

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

NOVEMBER 16, 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, November 16, 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; Pam Wieser, Business Manager; Earl Reilly, Operations Manager; Ryan Borges, Staking Engineer; Jeff Rosenbaum, Senior Meter Technician; Jim Weeda, IT Manager; 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

Gortemaker made a motion to approve the updated Agenda as presented. Milanuk 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, November 7, 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. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

INTRODUCTION OF GUESTS

Fehringer introduced Direct Elect, Brian Moffat.

APPROVAL OF OCTOBER 26, 2018, BOARD MINUTES

Fehringer announced that there were no corrections to the October 26, 2018, Board Minutes, and they would stand approved as published.

Public Hearing & Comment Period

No one appeared before the Board.

Rate Hearing

No one appeared, and the hearing was closed after five minutes.

2019 BUDGET

Lindahl reported on the approved 2019 rates which were presented at the October Board meeting. He asked if there were any changes. The “in lieu of taxes” were discussed. The E-1 and E-2 rates will reflect the “in lieu of tax” and the A-1, A-2 and C rates will be addressed next year. Gulbranson will advise the industrial accounts that the five percent in lieu of tax will reflect as a separate line item.

Preliminary District Budget

Lindahl reported that based on the adopted rates, the large items budget and wage and benefits, he will ask for approval at the December Board meeting.

Morgan questioned the Director’s fees and expenses increase. Lindahl explained that all of the expenses are based on a three-year average plus a two percent increase.

Lindahl reported that we are budgeting for a \$1M loss in cash. He feels that we should budget for the loss, and then if new load is added, we should come close to a balanced budget.

Currently, the new substation is not included in the budget. Lindahl and Reilly explained where the new substation will be built and why. Tri-State is sharing costs. We will have to rebuild six miles of line. We hope to be able to energize

the substation in June of 2020.

EXECUTIVE SESSION

A motion was made by Gortemaker calling for an Executive Session at 8:54 a.m. to discuss a potential new load, communication NDA, and real estate negotiations. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried. Staff and Brian Moffat remained for the Executive Session.

The meeting resumed at 9:56 a.m. with a motion by Milanuk. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

A break was taken at 9:57 a.m.

The meeting resumed at 10:06 a.m.

GENERAL MANAGER'S REPORT

Personnel

Lindahl reported that we are at 28 employees. Dean Gipfert received the Jack McEnerney Award at the NREA JT&S Meeting and will be presented with the 2018 Good Neighbor Award at the NREA Meeting in December.

Financials

We received the Tri-State bill on November 15th. Hostetler will mail the financials when she has them completed. So far this year we have saved \$161,000 by peaking outside of the Tri-State peak window. Lindahl reported that the preliminary net margin for October is \$224,000. The operating margins will go up in December, but down in November. There will be one more month of decrease, and then a bump-up in December is expected due to irrigation billing.

Legislative & Regulatory

Lindahl reported that Senator Blood did have a stakeholder meeting. Her proposed legislation is heavily weighted to the distribution systems and requires smart grid metering. A finalized report will be given when available.

Legal

Nothing new was reported.

Other

Lindahl reported that CoBank's Sharing Success Program granted us a matching funds request for the Leadership Cheyenne County Program. They contributed \$1,000 towards the program.

Lindahl was asked to consider speaking at the CoBank Customer Meeting in February.

Fehringer reported that James Dukesherer, the NREA Grassroots Coordinator, was at Wheat Belt on Wednesday. Fehringer indicated that it was an informative meeting.

Fehringer is on the NREA Policy & Resolutions Committee as is Lindahl. Discussion followed with the directors asking questions and giving input concerning charging stations, etc.

Lindahl reported and discussed that NRECA is working with Daimler – Freightliner trucks as they are coming out with electric trucks. Discussion followed.

A Fire Drill was conducted at 10:24 a.m.

The meeting resumed at 10:34 a.m.

STRATEGIC ISSUES

Facility

Lindahl explained the sales tax savings from moving outside of the City limits.

Broadband

Lindahl reported that he is actively engaged in a potential project.

Sub-Transmission Project

Borges reported that the new line has been energized. The old line is being retired. Fehringer asked about the used poles for the shooting range.

Strategic Planning Session

Gulbranson is doing a backend solution to look at previous plans and working on a new plan to see how we have done, then how to implement our new plan.

A Survey from Gulbranson will be sent in the near future. CFC will send a survey for topics that Directors want to address early in December. CFC will sponsor a group dinner if the Directors are interested in partaking.

POWER SUPPLY REPORTS

Tri-State Board Meeting

Morgan reported on the Board meeting held this week.

Delta Montrose is still trying to get buy out numbers. Morgan indicated that there is a good chance of going to court.

Morgan reported on the long-term financial forecast for the next ten years. No rate increase is projected. Tri-State is using deferred margins to stabilize rates.

Tri-State FERC Update

Nothing new was reported.

Midwest Reports

Nothing new was reported. The Annual Meeting will be December 10-13, 2018.

Basin Reports

Morgan reported that he toured the Dakota Gas Plant while attending the Annual Meeting. The Dakota gas plan was discussed in detail by Morgan and the Directors.

MEETING REPORTS

NRECA Strategic Technology Advisory Council

Lindahl reported. The Energy Manager with USAF spoke at the meeting. The Air Force is working on classifying their electrical needs as critical defense infrastructures. Discussion was held at the meeting on building generation on Air Force property.

State Rural Broadband Taskforce

Lindahl included information in the Board book and reported.

POLICIES AND RESOLUTIONS

Policy E-28: Grievance Procedure; Policy E-29: Guidelines for Discipline

and Termination; Policy E-30: Access to Employee Exposure and Medical Records; Policy E-31: Change In Work Hours and Premium Rates; Policy E-32: Exchange Time; Policy E-33: Military Leave for Reservists; Policy E-34: Personal Use of Wheat Belt Tools or Equipment; and Policy E-35: Prevention of Identity Theft. A motion was made by Morgan to readopt Policies E-28, E-29, E-30, E-31, E-32, E-33, E-34, and E-35, with no recommended changes. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

Staff is working on a policy for anyone who wants to opt out of a smart meter installed at their home/business.

SAFETY ISSUES and SAFETY MEETING MINUTES

The November Safety Meeting was held November 14, 2018. The Minutes will be available in the December Board book. Fehringer attended the meeting. James Dukeshere gave his Grassroots presentation to the employees.

CONSTRUCTION, MAINTENANCE & OPERATIONS

Construction, Maintenance & Operations

Borges previously reported on the status of the new 34.5 Kv line.

Borges reported on the WAPA and Tri-State switching. Our substations are back to normal.

New Unit #26

Borges reported that the new framing truck has arrived.

BUSINESS REPORT

Wieser asked if there were any questions on her Board book report.

Wieser reported that PCS was here to go over questions and concerns from employees. There was an issue with our large power retail demand. Letters will be sent to the affected customers.

Wieser reported that some mitigation run off work had been done so hopefully our grass will get started around the drive area.

Lindahl reported that Strommen and Wieser are working on the bankruptcy issues. Wieser also reported.

Wheat Belt Sign

Wieser addressed on the lack of progress on the sign. It has been an issue with the brick mason.

METERING, INFORMATION and TECHNOLOGY

Rosenbaum had nothing new to report from what was in the Board book.

IT Report

Weeda had nothing new to add to his report in the Board book.

Security Report

Weeda reported on the Hackers Conference he attended.

FUTURE MEETINGS, TRAINING & ARRANGEMENTS

Peterson reviewed the upcoming meetings with the Directors.

Fehringer indicated that he would prepare the 2019 Calendar of Events to be presented at the December Board meeting for any changes.

The Christmas Party will be December 15th at Buffalo Point.

The next Board meeting will be Friday, December 21, 2018, beginning at 8:30 a.m.

NOVEMBER BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 11:30 p.m.

ATTEST:

Bernard G. Fehringer, President

Marcus Milanuk, Secretary

