

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

JANUARY 24, 2020

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, January 24, 2020, at the District Headquarters, 11306 RD 32, Sidney, Cheyenne County, Nebraska.

ROLL CALL

The following Directors were present:

Mike Blomenkamp
John Gortemaker
Doug Smith

Bernard Fehringer
Stuart Morgan
Brian Zimmerman

Also present were Tim Lindahl, General Manager; Carolyn Hostetler, Chief Financial Officer; Earl Reilly, Operations Manager; Ryan Borges, Staking Engineer; Jim Weeda, Manager of Technology; Lacey Gulbranson, Manager of Corporate Services; and Kelli Chaon, Executive Assistant.

Absent: Moe Moffat

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

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 Agenda as presented. Zimmerman 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, January 8, 2020, and proof of publication showing such notice as published is attached and thereby made a part of these Minutes. Smith 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

No guests were present.

APPROVAL OF DECEMBER 23, 2019, BOARD MINUTES

Fehringer announced that there were no corrections to the December 23, 2019, Board Minutes, and they would stand approved as published.

Public Hearing & Comment Period

No one appeared before the Board.

ELECTION OF OFFICERS

President:

The Chair was surrendered to the General Manager for written nominations for the office of President. Each Director nominated a candidate for the office of President. Nominations were tallied: Gortemaker, Morgan and Fehringer were nominated. Morgan and Gortemaker withdrew.

A motion was made by Gortemaker to elect Fehringer as Board President by acclamation. Morgan seconded the motion. Roll call vote: Yea: All present. Motion carried.

Vice President

The Chair was returned to President-elect Fehringer who called for written nominations for Vice President. Each Director nominated a candidate for the office of Vice President. Nominations were tallied. Morgan, Blomenkamp and Zimmerman were nominated. Blomenkamp withdrew. The Directors voted for Morgan or Zimmerman. Tie vote. The Directors voted again, and Zimmerman was elected as Vice President by ballot.

Secretary

Each Director nominated a candidate for the office of Secretary. Smith, Moffat, Blomenkamp and Morgan were nominated. Morgan and Blomenkamp withdrew. The Directors voted again for Smith or Moffat and Moffat was elected as Secretary by ballot.

Treasurer

Each Director nominated a candidate for the office of Treasurer. Gortemaker was unanimously nominated for Treasurer. A motion was made by Blomenkamp to appoint Gortemaker as Treasurer by acclamation. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

Assistant Secretary

Each Director nominated a candidate for the office of Assistant Secretary. Smith and Blomenkamp were nominated. The Directors voted and Blomenkamp was elected Assistant Secretary by ballot.

Tri-State Board of Director

Each Director nominated a candidate for Tri-State Board of Director. Morgan was unanimously nominated for Tri-State Board of Director. A motion was made by Gortemaker to appoint Morgan as the Tri-State Board of Director. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

NREA Board of Director

Each Director nominated a candidate for NREA Board of Director. Gortemaker was nominated. Smith moved and Blomenkamp seconded to appoint Gortemaker as NREA Board of Director. Roll call vote: Yea: All present. Motion carried.

GENERAL MANAGER'S REPORT

Lindahl began with:

The Directors Statements of Financial Interest are due by April 1, 2020.

The Board evaluations will be conducted in February. Moffat and Peterson will work together to get the Survey Monkey to the directors.

Personnel

Lindahl reported that we have one employee on medical leave. Casey Renner from Bayard is the new powerline intern.

Legislative & Regulatory

Three broadband bills have been introduced in the Unicameral. Lindahl reported that there were a lot of changes from what the task force had recommended.

Questions were directed to Lindahl and discussion followed. The Task Force is meeting February 7th and the Hearing is February 3rd.

The Legislative bills from NREA were included in the Board book.

Legal

Lindahl reported that Motions were filed to intervene in the Colorado PUC cases with United Power and LPEA. Wheat Belt, Chimney Rock, PREMA and Midwest filed a joint Motion. Discussion followed.

Financials

The Financial Report was distributed under separate cover and several questions were directed to Lindahl for clarification.

Lindahl reported that the year-end financials will not be completed until the auditors provide their adjustments. The auditors were in-house this week.

Lindahl reported on the storm damages and margins. Questions followed.

We are no longer RUS borrowers, and regulation is in question. Who is responsible now? Discussion followed.

Other

Lindahl reported that Nebraska, as a state, did not meet the FEMA/NEMA funding criteria for the Thanksgiving storm.

Lindahl reported that we receive multiple surveys that are not mandatory. He and staff have chosen not to participate in the surveys that are not mandatory, as they take a lot of time.

Lindahl reported that he will be attending the NRECA Annual Meeting and will meet with Air Force representatives.

The Wheat Belt linemen will receive the “Heroes Among Us” award at the Cheyenne County Chamber Banquet for their restoration work during the Thanksgiving storm.

Lindahl reported that the IRS mileage rate is now 57.5 cents per mile.

Lindahl updated the Directors on the possibility of using the Sidney Annex building as a STEM Lab. Local businesses, endowment benefactors, and UNL representatives and educators are interested in developing an innovation campus. The Sidney Annex building would be dedicated to the innovation

campus and other buildings downtown would be used for co-workspaces. Lindahl and Chaon will report on more brainstorming ideas in the future.

Lindahl reported on a pipeline project being developed to get drinking water to towns along the North Platte River in Nebraska. This may result in a possible partnership to install a hydro power source. Discussion followed.

Discussion will be held at the February Board meeting concerning the real estate contract on the Sidney Annex building.

RATE DG2

Gulbranson and Lindahl explained the standby service rate charge. Following discussion, it was proposed that the rate be a true pass-through so that Wheat Belt is not absorbing the risk of possible substantial costs some months. A motion was made by Smith to adopt the DG2 Standby Rate with the suggested wording changes. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried. Gulbranson will send a copy of the new rate to Bridgeport Ethanol.

A break was taken at 10:06 a.m.

The meeting resumed at 10:21 a.m.

Executive Session

An Executive Session was called at 10:22 a.m. by Smith to discuss a FERC legal matter, Colorado PUC legal matter, and a personnel safety update. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

Lindahl remained for the Executive Session. Morgan left the session during the FERC and Colorado PUC legal matter discussions.

A motion was made by Smith and seconded by Zimmerman to resume the meeting at 11:50 a.m. Roll call vote: Yea: All present. Motion carried.

A lunch break was taken at 11:51 a.m.

The meeting resumed at 12:38 p.m.

FERC Rate Intervention and Protest

The Board discussed the Rate Intervention and Protest in Executive Session and Wheat Belt will continue on the current path concerning the FERC and PUC matters.

Tri-State Resolution of Waiver

A Waiver of Fiduciary Duty for the Tri-State Director for Litigation purposes will be presented to Tri-State for consideration.

A motion was made by Smith authorizing Fehringer and Blomenkamp to sign a Waiver relieving Morgan of responsibility in case he learns of information that is adverse to Wheat Belt at Tri-State Litigation Committee meetings. Zimmerman seconded the motion. Roll call vote: Yea: Gortemaker, Blomenkamp, Zimmerman, Smith, Fehringer. Abstain: Morgan. Motion carried.

Consideration of Employee Safety Bonus

Morgan made a motion to grant the employees a \$100 safety bonus for 2019. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

STRATEGIC ISSUES

Lindahl stated that Tri-State has allocated money to each system to install charging stations in member system service areas.

A Customer meeting will be held in April after the Board meeting. We will probably have a pie and ice cream social for the customers. Rebates from Tri-State could be presented and explained. Smith suggested a speaker on electric vehicles. Fehringer suggested an AML presentation.

Lindahl visited with EPRI who may be interested in studying our thermal storage project at the Wheat Belt facilities.

Chaon has been in contact with Maddox Motors to get specs on an electric hybrid vehicle.

Discussion was held concerning the rebates offered from Tri-State on battery operated vehicles and outdoor power equipment.

Infrastructure

A final 2019 Work Plan project listing was included in the Board book.

Modern Energy

Updates to this strategy include the exploration of small hydro generation opportunities, continued exploration of creating a beneficial electrification league, community solar, and office solar plus storage.

Broadband

The Broadband Task Force meeting will be held on February 7th to evaluate any legislation that is introduced on the subject.

POWER SUPPLY REPORTS

Tri-State Board Meeting

Morgan reported on the Board meeting. Morgan stated the Responsible Energy Plan was included in the Board book.

Basin Reports

A Managers membership meeting will be held in the near future.

Midwest Reports

The Midwest Water and Power Committee meets next week and Lindahl will attend.

MEETING REPORTS

Tri-State Contract Committee

Morgan reported that they are accelerating a recommendation to the Board by March, so a decision can be made by April. A consultant is working on a formula for buyout numbers. Discussion followed.

NRECA CEO Conference

Lindahl attended and had nothing else to report.

Tri-State CEO Committee

Lindahl attended and had nothing else to report.

Bond Reimbursement Resolution

Lindahl reported that the purpose of the Resolution is to allow us to borrow money in order to reimburse ourselves for expenditures through the end of the year. Maximum amount will be for ten million dollars. A motion was made by Gortemaker to approve the Bond Reimbursement Resolution. Smith seconded the motion. Roll call vote: Yea: All present. Motion carried.

POLICIES AND RESOLUTIONS

Policy A-1: Purpose, Formulation, Adoption, Review and Distribution of Board Policies: Clarification wording changes were recommended.

Policy C-1: Line Extension Policy: Changes were recommended to clarify when the rebate period starts and to whom it applies.

Policy C-2: Right-of-Way; Policy C-3: Attachments to Poles; Policy C-4: Work on Customer's Premises; Policy C-5: Relocation, Retirement, Removal of Facilities and Minimum Bills; Policy C-6: Standard Construction Practice; Policy C-7: Payment Responsibility; and Policy C-8: Time Limitations. A motion was made by Gortemaker to readopt Policies A-1 and C-1 with changes, and C-2, C-3, C-4, C-5, C-6, C-7 and C-8 with no recommended changes. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

SAFETY ISSUES and SAFETY MEETING MINUTES

The January 8, 2020, Safety Meeting Minutes were included in the Board book and were reviewed. Guests present were Jason Teters and intern, Casey Renner. Training: Jason Teters conducted CPR/First Aid/AED training.

The January 8, 2020, Safety Committee Meeting Minutes were included in the Board book. They were reviewed by the Directors.

Reilly had nothing new to add to his report.

CONSTRUCTION, MAINTENANCE & OPERATIONS

Major Outages

Reilly had nothing to add.

Construction, Maintenance & Operations

Crews were changing the last pole from the storm. There are still some neutrals and things to replace and repair, but a substantial amount of the work has been completed.

Reilly reported that a number of double throws had been installed since the storm.

Coldwater Creek Substation

Tri-State broke ground for the new Substation. Bids will be opened on February 4, 2020.

Capital Budget

Unit 2 will be delivered sometime in February 2020.

CORPORATE SERVICES REPORT

Gulbranson asked the Board for a 2019 Bad Debt write-off for accounts sent to Credit Management, in the amount of \$3,886.45. A motion was made by Morgan to approve the bad debt write-off in the amount of \$3,886.45. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

Marketing

Discussion was held concerning the three applicants who applied to attend the 2020 Youth Tour. A motion was made by Morgan to approve sending all three of the applicants. They will be asked to make a presentation to the Board following the Washington, DC trip. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried. The procedure will be reviewed next year.

Gulbranson reported that she and Chaon had been working on billing and the new rates.

METERING, INFORMATION and TECHNOLOGY

Weeda reported on the meter installation error that caused damage to some of the meter loops. Safety gear was in place and no injuries were incurred.

Fehringer asked how far behind we were in installing the new meters and Weeda responded that we were probably one year behind.

IT Report

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

Security Report

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

FUTURE MEETINGS, TRAINING & ARRANGEMENTS

Peterson reviewed the upcoming meetings with the Directors.

ELECTION OF DELEGATES

NRTC Voting Delegates: currently Fehringer and Morgan. They will remain the same.

CFC Voting Delegate: currently Smith and Morgan. A motion was made by Morgan to appoint Fehringer as the Voting Delegate and Morgan as the Alternate Delegate. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

Western United: Lindahl currently is the voting delegate and he will remain as the voting delegate.

The next Board meeting will be Wednesday, February 19, 2020, beginning at 8:30 a.m.

JANUARY BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 1:52 p.m.

ATTEST:

Bernard G. Fehringer, President

Mike Blomenkamp, Assistant Secretary