

**APPROVED REGULAR MEETING MINUTES**  
**BOARD OF DIRECTORS - WHEAT BELT PPD**

**DECEMBER 22, 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, December 22, 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, left @ 1:35 p.m.  
Marcus Milanuk

Stuart Morgan  
Doug Smith  
Brian Zimmerman, left after lunch

Also present were Tim Lindahl, General Manager; Carolyn Hostetler, Chief Financial Officer; Pam Wieser, Business Manager; Ryan Borges, Staking Engineer; 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.

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**

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

**NOTICE OF MEETING**

Notice of the meeting and Bylaws and Budget approval, was given by publication in the Sidney Sun-Telegraph on Friday, December 8, 2017, 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. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

### **INTRODUCTION OF GUESTS**

Fehringer announced that Bob McDonald from ESC would be arriving at 9:30 a.m.

### **APPROVAL OF NOVEMBER 20, 2017, BOARD MINUTES**

Fehringer announced that there were no corrections to the November 20, 2017, Board Minutes, and they would stand approved as published.

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

No one appeared before the Board.

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

Lindahl presented Gortemaker with the Board Leadership Program Certificate and pin, and congratulated him for his accomplishment.

#### **Personnel**

Lindahl reported that the personnel level is fully staffed. The new Energy Optimization Specialist position has been advertised, and application deadline is January 5, 2018. There have been several applicants.

Lindahl reported on the Cabela's situation since an announcement was made as to what departments would remain in Sidney. Discussion followed.

Lindahl reported there has been some interest shown in the Quonset (west warehouse) and it would be discussed further under Strategic Issues. If it should be sold, cold storage would have to be built at the new headquarters.

#### **Legislative & Regulatory**

Lindahl reported that the tax bill, as it stands today, does not seem to have anything that would negatively affect the District.

Lindahl reported that the withholding tax rate will be changing after February, 2018. Lindahl discussed the Cadillac health insurance tax, and benefits over \$50,000 taxation.

Lindahl reported on the NREA Legislative Committee meeting. Self-generation and net metering were subjects discussed as well as avoided costs. A lengthy discussion with questions followed.

Lindahl reported on a Broadband meeting he attended with Senator Friesen, Kristen Gottschalk from NREA and Dave Webb from NPPD. They discussed what role should be assumed in helping with expansion of Broadband to the rural areas where there is no choice of providers.

### **Other**

The 2018 IRS standard mileage rate will be 54.5 cents per mile.

We have received the patronage retirement from Tri-State.

Lindahl reported that we have complied with the stipulations for the sign issue with the City of Sidney, at the old headquarters. Attorney Strommen is waiting for a written statement from the City.

Lindahl included a letter from a customer's attorney in the Board book requesting a metering error write-off action. Wieser reported that she has found case studies that would be good guidance for the Board prior to taking any action. She felt further investigation needs to be conducted to make sure any action taken would be in compliance with the law. She indicated that she had forwarded the link to the attorney. Fehringer will read the documents, and report to the Board next month.

A motion was made by Milanuk to table the customer metering write-off considerations for further review. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

Lindahl included the Federated Rural Electric Insurance Exchange Loss Analysis reports in the Board book for discussion purposes.

### **Financials**

Lindahl reviewed the financial reports, which were presented under separate cover. Lindahl reported that the irrigation (unbilled) will not be collected until April, but will be billed in December. Cash requirements were discussed.

A coffee break was taken at 9:40 a.m.

The meeting resumed at 9:50 a.m.

Bob McDonald arrived at 9:40 a.m., and began his report following the coffee break. He distributed the 2018 rate adjustment scenarios, and the Board

reviewed them. Questions and discussion followed. McDonald explained the rates of return, and the margin rates for the A-1, I-1 and C-1 rates.

McDonald also explained the philosophy going forward in a five-year plan, including the demand and basic charges, and will make sure the numbers are accurate. He will be attending the Strategic Planning Session in January, and he will refine the rate schedules and bring them back for approval in January.

The finalization of the rates was tabled until January.

### **2018 Budget**

Lindahl began his report with questions and discussion on the final operating budget, which was included in the Board book.

No one appeared for the 9:30 Budget Hearing.

The Large Item Budget was also included in the Board book. Lindahl answered questions, and explained the budgeting process.

Following questions and discussion, Gortemaker made a motion to approve the 2018 Budget. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

### **2018 Rates**

The new proposed rate changes were discussed at length, and presented by Bob McDonald earlier in the meeting.

### **Bond Reimbursement Resolution**

Lindahl explained that in January, a resolution that allows Wheat Belt to reimburse themselves from bond proceeds for previous projects and expenditures was passed. In order for Wheat Belt to keep the flexibility each year, we need to pass a similar resolution. This allows us to issue bonds for past projects, rather than pre-issue them for a future project, making it a much cleaner way to finance. A sample resolution was included in the Board book for review and discussion. This resolution allows us to reimburse ourselves for projects completed this year.

Following discussion, Smith made a motion to approve the execution of the Bond Reimbursement Resolution by the President and Secretary of the Board. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

## **STRATEGIC ISSUES**

### **Facility Update**

Lindahl reported that the west warehouse was not listed with the Realtor. A realtor contacted us about a potential purchaser. Following discussion, there were no objections to proceeding with a possible listing of the property for sale.

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

The rates were previously discussed, and will be brought back for approval next month.

### **Sub Transmission Project**

Borges reported that the poles have arrived.

### **Four-Year Work Plan**

Borges' Work Plan presentation was postponed again until the January Board Meeting.

### **Village of Lodgepole Study**

Lindahl reported that Tri-State is working on a load development rate. Discussion followed.

### **Renewable Energy Projects**

Lindahl reported that Bluestem is still awaiting pricing on panels.

### **Broadband**

Lindahl reviewed this subject earlier in the meeting.

### **Communication**

Lindahl reported that we are working towards hosting an "annual" type meeting March 23, 2018. A customer meeting will be held in the afternoon, following the Board meeting.

### **Delivery Point**

This topic will be discussed at the Strategic Planning Session in January.

### **Board Strategic Planning Session**

The Planning Session will be held January 19<sup>th</sup>. Lindahl asked for topics for agenda purposes, and if there were any people the directors would like to see invited to the Session.

Topics were: economic development; board training; delivery point, IT plan; board level for cyber security; broadband; metering system; rate strategies; the new position; electrical vehicle program; facilities.

Lindahl would like short-term and long-term goals to be set by the end of the day.

People to attend the meeting were suggested: Bob McDonald; Sidney's Economic Development Coordinator; the Realtor (via Skype).

### **Power Supply Reports**

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

Morgan reviewed his December Board meeting report.

The Tri-State NEED (National Energy Education Development) Project is promoted by Wieser's department. An applicant was mentioned, and Wieser verified that the application had been received.

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

Morgan had nothing new to report.

### **MEETING REPORTS**

#### **NREA Annual Meeting**

The Directors commented on the speakers.

#### **Midwest Electrical Consumers Annual Meeting**

There was nothing new to report. The Directors commented on the speakers.

### **POLICIES AND RESOLUTIONS**

#### **Wheat Belt Bylaws**

Federated Rural Electric Insurance Exchange submitted an Alternative Dispute Resolution for consideration by the Directors and staff to be added to the Bylaws.

Following discussion, Fehringer will submit verbage to attorney Jarecke for approval. Fehringer suggested a correction under Section 14, Item 7: change the time from 8:40 a.m. to 8:35 a.m.

It was agreed to table and reconsider the Bylaws at a later time. We will need to advertise it again in the newspaper when the date and time has been established.

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

**The meeting resumed at 1:06 p.m.**

### **SAFETY ISSUES and SAFETY MEETING MINUTES**

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

Training: NREA JT&S instructors Kory Hildebrand and Brian O'Bannon presented Emergency Plans and Procedures. Question on the addition of one more instructor was answered by Hildebrand.

Director Smith was present.

Borges reviewed the report in the Board book, and answered questions.

The 2018 PPD Safety Meeting dates were included in the Board book to choose a date to attend a meeting. Zimmerman left early so the sheet will be brought back next month.

### **CONSTRUCTION, MAINTENANCE & OPERATIONS**

Borges reviewed the report in the Board book and answered questions.

#### **Major Outages**

Nothing new to report.

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

Crews replaced four poles because of fire damage. Reilly is looking into billing the company that started the fire

#### **New Large Services**

Borges reported that the contractor will begin building the new line across the river on January 2, 2018. We are mitigating some of the costs by removing and

trimming the trees ourselves.

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

Tri-State indicated they would have cost estimates for the new substation before the January 19, 2018, Strategic Planning meeting.

### **2017 Physical Inventory**

The 2017 physical inventory was completed December 15<sup>th</sup>. Borges reported a \$461.25 negative adjustment to inventory. Borges asked permission from the Directors to adjust the book quantity to match the physical quantity. Morgan made a motion to approve the \$461.25 negative adjustment to inventory. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

### **Business Report**

Wieser reviewed her report and answered questions.

### **Youth Tour Approval**

Wieser asked for approval from the Board to send Theodore Smith on the 2018 Washington DC Youth Tour. Gortemaker made a motion to approve the expense of sending Theodore Smith on the Youth Tour. Blomenkamp seconded the motion. Roll call vote: Yea: All present. Motion carried.

### **Bad Debt Write-Offs**

A write-off for Account 13750 at Location 2-6740 in the amount of \$576.32, Account 55743 at Location 9-2974 in the amount of \$560.75, Account 24366 Location 4-7590 in the amount of \$178.65, Account 16622 at Location 3-1900 in the amount of \$498.86, and a Small Claims Court, non-customer, in the amount of \$2,913.57, for a total of \$4,728.15, was requested by Wieser. Smith made a motion to grant the bad debt write-off requests in the amount of \$4,728.15. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

Wieser and Lindahl reported on a letter from the DOE extending the Diesel conversion application deadline.

### **Metering, Information and Technology**

Rosenbaum included a map of the full deployment AMI system design in the Board book for discussion purposes. He had nothing new to add to his report.

**IT Report**

Weeda had nothing new to add to his report. The new radio GPS feature added to the trucks was discussed.

**Security Report**

Weeda had nothing new to add to his report.

**FUTURE MEETINGS, TRAINING & ARRANGEMENTS**

Chaon reviewed the upcoming meetings with the Directors.

**ELECTION OF DELEGATES**

NRTC: currently Fehringer and Morgan as the Voting Delegate and Alternate.

Following discussion, a motion was made by Blomenkamp and seconded by Milanuk to leave Fehringer and Morgan as the Voting and Alternate delegates. Roll call vote: Yea: All present. Motion carried.

**The next Board meeting date will be January 26, 2018.**

**DECEMBER BOARD MEETING ADJOURNMENT**

There being no further business to come before the Board, the President declared the meeting adjourned at 1:46 p.m.

ATTEST:

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Bernard G. Fehringer, President

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Marcus Milanuk, Secretary