

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

OCTOBER 25, 2019

The regular monthly meeting of the Board of Directors of Wheat Belt Public Power District was called to order by President Bernard Fehring, at 8:30 a.m., Friday, October 25, 2019, at the District Headquarters, 11306 RD 32, Sidney, Cheyenne County, Nebraska.

ROLL CALL

The following Directors were present:

Mike Blomenkamp
John Gortemaker
Stuart Morgan

Bernard Fehring
Mo Moffat
Doug Smith

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

Director Brian Zimmerman was absent.

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

All stood for the Pledge of Allegiance to the Flag.

President Bernard Fehring declared a quorum present.

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

APPROVAL OF AGENDA

One Agenda changes was announced: Item 8 and Item 9, the Executive Session and the FERC Rate Intervention and Protest would be moved until approximately 11:30, or until the Wheat Belt Attorney could be present. Goretmaker made a motion to approve the Agenda as amended. Moffat 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, October 9, 2019, 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. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

INTRODUCTION OF GUESTS

Steve Mattoon arrived later in the meeting.

APPROVAL OF SEPTEMBER 30, 2019, BOARD MINUTES

Fehringer announced that there were no corrections to the September 30, 2019, Board Minutes, and they would stand approved as published.

Public Hearing & Comment Period

No one appeared.

GENERAL MANAGER'S REPORT

Personnel

Lindahl reported no changes in personnel.

Lindahl reported:

Kim Christiansen, NREA General Manager, submitted her resignation, and her last working day will be October 31, 2019.

Wheat Belt has issued new bonds and Hostetler had the Directors sign the closing documents. The savings will be \$163,000 by selling those bonds. We did lock in new bonds at 3.45% for 34 years.

Lindahl, Weeda and Gulbranson met with a company called PwrMetrix. They are a data analytics start-up company, which analyzes outage data and presents it in a graphical format. They offered Wheat Belt the opportunity to be a test case for their software at no cost.

Lindahl included a copy of Federated's new Cyber Disruption Coverage in the Board book. Discussion followed.

Lindahl reported on the Broadband Task Force and discussion followed.

Financials

The Bond Agreement was included in the Board book for review by the Directors.

The Tri-State mill rate and load factor was discussed. Lindahl explained the process, and questions and discussion followed.

Smith asked about the ethanol plant and if the second generator was running yet. Borges and Gulbranson responded that the plan is to have the generator operational as of November 11th. The metering is in place from Tri-State, and the stand-by rates are also ready.

The RUS buyout date is October 29th.

BUDGET

2020-2023 Large Item Budget

The Large Item Budget that was included in the Board book was preliminary.

Discussion was held concerning an electric car or pickup, and research is being conducted by Chaon.

A maintenance truck has been ordered from GM, but with the strike going on, it may delay delivery beyond the end of the year. We are trading in the Area 2 pickup as it had hail damage and Federated paid \$6,000 for the damages.

Physical and cyber security is in budget. Staff is working on a shared security program with neighboring utilities.

Capacitor control and SCADA software was discussed. With the new Gridstream system we can utilize that communication infrastructure to help with the capacitor control issues.

Nebraska Machinery Company is anticipating that the skid steer lease program will be eliminated. A budget item was added in 2022, to purchase what we are leasing at the time the program is eliminated.

It will be time to update the ARC Flash study and ESC, our engineering firm, will help with the update procedure.

Consideration is being given to mobile service software to be implemented to help utilize our truck technology, to reduce errors due to paperwork and offer better accountability on our services.

Lindahl and Borges explained the uses of the Wheat Belt drone. Mathine is a certified drone pilot.

2020 Retail Rates

The proposed rates, which follow ESC's five-year rate plan, were included in the Board book. Lindahl explained the modifications to a few of the rates. Questions and discussion followed.

A motion was made by Morgan to approve the rates as presented in the Board book. Smith seconded the motion. Roll call vote: Yea: All present. Motion carried.

STRATEGIC ISSUES

Financials

Lindahl reported that the rest of the year will be focused on financials and budgeting.

Broadband

Lindahl reported earlier in the meeting.

POWER SUPPLY REPORTS

Tri-State Board Meeting

Morgan reported and reviewed his report included in the Board book. Questions from the Directors were answered and clarified by Morgan and Lindahl.

Morgan reported that Tri-State might be doing a community solar program in which Wheat Belt would be eligible to participate. It would not count against our five percent generation.

FERC and NERC were discussed and the benefits of having Tri-State as our transmission company.

The remaining life of the coal units was included in the Board book by Lindahl.

Basin Report

An intervention was filed on Basin's FERC requests. Discussion followed.

Midwest Report

Lindahl mentioned that a manager search had begun.

MEETING REPORTS

Tri-State Contract Committee Meeting

The Tri-State staff presented a partial Requirements Structure Contract. The Committee voted to accept the Tri-State proposal and forward it to the Tri-State Board of Directors.

State Broadband Task Force Meeting

Lindahl reported earlier in the meeting.

Tri-State CEO Committee

Lindahl reported that the FERC issues were discussed.

A coffee break was taken at 10:05 a.m.

The meeting resumed at 10:20 a.m.

POLICIES AND RESOLUTIONS

Policy M-1: Surplus Vehicle and Equipment Disposal; Policy IT-1: Information and Cyber Security Policy; Policy F-1: Checks, Drafts, Etc.; Policy F-2: Financial Goals; Policy F-3: Investments; and Policy F-4: Handling of Payments. A motion was made by Gortemaker to readopt Policies M-1, IT-1, F-1, F-2, F-3 and F-4 with no recommended changes. Moffat seconded the motion. Roll call vote: Yea: All present. Motion carried.

SAFETY ISSUES and SAFETY MEETING MINUTES

The October 11th Safety Meeting Minutes were included in the Board book and reviewed by the Board. Training: GHS Hazardous Communication/Employee Right to Know was presented by NREA JT&S instructor Joel Duffield.

CONSTRUCTION, MAINTENANCE & OPERATIONS

Major Outages

Reilly reported and reviewed his report.

Construction, Maintenance & Operations

Borges reported that Emergency Switching Orders will be addressed.

Reilly reported that the new digger truck is at the paint shop, and we should have delivery in the next few weeks.

Reilly reported the NEMA projects have been completed on the 2018 weather event and the Hazard Mitigation project, and he would be contacting NEMA.

Smith asked Borges about the potato plant usage and discussion followed.

BUSINESS REPORT

Wieser discussed the use of postcards, bill stuffers, social media, and the Magazine to advertise the rate changes for our customers. Discussion followed with suggestions to also promote the TOU rates at the same time.

Irrigation Write-Offs

Wieser asked for approval of the following irrigation write-offs:

Location 91611, Account 51785 in the amount of \$205.68;

Location 90939, Account 49010 in the amount of \$268.73;

Total amount of \$474.41.

Smith made a motion to approve the irrigation write-offs in the amount of \$474.41. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

Non-Conforming Irrigation Write-Off

Wieser presented information on Location 42960, Account 20304 with a request by the landowner for a write-off over and above policy specifications. Following discussion, the request was denied by the Board. Wieser will notify the customer to explain.

METERING, INFORMATION and TECHNOLOGY

Rosenbaum was not present, but his Report was reviewed.

IT Report

Weeda introduced new expense forms and explained the reason for the changes.

Security Report

Weeda reported on an instance where a breach was not covered by Cyber Insurance, because it was a criminal act.

FUTURE MEETINGS, TRAINING & ARRANGEMENTS

Peterson reviewed the upcoming meetings with the Directors.

The Wheat Belt Christmas Party will be December 14th at Buffalo Point.

Discussion was held concerning the February Board meeting date conflicting with other meetings and will be addressed in the future.

Board Round Table

Fehringer asked the Directors if they had anything further to be addressed.

A lunch break was taken at 11:06 a.m.

The meeting resumed at 11:40 a.m.

EXECUTIVE SESSION

An Executive Session was called at 11:40 a.m. to discuss FERC legal matters and legal strategy.

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

Lindahl and attorney, Steve Mattoon, remained for the Executive Session.

The meeting resumed at 12:31 p.m. with a motion from Gortemaker and second by Smith. Roll call vote: Yea: All present. Motion carried.

FERC Protest/Intervention

Following the Executive Session, a motion was made by Smith to authorize the CEO to enter into an engagement with Duncan & Allen to file a Motion to Intervene and protest the Tri-State G&T Schedule A Rate and supporting Dockets at the Federal Energy Regulatory Commission. Gortemaker seconded

the motion. Discussion followed. Roll call vote: Yea: Blomenkamp, Fehringer, Gortemaker, Moffat, and Smith. Morgan abstained. Motion carried.

FERC Rate Intervention and Protest – Tri-State

A motion was made by Moffat to authorize the CEO to enter into an engagement with Duncan & Allen to file a Motion to Intervene and protest the Tri-State G&T Schedule S Rate and supporting Dockets at the Federal Energy Regulatory Commission. Smith seconded the motion. Discussion followed. Roll call vote: Blomenkamp, Fehringer, Gortemaker, Moffat, and Smith. Morgan abstained. Motion carried.

FERC Rate Intervention and Protest – Basin

A motion was made by Gortemaker to ratify the CEO's engagement with Duncan & Allen to file a Motion to Intervene in the Basin Electric rate filings at the Federal Energy Regulatory Commission. Smith seconded the motion. Discussion followed. Roll call vote: Yea: All present. Motion carried.

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

OCTOBER BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 12:35 p.m.

ATTEST:

Bernard Fehringer, President

Brian Zimmerman, Assistant Secretary