

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

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

ROLL CALL

The following Directors were present:

Mike Blomenkamp
John Gortemaker, left @1:57
Stuart Morgan
Brian Zimmerman

Bernard Fehringer
Moe Moffat
Doug Smith

Also present were Tim Lindahl, General Manager, Earl Reilly, Operations Manager, Carolyn Hostetler, Chief Financial Officer; Ryan Borges, Staking Engineer; 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

Morgan made a motion to approve the July 24, 2020, Agenda as presented. Gortemaker 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, July 8, 2020, and proof of publication showing such notice as published is attached and thereby made a part of these Minutes. Gortemaker

Board Minutes – July 24, 2020

Page 2

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

Bill Napier

Jeff Nitzel – Invited by Doug Smith. Nitzel has expressed an interest in becoming a member of the Board.

Kendra Strommen - Attorney

APPROVAL OF June 26, 2020, BOARD MINUTES

Fehringer announced that with no corrections to the June 26, 2020, Board Meeting Minutes, they would stand approved as published.

Public Hearing & Comment Period

Bill Napier expressed his concerns on the reliability of our system. He questioned if there were assistance programs to help with generators, etc. from our affiliated organizations. He also questioned poles that he felt needed to be replaced. Questions, answers and discussion followed.

GENERAL MANAGER'S REPORT

Lindahl began with:

Legislative & Regulatory

The Nebraska Legislative Session resumed July 20th. A Bill was introduced to extend virtual meetings if COVID-19 continues. Lindahl reported on Broadband Bills.

Lindahl reported that Dennis Houston was appointed the new NREA General Manager and CEO.

Lindahl included the latest NRECA Legal Reporting Services and reported the use of farmers' equipment (tractors) to pull our trucks out of the mud could be a liability issue. Discussion followed. Consensus was to accept the risk.

The results of the Federated Safety and Loss Prevention Assessment were reported in the Board book. Lindahl reported on the losses and discussion followed. Our losses are very minimal compared to the state average. One thing of note was a deficiency in our contracts with subcontractors. We are working to correct the deficiency by obtaining written agreements from all contractors to

outline the scope of the projects and define the liability.

President Trump issued an executive order on components used in the bulk electric system. This could pertain to any company that supplies energy to any department of defense infrastructure and will be a significant compliance matter.

A national lab has contacted Wheat Belt requesting public and non-public information on our infrastructure for the Air Force. We are working with legal counsel to see if this is legitimate and how best to comply. An additional level of security compliance would be required.

Financials

The Financial Report was presented under separate cover.

Lindahl reviewed our financials in detail with the Board. Lindahl explained that we do not have a cash issue, we have a margin issue, which is why the three percent storm adder was approved. The storms have caused a lot of the current financial issues. A lengthy discussion followed, and a thorough accounting will be conducted on the storm expenses and reported.

Bond Issue Parameter Resolution

Lindahl reported that on July 9th, the tax-exempt bond market hit 2.07%. The bonds would be locked in very close to the two percent number for \$2M for 20 years, as the bond market has been fairly stable. This triggered the execution per the parameters in the previous Bond Parameter motion.

Lindahl reported that Co-Bank has a program where they can re-loan public power districts and can issue bonds themselves. Lindahl explained the program and the debt service schedule and costs associated with the program. Discussion followed on the Co-Bank issuance. Lindahl was directed to further explore the Co-Bank program per Board consensus.

Agenda Item #16 – Strategic Update

Infrastructure – Gulbranson reported that she and Borges are looking at costs associated with hiring contract crews to help rebuild a portion of the system as identified in the Work Plan. Borges also reported that the pole testers passed poles during their inspection this year that should not have been passed. The inspection crew will be coming back to retest poles at their expense. Zimmerman posed a question asking if some of the work plan money could be used for the storm damage repairs. Lindahl and Borges responded and explained the process.

Lindahl explained the details that are required for the bond issuance, and the

bond underwriting process.

A break was taken at 10:30 a.m.

The meeting resumed at 10:40 a.m.

Following the break, discussion resumed on the bond issuance. A motion was made by Moffat to move forward with Bond Resolution #2020-02 to issue \$2M, up to 2.1%. Smith seconded the motion. Roll call vote: Yea: All present. Motion carried.

Lindahl reported that CoBank can loan Public Power Districts monies on municipal bonds. He was directed to look into Co-Bank per the Board consensus.

Retail Rates

Storm Adder Consideration – The three percent storm adder will be applied to the rates beginning August 1, 2020, appearing on a customer's September bill. Lindahl had adjusted the Operating Statement forecast to account for the three percent adder for August-December, and included an Operating Statement forecast in the Board book for review. The adder will remain for now.

EXECUTIVE SESSION

An executive session was called by Gortemaker at 11:02 a.m. to discuss the FERC legal matter; wholesale power contract options; and a District legal matter. Zimmerman seconded the motion. Roll call vote: Yea: All present. Motion carried.

Lindahl and Strommen remained and Morgan left the Executive session at 11:03 a.m. and returned at 11:30 a.m.

A motion was made by Smith to resume the meeting at 12:28 a.m. Moffat seconded the motion. Roll call vote: Yea: All present. Motion carried.

Colorado PUC Intervention and Protest

Lindahl reported on the Ruling. Lindahl recommended to not file in the State of Colorado and to keep our focus on FERC. We would continue to support Tri-State in the counter suit.

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

The meeting resumed at 1:05 p.m.

POLICIES AND RESOLUTIONS

Policy C-11: Irrigation Accounts – Suggested wording changes in the last paragraph: change the word “*ran*” “...during off peak hours” to ...“*operated*” during off peak hours; add the word “*electrical*” “...considered if the “*electrical*” service”; and delete “...*proof of service*” and change to “...accompanying “*repairs*”.

Policy E-11: Employment of Relatives; Policy E-12: Cell Phone Use; Policy E-13: Separation of Service; Policy E-14: Theft from the District; Policy E-15: Electrician’s License; Policy E-16: Employee Recognition; Policy E-17: Equal Employment Opportunity; and Policy E-18: Medical Insurance, Retired Employees. A motion was made by Gortemaker and seconded by Moffat to readopt Policy E-11, Policy E-12, Policy E-13, Policy E-14, Policy E-15, Policy E-16, Policy E-17, and Policy E-18, with no recommended changes and Policy C-11, with the recommended changes. Roll call vote: Yea: All present. Motion carried.

Budget Update

Lindahl answered a question presented earlier in the meeting regarding an A&G increase: a lot of the attorney fees are reflected in this line item on the accrual side.

POWER SUPPLY REPORTS

Tri-State Board Meeting

Morgan had nothing to add to his report in the Board book.

Both Morgan and Lindahl answered questions and discussion followed.

STRATEGIC ISSUES

Infrastructure

Gulbranson reported earlier in the meeting.

Modern Energy

Gulbranson reported that the hybrid car should be arriving any day. She also reported on a community solar project, which she is still researching.

Customer Engagement

After discussion was held concerning a customer appreciation event it was

decided to wait until next spring to celebrate the 75th Anniversary.

Gulbranson reported that we are looking into mobile apps provided by our current software provider.

Strategic Technology Overview

Weeda gave a presentation and update on the technology projects.

Physical Security Update: The remotely operated gates have been installed and the gate controllers will be installed in the near future so the employee fobs can be used.

SAFETY ISSUES and SAFETY MEETING MINUTES

The June 16, 2020, Safety Meeting Minutes were included in the Board book and reviewed by the Directors.

The July 8, 2020, Safety Meeting Minutes were included in the Board book and reviewed by the Directors.

Reilly reported that one of our bucket trucks was laid over in the ditch when the shoulder of the road gave away. The lineman was not injured, and the truck will be inspected before being put back into service.

CONSTRUCTION, MAINTENANCE & OPERATIONS

Major Outages

Reilly reported that on July 8th, we lost 24 more poles due to high winds and fire damage.

Construction, Maintenance & Operations

Reilly reported that the crews are working on storm damages and some oil well accounts. Also, seven new services at the Lake were completed. A new, one megawatt service, is being considered.

Coldwater Creek Substation

Reilly reported that the crew has been building the new line to the Substation and were stringing the line.

COLD STORAGE FACILITY/LAND

Reilly reported that bids went out to six contractors and the intent is to have bids

returned before the August Board meeting so a report can be given at that time.

CORPORATE SERVICES REPORT

Irrigation Write-off Requests

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

Account 20624, Location 43230, in the amount of \$260.10.

A motion was made by Smith to approve the irrigation testing write-off in the amount of \$260.10. Gortemaker seconded the motion. Roll call vote: Yea: All present. Motion carried.

Inadvertent Irrigation Write-off Requests in June

Gulbranson reported that last month two of the accounts that were provided for write-off were TOU and should not have been included. She will not write off those charges, until proof of repairs has been received.

After Hours Call Handling

Staff is working with SRS to get the account number and third-party information on their reports. Gulbranson is talking with PCS, our software programmers, about a mobile app which can be integrated with the Outage Call Handling communication system. Some questions followed and Gulbranson will check to see if SRS can handle text messages and if the account on the app can have a nickname.

Marketing

Gold Rush Days has been cancelled for 2020. We are sponsoring some of the area fairs and Hruska is working on the school projects.

Human Resources

Currently there are 27 employees.

Blomenkamp asked a question concerning our bill process. A customer contacted him wanting a summary of all his accounts on one statement. We currently do not have that option.

METERING, INFORMATION and TECHNOLOGY

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

FUTURE MEETINGS, TRAINING & ARRANGEMENTS

The NREA meeting scheduled to be held in Scottsbluff, will now be a virtual meeting.

Election of Delegates & Other Organizational Items

Tri-State G&T – Currently Morgan is the Director and Voting Delegate and Fehringer is the Alternate Delegate. The Delegates will remain the same and the Certification and Credentials Sheets were completed.

A CFC Official Ballot was completed by Fehringer.

The next regular Board meeting will be Friday, August 28, 2020, beginning at 8:30 a.m.

JULY BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 2:05 p.m.

ATTEST:

Bernard G. Fehringer, President

Brian Moffat, Secretary