

APPROVED REGULAR MEETING MINUTES

BOARD OF DIRECTORS - WHEAT BELT PPD

June 26, 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, June 26, 2020, 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
Moe Moffat
Doug Smith

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

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 June 26, 2020, 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, June 10, 2020, 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

No guests were present.

APPROVAL OF MAY 22, 2020, BOARD MINUTES

Fehringer announced that with no corrections to the May 22, 2020, Board Meeting Minutes, they would stand approved as published.

Public Hearing & Comment Period

No one appeared before the Board.

GENERAL MANAGER'S REPORT

Lindahl began with:

Personnel

Lindahl reported that two former employees had passed away recently.

Other

NREA sent a survey asking for guidance on an in-person meeting in August. Lindahl asked the Directors if they would attend or not. Gortemaker, Smith and Lindahl responded that they would. Fehringer and Smith said they would attend their Committee meetings.

NREA also sent an e-mail asking for Committee member nominations.

NREA – Brian Heithoff stepped in to replace Curtis Kayton on the Hiring Committee.

David Reher from Federated Insurance will be here June 30th for our two-year policy renewal. Lindahl reported to the Directors that in the course of company business, attending meetings, etc., their personal vehicles are covered. A Cyber Insurance question was raised, and Weeda will verify and report.

The asphalt paving for the parking lot has been completed. A light pole was hit and the building where the crew room is was also hit. We are waiting on quotes for repairs.

Legislative & Regulatory

The Nebraska Legislative Session will resume July 20th.

Legal

Lindahl included the NRECA Legal Reporting Services report in the Board book.

Lindahl indicated that attorney fees and legal expenses are being tracked.

Financials

The Financial Report was presented under separate cover.

Staff indicated that we have incurred approximately \$200,000 in costs due to the last two storms. It was reported that quite a few new poles failed, and it is being investigated. There were poles damaged by voles also.

The closing on the sale of the Annex was June 4th. Depreciation on the old building was discussed by Lindahl and how it effects operating margins. Debt issuing capabilities were discussed as well as compliance and bonding.

Covid-19 Update

Lindahl reported on the levels of procedures that are in place. Currently, everyone is working in the main office.

Disconnect Procedures

Lindahl asked about any need to extend the disconnect procedures. We will resume normal procedures.

Economic Conditions

No significant change since last month. Lindahl reported on the oil industry indicating that it is getting back to normal.

Legal Update

Lindahl believes that we are in compliance with all requirements at this time and will continue to monitor new developments.

Lindahl reported that CARES Act monies were allocated to rural broadband.

Retail Rates

Discussion was held on a storm adder consideration to billing.

Following a lengthy discussion, Smith made a motion that a three percent gross revenue storm bill adder be added to the billing, before sales tax, to begin August 1, 2020, for consideration each month to adjust or terminate the adder or authorize a bill credit. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

District Audit Report

Hostetler submitted the report. The Management Discussion section was corrected, so the report was the same as what was presented in April. A motion was made by Gortemaker to approve the 2019 Audit Report as presented. Moffat seconded the motion. Roll call vote: yea: All present. Motion carried.

Bond Issue Parameter Resolution

Lindahl reported and discussion was followed. It was decided to leave the parameters as originally set a few months ago. If the overall rate falls to two percent, the bonds will be issued.

FERC Rate Intervention and Protest

Morgan feels it would be a waste of money to appeal the DMEA FERC ruling.

EXECUTIVE SESSION

An executive session was called by Moffat at 9:45 a.m. to discuss the Colorado PUC legal matter and the FERC legal matter. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

Lindahl remained and Morgan left the Executive session at 9:45 a.m. and returned at 10:10 a.m.

A motion was made by Moffat to resume the meeting at 10:22 a.m. Morgan seconded the motion. Roll call vote: Yea: All present. Motion carried.

STRATEGIC ISSUES

Infrastructure

Gulbranson reported on infrastructure and solar projects. She is preparing for budgeting. She and Borges have been discussing costs for hiring an additional Wheat Belt crew or hiring contractors.

Broadband

Lindahl reported. He has been working with communications providers and others to determine how best to be a part of a grant process.

Lindahl has been working with a group of individuals to develop artificial intelligence software for our industry. A feature that he asked for was to provide a prediction and associated cost of having additional fiber loading on our poles. What would hanging fiber on our lines have done in the recent storms? It could be a significant cost if we lost more poles because of the infrastructure on the poles. Questions and a lengthy discussion followed.

POWER SUPPLY REPORTS

Tri-State Board Meeting

Morgan reported on the May financials and margins. Renewables were also discussed. The Annual Meeting will be held in August at Little America in Cheyenne, Wyoming.

The Tri-State FERC and legal matters were included in the Board book.

POLICIES AND RESOLUTIONS

Policy E-1: Employment Policies; Policy E-2: Paid Time Off (PTO); Policy E-3: Holidays; Policy E-6: Educational Courses; Policy E-7: Expenses; Policy E-8: District Vehicles and Mileage Payments; and Policy E-10: Code of Ethics had no recommended changes. Policy E-4: Uniforms and Safety Equipment, and Policy E-9: Physical Examination had wording and updating corrections. A motion was made by Gortemaker and seconded by Moffat to readopt Policy E-1, Policy E-2, Policy E-3, Policy E-4, Policy E-6, Policy E-7, Policy E-8, Policy E-9 and Policy E-10, with the recommended changes. Roll call vote: Yea: All present. Motion carried.

MEETING REPORTS

Tri-State Contract Committee

Nothing to report.

SAFETY ISSUES and SAFETY MEETING MINUTES

The May 15, 2020, Safety Meeting Minutes were included in the Board book and reviewed by the Directors.

The Safety Committee Meeting was held on May 15, 2020. The meeting minutes

were included in the Board book and reviewed.

The June 16, 2020, Safety Meeting Minutes will be included in the July Board book for review.

CONSTRUCTION, MAINTENANCE & OPERATIONS

Construction, Maintenance & Operations

Borges reported on the major outages for the month. Over 100 poles between the two storms were destroyed. PREMA supplied mutual aid.

Borges reported that pole testing was completed, and 110 poles were rejected.

Coldwater Creek Substation

Reilly reported that the substation work has been completed. The transformer was energized as of Friday, June 19th. The five miles of new line now needs to be built.

Budget Exception for Unit 30 Repairs

Reilly reported that the front axle needs to be replaced on Unit 30. Also, the A/C is not working and there are wiring repairs to be completed. Estimated costs are \$15,000 to \$16,000 to repair the truck. Reilly asked for an exception to the budget to have the truck repaired. A motion was made by Morgan to approve the exception to the budget. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

After Hours Call Service

Blomenkamp reported that during the storm a few weeks ago, a customer called him because he couldn't get through to the SRS call center. Lindahl, Reilly, Chaon and Gulbranson reported and answered questions.

Discussion was held concerning options. Reilly and Chaon are working with SRS on a new script for them. They will be working with SRS on how to handle emergency issues.

CORPORATE SERVICES REPORT

Irrigation Write-off Requests

Gulbranson asked the Board for approval for irrigation testing write-offs for:

Account 9821, Location 20415, in the amount of \$32.35.
Account 54835, Location 92690, in the amount of \$240.94.
Account 18020, Location 40535, in the amount of \$266.45.
Account 79901, Location 92648, in the amount of \$603.13.

A total amount of \$1,142.87. A motion was made by Smith to approve the irrigation testing write-offs in the amount of \$1,142.87. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

Gulbranson reported that a TOU request was received for not getting pivot shut off in time. There is nothing in policy concerning this type of write-off request. Discussion followed. Suggestions made were: only write-off of demand charge; testing two hours per account per month; zero tolerance for running over noon; and ask for a copy of a service invoice to substantiate the testing.

Gulbranson and Chaon will work on a new policy and bring to the July Board meeting for approval.

Human Resources

Gulbranson reported that there are 27 active employees. Wieser's last day was June 3rd, and she has officially entered retirement status.

Gulbranson reported that our retirement policy wording is not very clear. Peterson and Chaon are working on a new retirement policy for Board approval.

METERING, INFORMATION and TECHNOLOGY

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

FUTURE MEETINGS, TRAINING & ARRANGEMENTS

Currently no meetings are scheduled.

The next Board meeting will be Friday, July 24, 2020, 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 12:35 p.m.

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ATTEST:

Bernard G. Fehringer, President

Brian Moffat, Secretary