

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

JANUARY 25, 2019

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, January 25, 2019, at the District Headquarters, 11306 RD 32, Sidney, Cheyenne County, Nebraska.

ROLL CALL

The following Directors were present:

Mike Blomenkamp

John Gortemaker, left at 1:43 p.m.

Stuart Morgan

Brian Zimmerman

Bernard Fehringer

Brian Moffat

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; Jim Weeda, IT Manager; Lacey Gulbranson, Energy Optimization Specialist; and Kelli Chaon, Executive Assistant.

Debra Schlaman recorded these Minutes at the request of the Board Secretary.

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

It was suggested to add personnel issues to the Executive Session, and to only have one Executive Session.

Gortemaker made a motion to approve the updated Agenda. 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 Friday, January 7, 2019, 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. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

INTRODUCTION OF GUESTS

Mike Goeman and Mike Phillips were introduced. Roger Stepfka will arrive around 9:00 a.m.

APPROVAL OF DECEMBER 21, 2018, BOARD MINUTES

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

APPROVAL OF JANUARY 15 AND 16, 2019, SPECIAL BOARD MEETING MINUTES

Fehringer announced that there were no corrections to the January 15 and 16, 2019, Special Board Meeting Minutes, and they would stand approved as published.

Public Hearing & Comment Period

Was deferred until after the Board elections.

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: Morgan and Fehringer were nominated and Morgan withdrew.

A motion was made by Moffat to elect Fehringer as Board President by unanimous consent. Blomenkamp seconded the motion. Roll call vote: Yea: All present. Motion carried.

Vice President

The Chair was returned to President-elect Fehringer who called for written nominations for Vice President. Each Director nominated a candidate for the office of Vice President. Morgan was unanimously nominated. A motion was made by Gortemaker to appoint Morgan as Vice President by unanimous consent. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

Secretary

Each Director nominated a candidate for the office of Secretary. Zimmerman, Moffat and Gortemaker were nominated. Moffat declined. The Directors voted again, and Zimmerman was elected as Secretary by ballot.

Treasurer

Each Director nominated a candidate for the office of Treasurer. Gortemaker was unanimously nominated for Treasurer. A motion was made by Blomenkamp to appoint Gortemaker as Treasurer by acclamation. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

Assistant Secretary

Each Director nominated a candidate for the office of Assistant Secretary. Moffat, Smith and Blomenkamp were nominated. The Directors re-voted and Blomenkamp was elected Assistant Secretary by ballot.

Tri-State Board of Director

Each Director nominated a candidate for Tri-State Board of Director. Smith and Morgan were nominated. The Directors re-voted, and Morgan was elected by ballot.

NREA Board of Director

Each Director nominated a candidate for NREA Board of Director. Gortemaker was nominated. Moffat moved and Blomenkamp seconded to appoint Gortemaker as NREA Board of Director. Roll call vote: Yea: All present. Motion carried.

Public Comment - Rate Protest

Mike Goeman stated he irrigated after September 15th. He and Mike Phillips had issues with the irrigation TOU not continuing throughout the month of September, and presented their concerns. Lindahl explained the I-2 Rate and answered

questions. Wieser and Blomenkamp responded to questions presented by the guests. The guests left the Board meeting at 9:26 a.m. and discussion among the directors and staff followed.

A coffee break was taken at 9:41 a.m.

The meeting resumed at 9:45 a.m.

Executive Session

An Executive Session was called by Moffat at 9:46 a.m. to discuss Tri-State Legal matters, personnel issues, and real estate transactions. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

The meeting resumed at 11:40 a.m. with a motion by Gortemaker. Morgan seconded the motion. Roll call vote: Yea: All present. Motion carried.

GENERAL MANAGER'S REPORT

Personnel

Lindahl reported that we are at 28 full-time employees. Lindahl reported on the new intern.

Financials

The Financial Report was distributed under separate cover. Lindahl reported that the year-end financials will not be completed until the auditors provide their adjustments. The auditors were in-house this week.

Lindahl reported on preliminary margins and that the adjustments will be made after the Tri-State preliminary allocation is received.

The auditors reviewed the 401K Plan document and we need to modify the Plan to be in accordance with historic practices. Current practice is to pay on base wage, but that's not what the Plan states. It includes box one of the W-2 which includes bonuses, etc. Lindahl will place the 401K Plan on the agenda for the February Board meeting to be amended, based on historic practice.

Blomenkamp questioned the line loss reported on the 2018 Tri-State Cost of Power report on pg. 1-4 of the Financials. Gulbranson reported that she is working on substation line losses, and Lindahl also reported. Lindahl reported on TIER and answered questions.

Legislative & Regulatory

Lindahl included a list of all the Legislative Bills introduced thus far this year in the Board book and reported.

Legal

The Legal Reporting Service and Federated Litigation Reports were included in the Board book.

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

The meeting resumed at 12:49 p.m.

Other

Lindahl gave the Directors an update on the Bridgeport Ethanol Plant issues.

Borges reported that the Nondisclosure Agreement had been signed and submitted. Gulbranson reported and presented her charts and information to the Directors regarding the proposed E-3 Rate. Lindahl responded and explained options and the interconnection standard.

Consideration of Offer on Sidney Annex Facilities

An offer was made on the truck barn and lot. Another offer was made on the truck barn, Quonset and lot.

Following discussion, a motion was made by Moffat to authorize the General Manager to accept the firm counter offers on both offers that were presented by the realtor at the meeting. Smith seconded the motion. Roll call vote: Yea: All present. Motion carried.

Morgan made a motion to allow the General Manager to renew our Agreement with the Real Estate agent. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

A motion was made by Smith to give the General Manager the authority to sell the main building within the guidelines discussed in the Executive Session. Zimmerman seconded the motion. Roll call vote: Yea: Morgan, Moffat, Fehringer, Blomenkamp, Zimmerman and Smith. Nay: Gortemaker. Motion carried.

Consideration of Employee Safety Bonus

Lindahl stated that Wheat Belt has had ten years without any major accident or

lost time accident. Morgan wanted Lindahl to express to the employees how impressed the Board is with their safety record and diligence to safety. Morgan made a motion to grant the employees a \$100 safety bonus. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

Consideration of Auditor Engagement – 2019, 2020, 2021

A motion was made by Moffat authorizing the General Manager to execute the contract for the next three years if the price of the proposed agreement does not increase more than five percent. Smith seconded the motion. Roll call vote: Yea: All present. Motion carried.

STRATEGIC ISSUES

Lindahl stated that CFC will send us the notes from the Strategic Planning Session and the direction of the plan. Lindahl discussed goal name changes: Work Plan to Infrastructure and Renewable Energy to Modern Energy. The Directors said they approved the title changes.

Fehringer thanked the staff and particularly Chaon for putting together a very good support system for the Strategic Planning Meeting.

POWER SUPPLY REPORTS

Tri-State Board Meeting

Morgan reported on the Board meeting. Tri-State has three finalists for the CEO position. The member meeting will be March 6, 2019.

Basin Reports

Lindahl did not attend the Manager's meeting, but a Webinar was provided.

Ratification of Motion to Intervene at the Colorado PUC

Lindahl provided information and questions and discussion followed. A motion was made by Smith to ratify the action taken to file the Intervention with the Colorado PUC in the Delta Montrose matter with Tri-State. Zimmerman seconded the motion. Roll call vote: Yea: All present.

Establishment of a Committee for Intervention at Colorado PUC

Following discussion, a motion was made by Smith authorizing Fehringer and Lindahl to participate on a Committee to provide guidance for future action in the Intervention at the Colorado PUC. Moffat seconded the motion. Roll call vote: Yea: All present. Motion carried.

MEETING REPORTS

NRECA CEO Conference

Lindahl had nothing to add to his Board book report.

POLICIES AND RESOLUTIONS

Policy A-1: Purpose, Formulation, Adoption, Review and Distribution of Board Policies; Policy C-2: Right-of-Way; Policy C-3: Attachments to Poles; Policy C-4: Work on Customer's Premises; Policy C-5: Relocation, Retirement, Removal of Facilities and Minimum Bills; Policy C-7: Payment Responsibility; and Policy C-8: Time Limitations. A motion was made by Blomenkamp to readopt Policies A-1, C-2, C-3, C-4, C-5, C-7 and C-8 with no recommended changes. Smith seconded the motion. Roll call vote: Yea: All present. Motion carried.

Policy C-1: Line Extension Policy. Lindahl and Borges reported on the reasons for the changes to the Policy. Questions and discussion followed. A motion was made by Blomenkamp to accept the changes to Policy C-1, which will go into effect June 1, 2019. Smith seconded the motion. Roll call vote: Yea: All present. Motion carried.

Policy C-6: Standard Construction Practice. Policy C-6 was updated to define standard construction practices that are above minimum requirements. Questions and discussion followed. A motion was made by Blomenkamp to adopt Policy C-6 with the recommended changes. Zimmerman seconded the motion. Yea: All present. Motion carried.

Irrigation billing was discussed. The Policy with proposed changes, will be submitted for renewal at a future meeting. Lindahl and Wieser commented and discussion followed.

Policy Review List

Lindahl included the Policy list in the Board book for consideration. Fehringer reviewed the list with the Directors.

Item #10 on the Agenda

A motion was made by Smith to move into Executive Session at 2:12 p.m. to discuss a counter offer on the sale of facilities. Blomenkamp seconded the motion. Roll call vote: Yea: All present. Motion carried.

Lindahl and Chaon remained for the Executive Session. Moffat made a motion to resume the meeting at 2:21 p.m. Smith seconded the motion. Roll call vote:

Yea: All present. Motion carried.

Following the Executive Session, a motion was made by Morgan to accept a counter offer for the truck barn and the lot with provision that the expense of installing any and all utilities and any additional expense is the buyer's responsibility. Zimmerman seconded the motion. Roll call vote: Yea: Smith, Morgan, Moffat, Fehringer, Zimmerman. Nay: Blomenkamp.

BOND REIMBURSEMENT RESOLUTION

Lindahl presented a Resolution to allow the District to reimburse itself with municipal bonds for expenditures in 2019. He suggested a \$10M limit on potential reimbursements. A motion was made by Smith to approve the Resolution for bond reimbursement. Moffat seconded the motion. Roll call vote: Yea: All present. Motion carried.

SAFETY ISSUES and SAFETY MEETING MINUTES

The December 14, 2018, Safety Meeting Minutes were included in the Board book and were thoroughly reviewed. Training: Joel Duffield conducted a power point presentation on history of transformers and connections.

The January 9, 2019, Safety Meeting Minutes were included in the Board book. They were thoroughly reviewed by the Directors. Training: Bruce Baker from Federated Insurance conducted a power point presentation on the last ten years of electrical contacts, Federated's Commitment to Zero, SAFE App and new job briefing APP.

Reilly had nothing new to add to his report.

CONSTRUCTION, MAINTENANCE & OPERATIONS

Major Outages

Reilly reported on the outages in the last month. Mother nature has wreaked havoc on us the last few months. There was an ice and wind storm on December 26th. We had mutual aid from PREMA and Midwest on Friday, December 28th. The outage this week was due to the high winds.

Construction, Maintenance & Operations

Reilly had nothing to add.

FEMA/NEMA

Reilly reported that NEMA contacted him for estimates for the December storm.

COLDWATER CREEK SUBSTATION

Reilly, Borges, Tri-State and ESC have been having conference calls concerning the new Substation.

UNIT 22 REPAIRS

Borges reported that Unit 22, digger truck, needs DEF system repairs which may be over \$5,000. He asked for Board approval to pay the bill when it arrives. A motion was made by Smith to approve payment on the repairs for Unit 22. Morgan seconded the motion. Roll call vote: Yea: All present. Motion carried.

BUSINESS REPORT

Sign

Wieser stated that the sign is still in progress and that the LED portion of the sign is ready.

Wieser reported that there are electrical issues in the headquarters building. We are working with the state electrical inspector. Discussion followed.

METERING, INFORMATION and TECHNOLOGY

Rosenbaum was reading meters. Weeda responded to the report in the Board book and the Gridstream installation progress.

IT Report

Weeda had nothing new to add to his report in the Board book.

Security Report

Weeda had nothing new to add to his report in the Board book.

FUTURE MEETINGS, TRAINING & ARRANGEMENTS

Peterson reviewed the upcoming meetings with the Directors.

ELECTION OF DELEGATES

CFC Voting Delegate: currently Morgan and Fehringer. A motion was made by Morgan to appoint Smith and Morgan as the Voting Delegate and the Alternate Delegate. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

The next Board meeting will be Wednesday, February 20, 2019, beginning at 8:30 a.m.

JANUARY BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 2:48 p.m.

ATTEST:

Bernard G. Fehringer, President

Brian Zimmerman, Secretary