

## APPROVED REGULAR MEETING MINUTES

### BOARD OF DIRECTORS - WHEAT BELT PPD

July 21, 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 8:30 a.m., Friday, July 21, 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; Pam Wieser, Business Manager; Ryan Borges, Staking Engineer; Jeff Rosenbaum, Senior Meter Technician; Kelli Chaon, Executive Assistant; and Jim Weeda, IT Manager.

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

Gortemaker made a motion to approve the Agenda as presented. Milanuk 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, July 12, 2017, and proof of publication showing such notice as published is attached, and thereby, made a part of these Minutes. Milanuk made

a motion to waive the reading of the meeting notice. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

### **INTRODUCTION OF GUESTS**

No guests were present.

### **APPROVAL OF JUNE 23, 2017, BOARD MINUTES**

Fehringer announced that with no corrections to the June 23, 2017, Board Minutes, they stand approved as published.

### **PUBLIC HEARING & COMMENT PERIOD**

No one appeared before the Board.

### **GENERAL MANAGER'S REPORT**

President Fehringer asked the directors if they would like to incorporate the NRECA evaluation report (in the drop box) for Lindahl's evaluation next month? The directors felt the existing process was quite adequate. The survey will go out next month following the August Board meeting.

### **Legislative & Regulatory**

Lindahl reported that the tax valuation was unanimously overturned and the assessor admitted that she was in error. Lindahl answered questions from the Directors.

Lindahl reported that the Interim Study to examine Public Power in Nebraska will be (a hearing to gather information) Friday, September 22<sup>nd</sup>, at the State Capitol. Lindahl explained to the Directors the reason for the hearing. Lindahl will attend the Hearing. Fehringer invited any of the other Directors to attend. Discussion was held on changing the September Board meeting date.

A motion was made by Smith to change the September Board meeting date to September 25<sup>th</sup> instead of September 22<sup>nd</sup> to allow Lindahl and the Directors to attend the Hearing. Morgan seconded the motion. Roll call vote: Yea: All present. Motion carried.

Lindahl reported on the TED Talk. The broadband discussions are escalating. Lindahl reported on the new and current activities and meetings. He reported that there is a huge need for our rural customers as well as for Wheat Belt for better and more reliable Internet service. Discussion followed.

Lindahl will be attending an HR Conference in D.C., and will be speaking on cyber security and visiting with agencies and staff members.

### **Financials**

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

Lindahl reported on several topics:

1. positive margins
2. the new irrigation rate is working as people are starting their pivots after 10:00 p.m. to avoid the Tri-State peak
3. how the mutual aid monies are handled

### **STRATEGIC CYBER SECURITY**

#### **Training Update:**

Weeda and Lindahl reported. Weeda is still working on policies, and he will conduct monthly/quarterly training with the employees. Discussion was held on Director training, and how often it should be conducted. Morgan suggested quarterly training for the Directors.

Weeda reported that the RC3 Assessment Grant was established as a partnership with six other Nebraska systems. A meeting will be held at Wheat Belt with 25-30 people scheduled to be in attendance. Wheat Belt and Midwest will be assessed.

#### **Cyber Policy Presentation**

Draft copies of several Cyber Security Operating Policies were included in the Board book for discussion purposes. Lindahl asked the Directors to review them for possible adoption at the August Board meeting.

### **STRATEGIC ISSUES**

#### **Facility Update**

Lindahl and Chaon reported that there are no new updates on the sale of the old headquarters facilities.

The sand issue in the water at the new headquarters was discussed, and a new well has not been drilled.

### **Long Term Rates and Programs**

Lindahl visited with Bob McDonald on the cost of service study. The goal is to have five and seven-year plans to align rates with the cost of service, and to align the rate components with the proper fixed and variable costs. McDonald is also working on an additional irrigation time-of-day rate, lowering the on-peak hours with a risk factor built into the rate.

### **Sub Transmission Project**

Currently on hold for other projects.

### **Four Year Work Plan**

There was nothing new to report.

### **Village of Lodgepole Study**

Lindahl met with the Village Clerk. Lindahl/staff may need to meet with the Village Board in September.

### **Renewable Energy Projects**

Lindahl reported that we are currently waiting for pricing from Bluestem Energy.

### **Broadband**

Lindahl continues to work with TEDx Lincoln. He has been invited to an NPPD meeting on the subject, which will be held in late September.

### **Delivery Point**

Lindahl reported that Tri-State continues to evaluate the possibilities and costs for adding the delivery point.

**A coffee break was taken at 9:56 a.m.**

**The meeting resumed at 10:05 a.m.**

### **Executive Session**

An Executive Session was called at 10:05 a.m. to discuss personnel issues. Lindahl remained for the Executive Session.

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

The meeting resumed at 10:35 a.m.

A motion was made by Gortemaker to resume the meeting. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried. Lindahl asked the Board if they wished to continue their membership in the American Coalition for Ethanol, and pay the \$1,000 membership fee. The Board agreed.

## **TRI-STATE**

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

Morgan did not attend the July meeting. Lindahl and Fehringer were present. Questions and discussion followed.

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

Lindahl reported that the commissioners have not been confirmed yet.

### **Tri-State Contract Committee**

Lindahl and Fehringer reported. The Committee recommended, without objection, that no changes be made to the Contract, at this time, and that the Committee be reconvened in two years to study the issue again.

## **MEETING REPORTS**

### **NREA Managers Meeting**

Lindahl reported on the meeting in Kearney. The primary purpose was for the Salary Review Committee to consider a review process that would be helpful to the association. By-Law changes were also discussed, and an update was provided on the search process for a new General Manager. Questions and discussion followed.

### **CFC Rate Seminar**

Morgan and Fehringer attended the Workshop that was designed for public power districts. They felt they learned a lot, and it was well worth their time.

## **POLICIES AND RESOLUTIONS**

### **Policy E-7: Expenses:**

Suggested changes to clarify practice, and generally accepted business practice, and limit the possibility for non-de minimis personal financial gain. Following

discussion Morgan made a motion to adopt Policy E-7 with the suggested changes, and in the last paragraph to add "...employee/director"... Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

**Policy E-16: Employee Recognition:**

Suggest change: removal of the longevity pin due to a change at NREA on how they are ordered. Following questions and discussion, a motion was made by Gortemaker to adopt Policy E-16, with the suggested changes. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

**Policy C-25: Irrigation Disconnect Rebate Program:**

Lindahl reported and explained Policy C-25. Following discussion, Policy C-25 was tabled until next month.

**Policy E-11: Employment of Relative:**

A motion was made by Gortemaker to accept the proposed changes as outlined on page 112 of the Board book. Milanuk seconded the motion. Roll call vote: Yea: Smith, Milanuk and Gortemaker. Nay: Blumenkamp, Zimmerman, Morgan, and Fehringer. **Motion failed.**

**Policy E-10: Code of Ethics for Employees; Policy E-11: Employment of Relative; Policy E-12: Cell Phone Use in Vehicles; Policy E-13: Separation of Service; Policy E-14: Theft from the District; Policy E-15: Electrician's License; Policy E-17: Equal Employment Opportunity; and Policy E-18: Insurance for Full Time, Part Time and Retired Employees.**

A motion was made by Gortemaker to readopt Policies E-10, E-11, E-12, E-13, E-14, E-15, E-17, and E-18 with no changes. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

**SAFETY ISSUES and SAFETY MEETING MINUTES**

The July 12, 2017, Safety Meeting Minutes were thoroughly reviewed. Questions and discussion followed.

Training: Heat Stress, Slips, Trips and Falls; Forklift refresher training.

Reilly reported that Rusty Endicott, Federated Rural Electric Insurance Safety and Loss Prevention consultant, conducted a safety and loss prevention assessment of the Wheat Belt operations and system. He reported "that he found all of the facilities, vehicles and operations to be in excellent condition."

The Federated Loss Analysis Report was included in the Board book. Lindahl

reported and discussed Wheat Belt's safety rating and the Experience Mod Summary Report for Worker's Comp.

Morgan commented that he was impressed that the employees are willing to report/share their incidents.

## **CONSTRUCTION, MAINTENANCE & OPERATIONS**

Reilly reported:

### **Major Outages**

July 10<sup>th</sup> – lightning hit the 34.5 KV insulator north of Chappell. The Cow Creek Sub was off about 3.5 hours. Chappell, Big Springs and Oshkosh South Subs were off about 4.5 hours.

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

Reilly reviewed his report in the Board book.

### **Industrial Customer Line Extension**

Borges reported that he has received all the easements, and reviewed his report in the Board book.

### **New 115 KV Delivery Point**

Reilly reported that a landowner is willing to work with us on the purchase of land for the substation. There will be a conference call with Tri-State next week and they are coming to look at the sites. A discussion of voltage benefits was held.

### **Lewellen Fire**

The reports are still being reviewed.

### **Damaged Wheat Belt Equipment**

Reilly reported that we have meter loops damaged from cattle rubbing on them when they turn the cattle out on corn stalks. If it is not the landowner's cattle, Reilly asked for permission to start charging the owners of the cattle. Following a lengthy discussion, the consensus of the Directors is to grant the landowners a one-time grace, and then they would be charged following the second occurrence. The non-landowner's, will be charged immediately. This will be the same philosophy as the damaged poles operating policy. The Board asked that information be sent to the Wheat Belt customers concerning the new changes and charges.

Reilly reported to the Board that we had to replace wire going to a pivot for a customer. The double run costs would be about \$18,000, and a fourteen-foot wide path of corn was mowed to get to the pivot. The question to the Board was, do we pay for the crop damages to repair the wire? Following discussion, it was the consensus of the Directors that Wheat Belt would not pay for crop damage for fixing or replacing the wire going to the pivot.

## **BUSINESS REPORT**

Wieser reviewed her report presented in the Board Book.

### **Platte Pipe Line**

Wieser reported on the merger of Spectra Energy (formerly Platte Pipe Line) and Enbridge. The report in the Board book was reviewed and discussed.

### **Irrigation Test Write Off**

Irrigation write-off's were requested for:

Account 7267 – location 11096 for \$90

Account 51261 - location 91461 for \$194.28

Account 48853 – location 90925 for \$950.40

Account 48844 – location 90920 for \$816

Account 48491 – location 90729 for \$105.60

Account 49010 – location 90939 for \$499.20

Account 288 – location 00330 for \$1,958.40, for a total of \$4,613.88.

Smith moved to approve the irrigation write-off's in the amount of \$4,613.88. Gortemaker seconded the motion. Roll call vote: Yea: All Present. Motion carried.

### **21<sup>st</sup> Century Water Write-off**

Wieser requested a write-off of \$2,592.32, Invoice 12384 for 21<sup>st</sup> Century Water. Milanuk moved to approve the write-off in the amount of \$2,592.32. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

### **Errors on Metering Issue**

Wieser reported that the checks were mailed on July 11<sup>th</sup> to the two customers that were overbilled due to the meter multiplier error. Wieser is waiting for the attorney's report on the ability to pursue the other account where the customer owes Wheat Belt.

**METERING, INFORMATION and TECHNOLOGY**

Rosenbaum reviewed his report, and answered questions.

Rosenbaum reported that routers and meters were being installed.

**INFORMATION and TECHNOLOGY**

**IT Report**

Weeda reported that Hamilton said they were having equipment trouble at the new office, and they wanted to turn on their old equipment at the old office until they could get the problems resolved.

**First Net**

Weeda had nothing new to add to his written report.

**Security Report**

Weeda had nothing else to add to his written report.

**FUTURE MEETING, TRAINING & ARRANGEMENTS**

Peterson reviewed the upcoming meetings with the Directors.

Fehringer added a list of the NREA Committees that will have vacancies in the Board book for staff or Directors who may be interested. They are: Public Information Committee; Legislative; Statewide Services Evaluation Committee; JT&S Committee; and Policy and Resolutions. Fehringer would like to be on the Legislative Committee.

Lindahl reported that the PIC Committee hired a firm to conduct a survey and they wanted everyone to provide customer information. Wheat Belt's policy is that we do not share our customers' information.

Fehringer announced that he was resigning immediately from the Nebraska Rural Electric Association Board, and chose to nominate Milanuk for the Statewide Director position. A motion was made by Fehringer to appoint Milanuk to the NREA Statewide Director position. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

**DELEGATES**

**Basin Electric**

Basin voting delegates currently are: Morgan and Fehringer. Following discussion, the delegates will remain the same.

**OTHER:**

Round table discussion: Fehringer questioned each of the Directors for comments or input. Blomenkamp likes the Time of Use Irrigation Rate as does Milanuk. Zimmerman asked about the Fairgrounds situation and Lindahl explained. Milanuk asked about the status of old Unit 27. Lindahl hopes to have a “Big Iron” auction in September or October, for the old Unit 27 truck as well as other items from the old headquarters.

The next Board meeting will be **Friday, August 25, 2017.**

**JULY BOARD MEETING ADJOURNMENT**

There being no further business to come before the Board, the President declared the meeting adjourned at 12:10 p.m.

ATTEST:

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Bernard G. Fehringer, President

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Marcus Milanuk, Secretary