

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

May 26, 2017

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, May 26, 2017, at the District Headquarters, 11306 RD 32, Sidney, Cheyenne County, Nebraska.

ROLL CALL

The following Directors were present:

Mike Blomenkamp
Bernard Fehringer
John Gortemaker
Marcus Milanuk

Stuart Morgan
Doug Smith
Brian Zimmerman

Also present were Tim Lindahl, General Manager; Carolyn Hostetler, Chief Financial Officer; Earl Reilly, Operations Manager; Jim Weeda, IT Manager; and Kelli Chaon, Executive Assistant.

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

President, Bernard Fehringer, declared a quorum present.

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

All stood for the Pledge of Allegiance to the Flag.

APPROVAL OF AGENDA

Fehringer announced an order change to the Agenda. The Executive Session will be called at 9:00 a.m. to discuss legal issues, personnel issues, and obtain advice on open meeting laws from Attorney, Kendra Strommen. Milanuk made a motion to approve the Agenda as amended. 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, May 10, 2017, 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

President Fehringer announced that Wheat Belt's attorney, Kendra Strommen, would arrive at 9:00 a.m.

APPROVAL OF APRIL 28, 2017, BOARD MINUTES

Fehringer announced that with no corrections to the April 28, 2017, Board Minutes, they stand approved as published.

PUBLIC HEARING AND COMMENT PERIOD

No one appeared before the Board.

STRATEGIC TECHNOLOGY OVERVIEW

Lindahl and Weeda explained Wheat Belt's technology program. A discussion was held regarding leveraging technology for our customers.

Update on Existing Technologies

Weeda discussed the malware software and anti-virus software. Weeda reported on the Firewall upgrade and deployment.

Director Morgan indicated he was comfortable with the Wheat Belt system protection.

Future Technology Plans

Weeda reported on the Rural Cyber Security Grant that western Nebraska Tri-State members received. Wheat Belt will be hosting a meeting with the other members of the group. An assessment will be conducted on one of our systems, and NRECA will develop a tool to help small utilities with cyber security.

Weeda reported on the RVW, GIS Mapping program that Wheat Belt has chosen, which is a cloud based system. We are planning to be live by this fall. This program will be compatible with all mobile devices including laptops, phones, and tablets. Several of the neighboring systems are going with the system. We would then be compatible for mutual aid projects.

Weeda updated the Board on the AMI Gridstream metering project. Questions and discussion followed.

Executive Session

An Executive Session was called at 9:08 a.m. to discuss personnel issues, legal issues, and open meeting laws updated by Kendra Strommen, Attorney. Lindahl and Reilly remained for the Executive Session.

Motion was made by Milanuk to go into Executive Session. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

The meeting resumed at 9:50 a.m.

A motion was made by Gortemaker to resume the meeting. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

GENERAL MANAGER'S REPORT

Personnel

Lindahl stated that we are fully staffed at 27 full-time employees.

Legislative & Regulatory

Lindahl reported that the Unicameral is in recess. Video reports from Kristen Gottschalk and James Dukesherer were e-mailed to the Directors. Questions, answers, and discussion followed concerning retail choice, taxes, and taxation.

Financials

Lindahl reviewed the financial reports, which were presented under separate cover, and answered questions.

Lindahl discussed the Nebraska Electric G & T survey results.

Lindahl reported on a solicitation received from the National Rural Utilities Cooperative Finance Corporation (CFC) for a contribution to the Cooperative System Integrity Fund. Following discussion, a Motion was made by Smith to contribute \$200 to the CFC Integrity Fund. No second to the Motion was received and Smith withdrew his Motion. A Motion was made by Morgan to contribute \$100 to the CFC Integrity Fund. Gortemaker seconded the Motion. Roll call vote: Yea: Gortemaker, Blomenkamp, Zimmerman, Morgan, and Fehring. Nay: Smith and Milanuk. Motion carried.

Financial Education Session

Hostetler and Schlaman explained the work order process, and the closing of some old work orders.

STRATEGIC ISSUES

Facility Update

Lindahl reported that the leads on selling the old facilities have been slow. Mr. Stepfka will be focusing the market in the front range of Colorado.

The zoning violation has been corrected. Address numbers have been placed on the front of the old facilities. Discussion was held concerning the Wheat Belt sign at the old facilities. The consensus among the Board and staff was that as long as Wheat Belt owns the property, the sign will remain.

Long-Term Rates and Programs

Lindahl provided a slide from Tri-State's long-term rate forecast in the Board book. This will be taken into consideration as we plan for our future rate needs. There is a significant need for a rate increase next year, but then things level off.

Lindahl reported that he visited with the bond underwriters as to some new strategies to help soften and level out the rate increases in the coming years. This strategy might also be a way to balance some of the economic pressures in the future. Lindahl discussed future options.

Sub Transmission Project

Currently on hold for other projects.

Four Year Work Plan

There was nothing new to report.

Village of Lodgepole Study

Lindahl has been attempting to get an update from NRECA.

Renewable Energy Projects

Lindahl is waiting for pricing from Bluestem Energy.

Broadband

Lindahl reported that he has been working on the strategic goal of facilitating broadband development. He has attended several meetings, and reported to the Board on the possibilities of using public/private partnerships to advance the goal in the state.

Communication

Lindahl reported that he attended the NITC meeting, and discussed his findings to the Board.

Delivery Point

Lindahl and Reilly explained that Tri-State continues to evaluate the possibilities and costs for adding a new delivery point in Wheat Belt's territory. Discussion followed.

Other

Lindahl included the results of the Nebraska Rural Power Systems 2016 Statistics in the Board book. Questions and discussions were conducted.

TRI-STATE

Tri-State Board Meeting

Morgan reviewed his May report. Questions and discussion followed.

Morgan reported on the depreciation rates on the transmission and generation assets. The Southwest Power Pool was also discussed. Morgan reported on a Tri-State Director that lost to a local candidate in the election process.

Tri-State FERC Update

Lindahl reported on the names for the FERC Board recommended by President Trump. Comments were made by Morgan and other Directors.

Lindahl asked if any of the Directors were interested in a tour of the Craig Mine?

Tri-State Contract Committee

Lindahl reviewed his report in the Board book. Lindahl reported that discussion continued concerning the allocation and retirement of patronage capital. Also, discussion was held regarding the self-generation portion of the Contracts. The polling results were discussed and reviewed. The next meeting will be July 12th.

Long-Term Rate Forecast

Lindahl reported.

MEETING REPORTS

Nebraska Information Technology Committee

Lindahl reviewed his report, which was provided in the Board book.

NRECA Strategic Technical Advisory Council

Lindahl reviewed his report, which was included in the Board book. Questions and discussion followed.

Policies and Resolutions

Policy D-1: Director Compensation and Expense Report Approval (the second paragraph should read: **Directors may get a coat and a shirt every elected term with the Wheat Belt PPD logo...); Policy D-2: Director Insurance (second sentence, change to....**may choose to be reimbursed for an insurance plan that they purchase, or...**); Policy D-3: Student Scholarships (No changes); Policy D-4: Selection of General Manager (No changes); Policy D-5: Board of Directors Duties (No changes); Policy D-6: Board of Directors/General Manager Relationship (No changes); Policy D-7: Director Elections (Comma changes); Policy D-8: Director Absence from Meetings (Comma changes); Policy D-9: Electronic Communications (Grammatical changes); Policy D-10: Reliability Standards (Grammatical changes); Policy D-11: Director Technology (Grammatical changes); Policy D-6A: Board of Directors/General Manager Relationship (no changes); Policy D-5A: Board of Directors Duties (no changes); Policy D-13: Non-Director Officers (no changes) and Policy D-14: Filling a Vacancy on the Board of Directors (no changes).**

A motion was made by Smith to readopt Policies D-1, D-2, D-3, D-4, D-5, D-6, D-7, D-8, D-9, D-10, D-11, D-6A, D-5A, D-13, and D-14 with the recommended changes or no changes. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

SAFETY ISSUES and SAFETY MEETING MINUTES

The May 8, 2017, Safety Meeting Minutes were thoroughly reviewed. Questions and discussion followed.

Training: Chad Hahn, National Weather Service, storm spotter training.

Director Fehringer was present at the meeting.

Reilly reported and answered questions.

SAFETY COMMITTEE MEETING MINUTES

The May 8, 2017, Safety Committee Meeting Minutes were reviewed.

CONSTRUCTION, MAINTENANCE & OPERATIONS

Reilly reviewed his written report.

Reilly reported on the second estimate for repairs to Unit 27. Following discussion, the consensus of the Board was to market the truck in the best possible manner, and to sell it “as is.”

Reilly reported that he had not received the Fire Marshall’s report on the fire south of Lewellen.

Reilly will be on the Interview Committee for a new JT&S instructor as they are hiring a third instructor for our area.

Wheat Belt showed the high voltage demo trailer at the Second-Grade Safety Fair held in Sidney. The Leyton fourth graders visited the headquarters, and Reilly conducted a tour of the facilities and equipment.

BUSINESS REPORT

Wieser was attending the Customer Service Conference and Lindahl reviewed her report.

Lindahl explained the water heater rebates issue, and whether to continue to sell the Marathon Water Heaters. Following discussion, a motion was made by Gortemaker to discontinue selling the Marathon Water Heaters when the current stock has been depleted. Smith seconded the motion. Roll call vote: Yea: All present. Motion carried.

Chaon raised the question whether to continue to sell the water heater elements. The consensus was to sell the current stock until depleted. If a customer would request elements, we could order for them or they can be purchased from anywhere.

Lindahl reported on an Irrigation test write-off in the amount of \$55.68. A motion was made by Gortemaker to approve the \$55.68 irrigation test write-off. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

METERING, INFORMATION and TECHNOLOGY

Rosenbaum was reading meters. Weeda reviewed his report, and answered questions.

INFORMATION and TECHNOLOGY

IT Report

Weeda had nothing new to add to his written report.

Security Report

Lindahl reported that the RE Magazine will feature information that he provided. A Cyber Security Culture presentation will be given by Lindahl at the NRECA Interact Conference.

FUTURE MEETINGS, TRAINING AND ARRANGEMENTS

Peterson reviewed the upcoming meetings with the Directors.

OTHER:

The next Board meeting will be **Friday, June 23rd**.

MAY BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 12:21 p.m.

ATTEST:

Bernard G. Fehringer, President

Marcus Milanuk, Secretary