

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

OCTOBER 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 8:32 a.m., Friday, October 26, 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; Pam Wieser, Business Manager; Earl Reilly, Operations Manager; Ryan Borges, Staking Engineer; 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

Gortemaker made a motion to approve the updated Agenda as presented. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

NOTICE OF MEETING

Notice of the meeting was by publication in the Sidney Sun-Telegraph on Wednesday, October 10, 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. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

INTRODUCTION OF GUESTS

No guests were present.

An NRECA Certificate of Director Gold status was presented to John Gortemaker by President Bernard Fehringer.

APPROVAL OF SEPTEMBER 21, 2018, BOARD MINUTES

Fehringer announced that there were no corrections to the September 21, 2018, Board Minutes, and they would stand approved as published.

Public Hearing & Comment Period

No one appeared before the Board.

BUSINESS REPORT

Wieser requested write-offs for irrigation demand for Account 11996, Location 23005 in the amount of \$939.07, Account 49010, Location 90939 in the amount of \$1,166.34, and Account 48977, Location 90936 in the amount of \$49.74. Smith made a motion to approve the irrigation write-offs in the amount of \$2,155.15. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

Cold Climate Heat Pump Program

Lindahl reported that he and Waite have entered into contracts with Wheat Belt, and Wheat Belt has entered into a contract with Tri-State. These are two-year contracts, and the depreciated value would have to be repaid to EPRI if Lindahl or Waite should choose to terminate their participation in the program.

Wheat Belt Sign

Wieser reported that \$10,000 was originally budgeted for the new Wheat Belt sign. Wieser asked for a \$6,000 adjustment to the budget to cover additional expenses. A motion was made by Morgan and seconded by Zimmerman to approve the additional \$6,000 adjustment to the budget for the Wheat Belt sign. Roll call vote: Yea: All present. Motion carried.

Wieser reported on the sign lighting and electrical issues. Discussion followed.

BUDGET

Long Term Financial Forecast

Lindahl reported and explained his Forecast. The information is as of August 31, 2018. We still do not have all the revenue and cost of power or kwh/kw we have sold. Lindahl explained the sales tax number in the Forecast to Milanuk and answered questions from the Directors. Lindahl will look at last year's numbers and compare to this year's numbers pertaining to sales taxes.

Morgan questioned the large commercial sales and Lindahl explained. Discussion followed.

Line extension credits need to be added to the module to show the yearly liability or yearly reduction. Lindahl reported that they will be reflected in the Forecast going forward. The line extension policy will be discussed in Strategic planning for possible changes.

Large Item Budget

Lindahl explained the Large Item Budget information included in the Board book. The large digger truck will be replaced next year. The vehicle inventory report was included in the Board book for the Directors.

Following questions, answers and discussion, a motion was made by Milanuk to approve the Budget as presented for planning purposes only. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

Rate Performance Presentation

Gulbranson reviewed her rate analysis to the Board. She presented rate performance by rate, by month. Questions and discussion followed.

2019 Rates

Lindahl reported on the 2019 Rates. Discussion was held on "in lieu of taxes," and options to be addressed in the future. The legal Notice of the Board Meeting for November will include a "Notice of Rate Hearing".

Lindahl reported on the time of use and irrigation accounts. Lindahl and the Directors held a lengthy discussion. The rate schedule for the irrigation accounts was discussed.

Following discussion, a motion was made by Smith to approve the 2019 Rates as presented in the Board book, to take affect January 1, 2019. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

Other:

Lindahl will finalize numbers for the Budget for preliminary approval at the November Board meeting.

A break was taken at 10:05 a.m.

The meeting resumed at 10:15 a.m.

EXECUTIVE SESSION

A motion was made by Gortemaker calling for an Executive Session at 10:15 a.m. to discuss contract negotiations with a customer. Morgan seconded the motion. Roll call vote: Yea: All present. Motion carried. Lindahl remained for the Executive Session.

The meeting resumed at 10:28 a.m. with a motion by Milanuk. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

GENERAL MANAGER'S REPORT

Lindahl reported that we received the Federated Insurance renewal proposal. A motion was made by Smith and seconded by Gortemaker to approve the Federated Insurance proposal for 2019. Roll call vote: Yea: All present. Motion carried.

Personnel

Nothing new was reported.

Financials

The financial report was presented under separate cover. Gulbranson reported on the Ethanol Plant and Bell Lumber's usage and revenue. The cost of power is being tracked. Discussion followed.

Legislative & Regulatory

Lindahl reported that Senator Blood may introduce comprehensive green-energy legislation next year. Renewable portfolio standards and overhaul of net metering may be introduced also.

Lindahl reported that disconnect policy legislation may be seen in the next session.

Lindahl reported on the hearings that will be coming up in the next month.

Discussion was held on electric car charging stations, which will be a topic for the Strategic Planning Session.

Lindahl reported that the CoBank Line of Credit is up for renewal. Hostetler will ask the Directors for signatures on the loan documents.

Legal

Nothing new was reported.

Bond Reimbursement Resolution

Last December we passed a Resolution that we can reimburse ourselves for previous projects by issuing tax exempt municipal revenue bonds. The Resolution was for \$1.5M, and we have used all of that money. We need to execute another Resolution, should we wish to reimburse ourselves, so we can go back sixty days, September to the end of the year. Mr. Spearman stated that we need to pass a Resolution each year if we intend to reimburse ourselves for expenditures throughout the year. Following discussion, Morgan made a motion to execute the Bond Resolution to cover expenditures from September to December 31, 2018. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried. Another Resolution will be executed in January to cover 2019.

Other

Lindahl reported that Leadership Cheyenne County lost some of their funding. Wheat Belt will sponsor the travel expenses for Gulbranson (including utilizing the Wheat Belt van for class transportation to Lincoln.) CoBank has a program “Sharing Success” and Lindahl will ask for matching funds of \$1,000, from them to help with expenses. Lindahl was granted permission by the Board to apply for the \$1,000 matching grant or funds.

A discussion was held on bankruptcy accounts and if we can disconnect a bankrupt customer. Lindahl answered questions and explained. Assurance of payment was discussed. Discussion on the topic of bankruptcy accounts will be continued at the November meeting.

STRATEGIC ISSUES

Facility

The headquarters’ power bill was included in the Board book.

Board Room Sound Budget

Chaon reported that the acoustic panels will be installed in the Board room on October 31st.

Broadband

Lindahl reported that two Facebook gentlemen will be in the office to visit with him next week. The Broadband Task Force is going well. There will be a meeting November 7, and Lindahl will attend by video. Questions and discussion followed.

Sub-Transmission Project

Borges reported that three miles have been built, and there are three miles remaining.

Four Year Work Plan

Following questions and discussion, a motion was made by Smith to extend the Work Plan for an additional year, with the addition of \$500,000 for year two of the AMI installation. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

Strategic Planning Facilitator

A Strategic Planning “kick-off” meeting will be held on Tuesday, October 30th with CFC. CFC is providing two facilitators. More information will be reported at the next Board meeting.

POWER SUPPLY REPORTS

Tri-State Board Meeting

Morgan reported on the DMEA hearing on the complaint for the buyout number from Tri-State. A decision will be made at the next Tri-State Board meeting and the buyout number is still in negotiations. Morgan answered questions and discussion on topics followed.

Morgan reported on the CEO’s retirement. Tri-State will go public the first of November for recruiting possible candidates, and hopefully will have a new CEO to announce at the April 2019 Annual Meeting.

Tri-State FERC Update

Nothing new was reported.

Midwest Reports

Information was provided in the Board Book.

Tri-State Membership Committee

The Membership Committee has disbanded. The Contract Committee may reconvene next year.

MEETING REPORTS

NRECA Region 7 & 9

Milanuk, Morgan, and Lindahl reported.

Tri-State Managers Meeting

Lindahl had nothing new to report.

State Rural Broadband Taskforce

Lindahl included the Minutes and Agenda in the Board book.

POLICIES AND RESOLUTIONS

Policy F-1: Checks, Drafts, Etc.; Policy F-2: Financial Goals; Policy F-3: Investments; and Policy F-4: Handling of Payments. A motion was made by Milanuk to readopt Policies F-1, F-2, F-3, and F-4, with no recommended changes. Morgan seconded the motion. Roll call vote: Yea: All present. Motion carried.

Policy C-29: Request for District Information. This is a new suggested Policy to comply with and provide a procedure for an open records request. An additional upload was on the drop box with minor changes. This will be the Policy to be approved by the Directors. Following discussion, a motion was made by Gortemaker to approve Policy C-29. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

Lindahl commented that we will need a Records Retention Policy in the future. A policy of opting out of smart meters may be considered also.

SAFETY ISSUES and SAFETY MEETING MINUTES

The September 14, 2018, and October 12, 2018, Safety Meeting Minutes were thoroughly reviewed.

Training: The 2018 Safety Manual Updates were reviewed in September. At the October Safety Meeting, NREA JT&S instructor, Joel Duffield, conducted Accident/Incident Investigation training.

Fehringer asked that congratulations be conveyed to Jordan Peters on his completion of the Merchant Course.

Congratulations were extended to Dean Gipfert. He was the recipient of the Jack McEnerney Award from NREA.

CONSTRUCTION, MAINTENANCE & OPERATIONS

Construction, Maintenance & Operations

Borges reported that the crews have been working on the 34.5 Kv line build.

There has also been a lot of Tri-State and WAPA switching in the last month.

METERING, INFORMATION and TECHNOLOGY

Rosenbaum was attending a family funeral, and there was nothing new to add to his report in the Board book.

IT Report

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

Security Report

Weeda included a report in the Board book.

FUTURE MEETINGS, TRAINING & ARRANGEMENTS

Peterson reviewed the upcoming meetings with the Directors. It was reported that the CoBank meeting conflicted with the February 2019, Board meeting. Changing the date of the February 2019, Board meeting may need to be addressed.

Morgan reported that he had a conflict with the November meeting date. The Directors agreed to move the November Board meeting date to Friday, November 16, 2018.

ELECTION OF DELEGATES

The Touchstone Energy delegate is currently Milanuk, and he will remain as the

voting delegate.

The next Board meeting will be Friday, November 16, 2018, beginning at 8:30 a.m.

OCTOBER BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 12:01 p.m.

ATTEST:

Bernard G. Fehringer, President

Marcus Milanuk, Secretary