

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

April 27, 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, April 27, 2018, at the District Headquarters, 11306 RD 32, Sidney, Cheyenne County, Nebraska.

ROLL CALL

The following Directors were present:

Mike Blomenkamp
Bernard Fehringer
John Gortemaker

Brian Zimmerman - left @ 12:15
Marcus Milanuk
Doug Smith

Absent: Stuart Morgan

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

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 a few minor changes and corrections to the Agenda. Item 9E, Exception to Policy F-2, was added. The Bylaws will not be addressed again as per the Agenda, and the next Board meeting will be May 25th.

Gortemaker made a motion to approve the Agenda as amended. 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, April 11, 2018, 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. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

INTRODUCTION OF GUESTS

Dana F. Cole Auditors – Mike Scow, Doug Millay

Jay Spearman, Ameritas Investment Corp. arrived at 9:37 a.m.

Mark Churchill – Arbor Wealth Management

Security First Bank – Clint Norman, Blaine Spady

APPROVAL OF MARCH 23, 2018, BOARD MINUTES

Fehringer announced that there were no corrections to the March 23, 2018, Board Minutes, and they would stand approved as published.

Public Hearing & Comment Period

No one appeared before the Board.

BUSINESS REPORT

Wieser reported on the Customer meeting, and Fehringer expressed his appreciation to staff and the employees for all their efforts in making the Customer meeting successful.

Irrigation

Wieser explained the Retail Demand Charge (Capacity) that will substantially impact any service with usage lower than the highest demand in the previous 11 months.

Irrigation Meter Malfunction

Wieser reported that CT wires had burned on a customer account. A corrected billing statement was sent with a letter the end of January, with a balance due of \$3,960.15. The customer asked for an extension to make full payment. He paid half of the amount due and wanted to pay the remainder with the last billing for 2018, which is the first of October. Following questions directed to Wieser and

discussion among the directors, the consensus was to follow the new Policy that was included in this month's Agenda to be adopted. Wieser will contact the customer.

Youth Energy Camp

Wieser reported that Lacey Gulbranson volunteered to be a counselor at the Camp.

Storm Restoration

Fehringer commented on the Facebook postings, and appreciated the updated information.

DISTRICT AUDIT REPORT

Mr. Scow and Mr. Milay presented the Independent Auditor's Report to the Board. A clean audit opinion was given. Mr. Milay and Mr. Scow answered questions from the Directors.

An Executive Session was called for at 9:17 a.m. by Gortemaker. Milanuk seconded the Motion. Roll call vote: Yea: All present. Motion carried.

The meeting resumed at 9:20 a.m. with a motion by Smith and seconded by Gortemaker. Roll call vote: Yea: All present. Motion carried.

A motion was made by Milanuk and seconded by Zimmerman to accept the 2017 Audit Report. Roll call vote: Yea: All present. Motion carried.

GENERAL MANAGER'S REPORT

Personnel

Lindahl reported that the personnel level is fully staffed at 28 full-time employees. Trent Hill, our powerline intern, was offered a 1,000 hour position at the end of his schooling. He has worked in all aspects with the crews and helped with the storm restoration.

Legislative & Regulatory

Lindahl e-mailed NREA's report to the Directors. Lindahl reported that the broadband task force bill passed, the open records modification passed, and the small cell wireless bill did not. Lindahl attended the NRECA Legislative Conference.

Other

Lindahl reported that he will be taking some time off in May.

Lindahl reported that we had overwhelming support during the recent storm. He said the employees take their jobs very seriously, and work in a very safe manner. He reported that other systems were hit harder than we were.

Lindahl reported that he was asked to speak at the Smart Electric Power Alliance's Grid Evolution Summit on the topic of "Shielding Grid Assets from Cyber Attacks."

Financials

The January, February and March Financial Report was presented under separate cover.

Lindahl discussed Policy F-2 Financial Goals, and the minimum investments requirements.

Legal

Lindahl reported that a legal issue would be discussed in Executive Session.

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

The meeting resumed @ 9:45 a.m.

EXECUTIVE SESSION

Milanuk made a motion to go into Executive Session to discuss legal matters at 9:45 a.m. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried. Lindahl, Borges, Hostetler and Schlaman were present.

A motion was made by Zimmerman and seconded by Gortemaker to resume the meeting at 10:25 a.m. Roll call vote: Yea: All present. Motion carried.

Jay Spearman, Vice President of Ameritas Investments, discussed the financial issue of bonds and reported on current interest rates. The cost of the new money project of \$4,000,000 was discussed, and Spearman explained rebate calculations.

Gortemaker made a motion to adopt a new Resolution plus another Resolution to roll all into one. Milanuk seconded the motion. Discussion followed, and Lindahl suggested that all options be considered first.

Smith made a motion to table action on the previous motion until other financing proposals were presented. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

Lindahl asked about listing the West Warehouse separately for sale. There is a potential buyer interested in the building. Another storage facility would need to be built at the new facilities. Discussion followed.

A motion was made by Smith to list the West Warehouse. Gortemaker seconded the motion. Roll call vote: Yea: Fehringer and Smith. Nay: Milanuk, Gortemaker, Blomenkamp and Zimmerman. Motion failed.

Investment Report – Arbor Wealth Management

Churchill presented information and graphs on economic growth and the District's portfolio report. There were no questions for Mark.

Security First Bank

Blaine Spady and Clint Norman presented financing options to the Board. They discussed a tax-exempt loan program and bank loan options. Following their presentation, an Executive Session was called for by Milanuk, and seconded by Zimmerman at 11:16 a.m. Roll call vote: Yea: All present. Motion carried. Lindahl, Borges, Hostetler and Schlaman remained for the session. The meeting resumed at 12:14 a.m. with a motion by Milanuk and a second by Gortemaker. Roll call vote: Yea: All present. Motion carried. Discussion followed among the Directors.

A lunch break was taken at 12:30 p.m.

The meeting resumed at 1:10 p.m.

STRATEGIC ISSUES

Facility

The listing of the West Warehouse was previously discussed, and it will not be listed at this time.

The old facilities were used during the storm. Fehringer asked the Board about using the old board room for 4-H BB gun instruction next winter.

Lindahl reported that we have received a permit to reinstall the sign at the Sidney location. The permit is posted and Wieser is working on getting the sign reinstalled.

Debt Issuance

Following extensive discussion, a motion was made by Smith to bring the financing motion off the table. Seconded by Gortemaker. Roll call vote: Yea: All present. Motion carried.

Following further discussion, it was realized that two motions were needed. With the consent of the motion maker (Gortemaker) and second (Milanuk), the financing resolution motions were withdrawn.

A motion was then made by Milanuk to call the 2012 Bond issue, and it was seconded by Gortemaker. Roll call vote: Yea: All present. Motion carried.

A motion was made by Gortemaker and seconded by Milanuk to issue up to 4.37 million dollars in bonds, and Lindahl was given authority to proceed by the Board. Roll call vote: Yea: All present. Motion carried.

Village of Lodgepole

Nothing new to report. Lindahl will try to meet with their Board sometime in the future.

Renewable Energy Projects

Lindahl had nothing new to report.

Sub-Transmission Project

Borges reported that the staking had been completed.

Customer Meeting

Lindahl stated that he had nothing more to add. Lindahl mentioned the possibility of doing another one next year.

Economic Development

Nothing new was reported.

Four Year Work Plan

Borges and Reilly have started on the background work.

Broadband

Lindahl presented a brief synopsis of what broadband is, and answered

questions.

Energy Optimization

Gulbranson provided a brief update of her work over the past month laying the foundation of our energy optimization initiative relating to line loss from the substations to the distribution meters.

Power Supply Reports

Tri-State Board Meeting

Morgan was not present. His report in the Board book was reviewed by Lindahl.

Tri-State FERC Update

Nothing was reported.

Midwest Reports

Nothing was reported.

MEETING REPORTS

Tri-State Annual Meeting

Lindahl, Milanuk and Smith reported on the meeting.

NRECA Legislative Event

Lindahl reported and discussed the information that was provided in the Board book.

POLICIES AND RESOLUTIONS

Policy C-8: Time Limitations; Policy C-18: Dissemination of Customer Information; Policy C-19: Customer Requested Service Connections or Disconnects After Business Hours; Policy C-20: Service Sizing Requests (Single Customer); Policy C-21: Energy Efficiency Credit Rebates; Policy C-22: Reward for Damage Reporting; C-23: Net Metering; Policy C-24: Irrigation Capacitor Rebate Program; and Policy C-25: Irrigation Disconnect Rebate Program.

A motion was made by Gortemaker to readopt Policies C-8, C-18, C-19, C-20, C-21, C-22, C-23, C-24, and C-25, with no recommended changes. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

Policy F-2: Financial Goals was reviewed by the Board.

Policy C-28: Billing Adjustments. A motion was made by Smith to adopt Policy C-28. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried. Bring back next month with wording and timing clarifications.

SAFETY ISSUES and SAFETY MEETING MINUTES

The April Safety Meeting was cancelled due to the storm.

The next Safety Meeting will be Monday, May 7, 2018, with active shooter training being conducted.

CONSTRUCTION, MAINTENANCE & OPERATIONS

Unit 30 Repairs

Reilly reported that Altec found more items on bucket truck Unit 30 that need to be repaired. These items will not be covered by Federated. The estimate for the repairs is \$6,451.26. Reilly asked the Board to approve a variance to the budget for the truck repairs. A motion was made by Smith and seconded by Milanuk granting a variance to the budget for the \$6,451.26 repairs to Unit 30. Roll call vote: Yea: All present. Motion carried.

Major Outages:

Reilly reported that there were 16 poles to be replaced and 30 to 35 crossarm bolts to be replaced as a result of the storm on Friday, April 13th. Reilly reported that High West Energy sent seven linemen to help with the repairs. Chimney Rock sent two linemen. PREMA sent five linemen. He stated that everyone worked safely, and there were no close calls.

Reilly reported that reimbursement will be sent to the farmers that helped pull trucks out with their personal tractors.

Construction, Maintenance & Operations

Reilly had nothing more to add.

Work Plan Item 300-107

Borges reported that work has begun to rebuild three miles of three-phase 6A copper weld line to three phase, 1/0 ACSR.

METERING, INFORMATION and TECHNOLOGY

Rosenbaum was not present. His report was reviewed.

IT Report

Weeda asked the Board for an exception to the Budget for the purchase of I-pads to put in the trucks for the new mapping system in the amount of \$6,000. Smith made a motion to approve the exception to the Budget in the amount of \$6,000. Milanuk seconded the motion. Roll call vote: Yea: All present. Motion carried.

Security Report

There was nothing new to add.

FUTURE MEETINGS, TRAINING & ARRANGEMENTS

Peterson reviewed the upcoming meetings with the Directors.

ELECTION OF DELEGATES

No changes were needed this month.

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

APRIL BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 2:30 p.m.

ATTEST:

Bernard G. Fehringer, President

Marcus Milanuk, Secretary