgan answered questions and discussion on topics followed.

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

Nothing new was reported.

### **Midwest Reports**

Nothing new was reported.

### **Basin Report**

A Managers meeting was held, however, Lindahl was unable to attend.

### **Tri-State Membership Committee**

Lindahl will attend the upcoming meeting.

## **MEETING REPORTS**

### **State Chamber Legislative Forum**

Lindahl and Chaon attended the meeting that focused mostly on taxes.

### **NREA Managers Meeting**

Lindahl reported that Brittany Brockway, a Lobbyist for TransCanada and the

Keystone pipeline, gave a presentation. Broadband was also discussed.

### **NREA Legal Seminar Meeting**

Lindahl reported on the various topics that were discussed.

### **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; Policy E-27: Employee Behavior; and Policy E-28: Grievance Procedure.** A motion was made by Gortemaker to readopt Policies E-21, E-22, E-23, E-24, E-25, E-26, E-27, and E-28, with no recommended changes. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

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

The September 14, 2018, Safety Meeting Minutes were not available in the Board book. Training was a review of the 2018 Safety Manual Updates. The Commitment to Zero, By the People for the People video was viewed.

### **CONSTRUCTION, MAINTENANCE & OPERATIONS**

#### **Major Outages**

None.

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

Reilly reviewed the information provided in the Board book. Reilly reported that one of the regulator bypass switches broke when switching at the Silverthorn Substation. All three regulator bypass switches were replaced while the substation was off.

Reilly reported that two entities made contact with our lines this month. No injuries were reported, and one entity will be billed for the damages to our equipment.

Reilly reported that there were 46 attendees for the Overhead School and 47 students for the Underground School.

#### **RESAP**

Reilly received the final report on the inspection. There were two minor items that will be addressed. Rock needs to be hauled to a few of the substations, and

a few signs need to be replaced or posted.

### **NEMA/FEMA**

Reilly reported that claims were submitted in the amount of \$113,094. Reilly applied for mitigation compensation on the north circuit out of Chappell.

### **Storms**

Reilly reported that a lightning strike near the headquarters building on July 27<sup>th</sup> took out several pieces of electronic equipment. The radios that were hit will cost about \$12,000 for replacement. He found another radio bad this week, so will turn in a claim to Federated when we receive the final invoice for the repairs.

The hail storm in the Oshkosh area damaged the Oshkosh Warehouse. A claim was turned into Federated for \$11,985 for replacement of the roof and the north side of the outpost building. We have received a check from Federated for the repair work, and Morton Buildings will be scheduling the repairs.

### **BUSINESS REPORT**

Wieser requested write-offs for irrigation demand for Account 18020, location 40535 in the amount of \$145.79, Account 20360, location 43027 in the amount of \$523.14, and Account 51261, location 91461 in the amount of \$140.54. Smith made a motion to approve the irrigation write-offs in the amount of \$809.47. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

### **Cold Climate Heat Pump Program**

Lindahl reported that he is waiting for an electrician. Negotiations on the Agreement with Tri-State and EPRI are ongoing. Mid October is the installation time frame.

### **Wheat Belt Sign**

Wieser reported on the proposed Wheat Belt sign for the Headquarters. She received further information on a monument type sign prior to the Board meeting, and her proposal was accepted. Partial funding had previously been approved and the balance for budgeting approval will be on the agenda in October.

### **METERING, INFORMATION and TECHNOLOGY**

Rosenbaum reported that the meter changes in PCS on the mass project have been completed. They will begin changing the meters beginning next week in locations where the routers have been installed. A few more meters have been

found that were damaged by the hailstorm in the Oshkosh area.

**IT Report**

Weeda was in training and was not present to review his report in the Board book.

Lindahl reported that the HVAC computer server went down due to the lightning strike, and a replacement ethernet card has been installed.

**Security Report**

Weeda included a report in the Board book.

**FUTURE MEETINGS, TRAINING & ARRANGEMENTS**

Peterson reviewed the upcoming meetings with the Directors.

**ELECTION OF DELEGATES**

Fehringer and Morgan are the voting delegates for Federated Insurance. The delegates will remain unchanged.

Milanuk is the voting delegate for NREA. Smith and Lindahl are the alternates, and the voting delegates will remain unchanged.

**The next Board meeting will be Friday, October 26, 2018, beginning at 8:30 a.m.**

**SEPTEMBER BOARD MEETING ADJOURNMENT**

There being no further business to come before the Board, the President declared the meeting adjourned at 2:00 p.m.

ATTEST:

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Bernard G. Fehringer, President

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Marcus Milanuk, Secretary

