

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

FEBRUARY 20, 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., Wednesday, February 20, 2019, at the District Headquarters, 11306 RD 32, Sidney, Cheyenne County, Nebraska.

ROLL CALL

The following Directors were present:

Bernard Fehringer
Brian Moffat
Doug Smith

John Gortemaker
Stuart Morgan

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

Absent: Mike Blomenkamp and Brian Zimmerman

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

Moffat made a motion to approve the Agenda. Gortemaker 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, February 6, 2019, 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. Smith seconded the motion. Roll call vote: Yea: All present. Motion carried.

INTRODUCTION OF GUESTS

Fehringer stated that a video conference would be held at 9:00 a.m. with Dave Lock and Andy Berger from Tri-State.

APPROVAL OF JANUARY 25, 2019, BOARD MINUTES

Fehringer announced that there were no corrections to the January 25, 2019, Board Minutes, and they would stand approved as published.

Public Hearing & Comment Period

No one appeared.

LEGISLATIVE AND ENVIRONMENTAL UPDATE

Lindahl provided a list of bills and positions that impact our industry in the dropbox. The Board agreed that NREA's position is our position on all of the bills at this time. The Net Metering Subcommittee is going to meet again regarding the Net Metering bills.

Lindahl reported that we are members of the National Endangered Species Act Reform Coalition and asked if we wanted to renew our membership. Following discussion, the Directors felt that we needed to remain as members.

Lindahl reported that Tri-State would conduct a video presentation at 9:00 a.m. concerning what's impacting Tri-State in each state and at the federal level.

Lindahl placed a memo in the dropbox concerning Moody's rating agency statement on Tri-State.

Wheat Belt is participating in weekly conference calls with Senator Erdman.

GENERAL MANAGER'S REPORT

Lindahl reported on the MDM meeting held last week. Discussion followed.

At the January Board meeting, a discussion was held concerning the irrigation rate. Lindahl stated that there was nothing new to report at this time.

Lindahl presented an update on the sale of the truck barn building. There are two issues involved. One issue concerns property taxation and the other is regarding

an RUS Lien. RUS is submitting a letter stating that they are working on releasing the Lien. We will have to pay property taxes for 2019, up to the sale date.

9:00 am. – Video Conference with Tri-State

A coffee break was taken at 9:42 a.m.

The meeting resumed at 9:47 a.m.

Executive Session

An Executive Session was called by Gortemaker at 9:48 a.m. to discuss contractual and legal matters, and one personnel issue. Moffat seconded the motion. Roll call vote: Yea: All present. Motion carried.

Lindahl remained for the session.

The meeting resumed at 10:30 a.m. with a motion by Smith. Morgan seconded the motion. Roll call vote: Yea: All present. Motion carried.

Lindahl continued his General Manager's report:

During the audit process, the auditors suggested a consideration of 401k Plan Document modifications. A copy of the new Plan was placed in the dropbox for consideration by the Directors. Following discussion, Lindahl asked that the Board adopt the new Document to calculate Wheat Belt's contribution to the employees 401K Plan on base wages only as has historically been the practice. A motion was made by Gortemaker to approve the Resolution. Smith seconded the motion. Roll call vote: Yea: All present. Motion carried.

Lindahl reported on the outage on the evening of February 19, 2019. WAPA had issues in the substation. They have been using a mobile sub since November. A breaker went bad in the mobile sub and had to be replaced. The thirty-minute expected outage ended up being four hours. Lindahl will be visiting with WAPA regarding this issue.

Financials

The Financial Report was distributed under separate cover. Lindahl did a calculation on our equity plan excluding the Tri-State capital credit allocation. He learned that CFC does a similar comparison and reported to the Board. Discussion followed.

Hostetler has received all of the year-end adjustments from the auditors. We still have not received the final patronage allocation amount from Tri-State, but

Hostetler should be able to close December as soon as that number is received.

Fehringer questioned Hostetler and Lindahl concerning the cushion of credit at RUS. Discussion followed.

Lindahl reported on ENGIE, a renewable energy company. He wanted to establish a relationship with them if we decided to develop a solar project.

Legislative & Regulatory

The subject was discussed under a previous agenda item.

Legal

Lindahl uploaded a confidential legal packet for the Directors to review.

STRATEGIC ISSUES

Lindahl will be attending a CoBank workshop on Friday, and will be doing a presentation on electric transportation. Lindahl showed the Board his presentation as it may pertain to our modern energy plan. Lindahl reported on potential options and concepts.

Gulbranson provided another look at preliminary data from the line-loss study, and gave a strategic planning update on the six goals as presented at the Strategic Planning Session.

POWER SUPPLY REPORTS

Tri-State Board Meeting

Morgan reported on the Board meeting. The last two renewable Tri-State projects were included in the Board book, and Morgan reported.

Tri-State has hired a new CEO. Morgan is cautiously optimistic that he will be able to help with some of the Tri-State issues.

March will be the preliminary meeting for comments on the Bylaw changes. The Annual Meeting will be held in April. The Bylaw changes and the new CEO will be introduced at the meeting.

Midwest Report

A report was in the Board Book, and nothing further was added.

MEETING REPORTS

NREA Board Meeting & Legislative Event

Lindahl visited with the Governor including Lindahl's appointment to the Broadband Task Force. He also visited with Senator Walz and Senator Friesen. Discussion ensued by the Directors.

NREA Managers Meeting

Lindahl reported that a lot of time was spent on net metering. Borges will attend the upcoming net metering meeting on March 7th.

Tri-State and NPPD gave a presentation on what would happen if we lost the grid. The process and protocol to get the grid back up was discussed.

Nebraska Renewable Conference

Chaon and Lindahl attended the conference to make contacts and begin relationships.

State Chamber of Commerce

Lindahl reported.

Tri-State IRP

Nothing really new. Same presentation from Lock and Berger was given.

WyoBraska MDM

Lindahl reported that the Air Force is doing an infrastructure plan to revamp the whole missile system. Area utilities may try to schedule a trip to DC to meet with the Air Force representatives.

POLICIES AND RESOLUTIONS

Policy C-10: Reading of Meters & Meter Calibration; Policy C-12: Exceptions 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; and Policy C-17: Yard and Lease/Rental Lights. A motion was made by Morgan to readopt Policies C-10, C-12, C-13, C-14, C-15, C-16 and C-17 with no recommended changes. Moffat seconded the motion. Roll call vote: Yea: All present. Motion carried.

Policy C-9: Disconnect for Nonpayment. Changes are being made to adjust irrigation to be billed prior to year-end with a few other minor wording changes. Lindahl explained and reported on the changes. Following discussion, a motion was made by Gortemaker to accept the changes to Policy C-9. Smith seconded the motion. Roll call vote: Yea: All present. Motion carried.

A note was made that if not paid, the policy states it is delinquent and will have interest added.

Policy C-11: Irrigation Accounts. Changes are being made to reflect monthly minimums, rather than just monthly basic fees. Paragraph three reflects the changes. Questions and discussion followed. A motion was made by Gortemaker to adopt Policy C-11 with the recommended changes. Smith seconded the motion. Yea: All present. Motion carried.

RESOLUTION #19-02

Lindahl presented Resolution #19-02 for the formal sale of property for RUS Lien Release. This is ratification of a previous motion. A motion was made by Gortemaker to approve Resolution #19-02. Moffat seconded the motion. Roll call vote: Yea: All present. Motion carried.

SAFETY ISSUES and SAFETY MEETING MINUTES

The February 8, 2019, Safety Meeting Minutes were included in the Board book. They were thoroughly reviewed by the Directors. Training: NREA JT&S Joel Duffield conducted digger derrick requalification.

A question was asked regarding the electric inspector having to inspect anything that is disconnected for non-payment. Reilly and Borges stated that more clarification was needed before any policy changes were made.

Morgan was concerned over wiring a transformer wrong by an employee. Reilly and Borges addressed the concern and reported.

Safety Committee Meeting Minutes

The February 8, 2019, Safety Committee Meeting Minutes were included in the Board book and were thoroughly reviewed by the Directors.

CONSTRUCTION, MAINTENANCE & OPERATIONS

Major Outages

Reilly reported on the outage on the evening of February 19, 2019. We had 959 meters off due to the WAPA issue. A pole was hit east of Lodgepole, and at that

time 988 customers were off.

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

Tri-State's survey crew was here February 6th. Tri-State has been in contact with the landowner on a price for the five acres being considered for the site of the Sub. Borges and Reilly will continue to have monthly meetings with Tri-State and ESC.

AMENDMENT TO THE WORK PLAN

Borges asked for approval on a change to the Work Plan. FEMA is granting mitigation monies in the amount of \$53,448.79 to go towards replacing some of the 336 wire that is causing problems on the North circuit of the Chappell Substation. Borges has questions into ESC to see what wire we need to use. He asked that we add \$100,000 to do these upgrades. He is asking to amend the current Work Plan to include a project to reconductor five miles of that line so we can make use of the funds FEMA has made available to Wheat Belt. A motion was made by Smith to approve the change to the Work Plan. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

OTHER

Borges gave an update on the Bridgeport Ethanol plant. ESC received the information they needed. We are making progress.

The E-3 Rate remains tabled.

BUSINESS REPORT

Retirement of Low to No Usage Loads

Wieser reported and answered Fehringer's questions.

Scholarship Applications

Wheat Belt has received eight applications. Discussion followed.

2018 Rate Issues

Wieser reported that Chaon and Gulbranson are working with PCS to get the overbilled and underbilled irrigation accounts corrected. Also, the C-1 and D-1 accounts for retail kw and irrigation kwh in December need correcting.

Discussion was held on the retired accounts this past year due to the increase in basic charges.

METERING, INFORMATION and TECHNOLOGY

Rosenbaum had nothing to add to his report.

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.

Weeda reported that Marriott has had a security breach. Scammers have been making phone calls posing as Marriott. Please be aware of scams going around.

FUTURE MEETINGS, TRAINING & ARRANGEMENTS

Peterson reviewed the upcoming meetings with the Directors.

ELECTION OF DELEGATES

Discussion was held concerning the Voting and Alternate Delegates for Tri-State. Currently Morgan is the Voting Delegate and Fehringer is the Alternate Delegate and they will remain by consensus.

The next Board meeting will be Friday, March 22, 2019, beginning at 8:30 a.m.

The Customer meeting will follow the Board meeting.

FEBRUARY BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 12:40 p.m.

ATTEST:

Bernard G. Fehringer, President

Brian Zimmerman, Secretary