

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

JUNE 22, 2018

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, June 22, 2018, at the District Headquarters, 11306 RD 32, Sidney, Cheyenne County, Nebraska.

ROLL CALL

The following Directors were present:

Mike Blomenkamp
John Gortemaker
Stuart Morgan
Brian Zimmerman

Bernard Fehringer
Marcus Milanuk
Doug Smith

Also present were Tim Lindahl, General Manager; Carolyn Hostetler, Chief Financial Officer; Earl Reilly, Operations Manager; Ryan Borges, Staking Engineer; Pam Wieser, Business Manager; Jeff Rosenbaum, Senior Meter Technician; Lacey Gulbranson, Energy Optimization Specialist; 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

Fehringer announced that there was a separate Agenda and Tri-State letter in the drop box. Morgan 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

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Friday, June 8, 2018, and proof of publication showing such notice as published is attached, and thereby, made a part of these Minutes.

Notice of incumbent Director Morgan's election voting precincts, etc. for Cheyenne County, was published in the Sidney Sun Telegraph Friday, June 1, 2018, and thereby, made a part of these Minutes.

Notice of incumbent Director Milanuk's election voting precincts, etc. for Garden County, was published in the Garden County News Thursday, May 31, 2018, and thereby, made a part of these Minutes.

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

INTRODUCTION OF GUESTS

Fehringer welcomed Hope Feeney, Cheyenne County Chamber of Commerce Director. The Directors introduced themselves and indicated their representative areas. Mrs. Feeney introduced herself and reported on her background.

APPROVAL OF MAY 25, 2018, BOARD MINUTES

Fehringer announced that there were no corrections to the May 25, 2018, Board Minutes, and they would stand approved as published.

Public Hearing & Comment Period

No one appeared before the Board.

GENERAL MANAGER'S REPORT

Personnel

Lindahl reported that the personnel level is fully staffed at 28 full-time employees. Dean Gipfert was selected to be the Area One Foreman as of June 1st. The lineman position under Gipfert is currently being advertised, and two internal candidates will be interviewing.

Lindahl reported that Chaon is working on a new Organizational Chart. In the next few months, it will be updated.

Legislative & Regulatory

Lindahl reported that the only major item this month was the discussion on the RUS Cushion of Credit provision under the Senate version of the Farm Bill.

Under this version, the Cushion of Credit program will reduce its interest rate to the treasury rate for current deposit and will not allow any new deposits. Discussion followed with Hostetler answering questions. A question should be brought forward to the Legislature on grandfathering previous loans.

Lindahl submitted his application to the Governor for consideration of appointment to the Legislative Broadband Task Force.

Lindahl explained the Broadband task force to Hope Feeney and the Directors, and why it has been established.

Lindahl has been meeting with an industrial customer. The customer will meet one on one with a Tri-State representative, and then we will get a report from that meeting. The standby rate was discussed.

Lindahl reported on another potential industrial business. Industrial rates were discussed by Lindahl. Wheat Belt staff members met with three Adams Industries employees and they reported on their contract concerns. Lindahl reported to the Directors and discussion on options followed. Lindahl will explore alternative rate structure ideas and varied contract terms.

Other

Tri-State has created a Membership Committee to look at Policy 115. Lindahl will serve on the Committee.

Lindahl reported and asked questions of Morgan who reported on the purpose of Policy 115 on renewable projects. Discussion on United Power wanting to put in a battery (4 megawatt), which is now delayed with the Tesla issues.

Financials

The Financial Reports, period ending May 31, 2018, were presented under separate cover.

We incurred a billing loss and Gulbranson responded and explained that it had to do with timing on billing. How our new rates are performing is being studied by Lacey. Transformer loss was discussed. Improving losses by one percent is the goal. Discussion followed.

Legal

Nothing was reported or discussed.

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

The meeting resumed at 9:50 a.m.

STRATEGIC ISSUES

Facility

Lindahl reported that we are close to having the sign at the annex building. The old headquarters was used during the storm. Mutual aid crews used it to park their trucks at night. Discussion was held on the sale price of the truck barn.

Debt Issuance

We closed on the Bonds on June 20th. Hostetler is working with Churchill for investment purposes. The 2012 Bonds are paid in full. There will be no arbitrage or reserve account on the new 2018 issue.

Village of Lodgepole

Lindahl had nothing new to report. Fehringer reported that he had spoken with the Lodgepole electrician. He felt it would be beneficial for the electrician to participate in our safety program. It was reported that he had received a previous invitation. Staff discussed the challenges of entering into a mutual aid agreement. Any new builds would be done to our standards and specifications. Discussion followed.

Renewable Energy Projects

Lindahl reported on an NRECA grant through the Department of Energy to study energy storage, thermal batteries and thermal energy storage testing. Wheat Belt currently is using thermal storage in the warehouse. If we could tie to solar energy, it would be interesting to see what the economic savings would be. We have a unique opportunity to try the project.

Broadband

Lindahl reported that the next NREA/NPPD meeting is scheduled August 13th. He is awaiting the Governor's appointment to the Legislative Task Force.

Lindahl discussed the feasibility study to get broadband to every individual in the state. Lindahl asked the Directors if there was value in spending money to conduct the study? Several Directors agreed that it may be beneficial to contribute financially to the study. Discussion and reporting by Lindahl followed.

Sub-Transmission Project

Work has been delayed due to the storm damages.

Economic Development

Lindahl included literature in the Board book from the State of Sidney meeting held June 13th. The new Chamber of Commerce Director commented on the state of Sidney. Discussion was held.

Four Year Work Plan

Nothing new to report.

Energy Optimization

Gulbranson has nearly finalized data for the new long-term financial forecast, which will be presented at the August Board meeting.

Gulbranson conducted a presentation on the standby rate.

Rate DG-2

Gulbranson explained the Standby Service rate (DG-2) in a presentation. Discussion followed. Two options for standby generation were presented in the Board book for discussion. Following discussion, a motion was made by Morgan to accept the option two, DG-2 rate to include a contingency if Tri-State has a special rate for the Bridgeport Ethanol Plant. Smith seconded the motion. Roll call vote: Yea: All present. Motion carried.

Power Supply

Lindahl reported that Tri-State held a strategic meeting this month.

Morgan reported on the Delta Montrose Electric Association request. Following a lengthy discussion, a motion was made by Gortemaker recommending to not allow the dissemination of the information on the Kit Carson buyout deal. Written comment by Lindahl and Fehringer will be developed and submitted by June 29th. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

Energy Products and Service Strategies

Morgan and Lindahl reported on the energy products offered by Tri-State.

Lindahl reported that he has been working with Basin Electric and Tri-State. Tri-State is calling a meeting to see if there is enough interest in offering a Non-

Controlled Electric/Dual Space Heat Rate. Lindahl was asked to consult legal counsel concerning rate requirements.

Tri-State is working with EPRI on a low outside air temperature air-to-air heat pump program. Do we want to try and be a participant in this program? Tri-State is recommending that if we do participate, the heat pump should be installed in an employee's home on the member system. Discussion followed.

FEMA Related Board Policies

In order to comply with any Federal funding, and especially from FEMA, NRECA recommends that we have a Procurement Policy in place. A sample policy with explanations was included in the Board book.

It is also recommended that we have a Construction Practice Policy in place. A copy from Twin Valley PPD was included in the Board book as an example. Following discussion, Lindahl was instructed to adapt the Procurement Policy and the Construction Practice Policy for Wheat Belt and bring to the Board for consideration.

POWER SUPPLY REPORTS

Tri-State Board Meeting

Morgan discussed his report in the Board book, and how equity is reported, and why it is changing due to rating agencies.

Tri-State FERC Update

Nothing was reported.

Midwest Reports

Nothing was reported.

MEETING REPORTS

NREA Summer Managers Meeting

Lindahl reported that with state law changes, the One Call Board is now being governed by the State Fire Marshal. They want to remove all but one of the public power seats and add three contractor seats to the board. Lindahl asked for discussion and direction on how to approach the whole topic, because it will be brought up at the next NREA meeting. Discussion followed.

POLICIES AND RESOLUTIONS

Policy E-1: Employment Policies; Policy E-2: Paid Time Off (PTO); Policy E-3: Holidays; Policy E-4: Uniforms and Safety Equipment; Policy E-6: Educational Courses; Policy E-7: Expenses; Policy E-8: District Vehicles and Mileage Payments; and Policy E-9: Physical Examination.

A motion was made by Gortemaker to readopt Policies E-1, E-2, E-3, E-4, E-6, E-7, E-8, and E-9, with no recommended changes. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

SAFETY ISSUES and SAFETY MEETING MINUTES

The June 8, 2018, Safety Meeting Minutes were thoroughly reviewed with questions and answers. The training was conducted by NREA JT&S Brian O'Bannon on Work Area Protection.

A tornado drill was conducted during the meeting.

Wheat Belt is scheduled for an unannounced on-site RESAP observation in the next several months.

Reilly announced that Brian O'Bannon has resigned as the JT&S Instructor.

CONSTRUCTION, MAINTENANCE & OPERATIONS

Major Outages:

Reilly reported that on June 1st a bull snake in the Lewellen Substation took out two high-side fuses, and they have been replaced. On June 10th, a bird tripped the circuit switcher in the Covalt Substation.

Construction, Maintenance & Operations

Reilly reported that the crews had completed replacing poles that were damaged in the storm. At last count we lost 99 poles and had to replace 20 transformers. Crews are cleaning up all the old poles and materials.

Reilly reported that a claim had been submitted from a customer from the blizzard storm in April but was denied by Federated.

NEMA/FEMA

We have heard nothing from NEMA/FEMA.

BUSINESS REPORT

Wieser reported that she has been working on signage for the old headquarters and the new headquarters.

Fehringer commented that he appreciated Wieser's department getting the billing out on time.

METERING, INFORMATION and TECHNOLOGY

Rosenbaum reported that all the damages have been repaired. They will begin work on the Gridstream installation project.

IT Report

Weeda was not present to report.

Security Report

Weeda was not present to report.

FUTURE MEETINGS, TRAINING & ARRANGEMENTS

Peterson reviewed the upcoming meetings with the Directors.

ELECTION OF DELEGATES

No changes were needed this month.

OTHER

Fehringer asked about changing the September Board Meeting date. Following discussion, the meeting will be held on Friday, September 21, 2018.

The next Board meeting will be Wednesday, July 25, 2018, beginning at 8:30 a.m.

JUNE 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:

Bernard G. Fehringer, President

Marcus Milanuk, Secretary