

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD
AUGUST 24, 2007

The regular meeting of the Board of Directors of Wheat Belt Public Power District was called to order at 9:00 a.m., Friday, August 24, 2007, at the District Headquarters, 2104 Illinois Street, Sidney, Cheyenne County, Nebraska.

ROLL CALL

The following Directors were present:

Bernie Fehringer, Arrived at 9:15
Jim Hass
Stuart Morgan
Paul Robinson

Martin Petersen
Doug Smith
Dennis Zimmerman

Also present were Aavo Taaler, General Manager; Carolyn Hostetler, Chief Financial Officer; Pam Wieser, Business Manager; Earl Reilly, Operations Superintendent; Ryan Borges, Staking Engineer; Tim Lindahl, IT Specialist; Debra Schlaman, Financial Accounting Assistant and Greg Jenkins, Construction Lineman.

Paul Robinson, President, declared a quorum present.

APPROVAL OF AGENDA

Hass made a motion to approve the agenda as mailed. Petersen seconded the motion. Yea: All present. Motion carried.

NOTICE OF MEETING

Notice of this meeting was given by publication in the Sidney Sun-Telegraph on Tuesday, August 14, 2007, and proof of publication showing such notice as published is attached and thereby made a part of the minutes. Smith made a motion to waive the reading of the notice. Petersen seconded. Yea: All present. Motion carried.

INTRODUCTION OF GUESTS

Robinson introduced guest Greg Jenkins, Construction Lineman and second in command of the construction crew.

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APPROVAL OF JULY 27th MINUTES

Smith moved to waive the reading of the July 27, 2007, Board meeting minutes and that they be approved as mailed. Petersen seconded the motion. Yea: All present. Motion carried.

MANAGER ' S REPORT

Taaler reported on a personnel change. Construction Lineman, Tom Mathine, is leaving to go to Burt County in Tekamah, Nebraska. Taaler stated that we would not be filling the position, and the employee level will revert to 29.

Taaler also announced that he will be retiring as of the end of 2008.

Two changes in Board meeting dates were discussed. The November meeting will be Tuesday, November 27th and the December meeting will be Monday, December 17th.

The 2008 Employee Wage and Salary Committee has been formed and will present their thoughts on the medical plan benefits package at the September Board meeting. The Committee's wage and salary increase suggestion will be presented at the October Board meeting.

Financials: The monthly financial reports were included in the Board packet and were thoroughly discussed.

Taaler reported that the Form 7 mirrors the cash requirements information and that Wheat Belt will meet TIER and budget at the end of the year.

The capital item budget sheet was included in the board packet. Taaler asked members to note that the Sidney Substation transformer repairs were reimbursed to Wheat Belt by Federated Insurance in the amount of \$75,135.59. The total cost to Wheat Belt was \$1,000.

Legislative: Taaler reminded the Board members of the Candidate Training School in Kearney on September 27, 2007. Fehringer reported that he would be attending.

Other: Discussion was held on the special rate from Tri-State for Performance Pipe. Taaler was directed to ask Tri-State if we could hold the special rate for a year.

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A lengthy discussion was held concerning the AMR/water meter issue. Taaler reported that he would report to the Board at the next meeting on the costs for the Cannon pilot project at the Gurley Substation for next year.

Taaler reported that Mr. Terry Hamaker visited the office on August 15th and expressed an interest in running for the Board of Directors at the 2008 election. Taaler will send him information on the Candidate Training School.

Schlaman reported on the association dues for the Chamber of Commerce in Bridgeport, Chappell and Garden County.

A copy of the 2008 Budget Preparation Schedule was included in the Board packet and was reviewed.

Taaler reported on a memo from Steve Seglin concerning the state statute regarding the PPD budget process. The memo stated we should include “revenue from all sources separately stated as to each source and expenditure; and a summary from the prior two years.”

CONSTRUCTION, MAINTENANCE & OPERATIONS REPORT

Borges reviewed the major outages and the construction, maintenance and operations for the past month.

Borges reported that Wheat Belt hosted the Operations Managers meeting on August 9th and attendees were impressed with Wheat Belt’s substation monitoring reports. Attendees toured the DC Tie Station prior to the meeting.

Reilly and Borges attended a meeting with NPPD in Ogallala concerning a contingency plan for Wheat Belt, Midwest and NPPD on how to back-feed substations. The 3-Mile Tie Line at Big Springs was discussed as to the benefits to Wheat Belt and NPPD.

Borges reported that a site plan for the compression station has been completed and the engineers have been contacted.

Borges reported that staking has been completed for the first 5 mile section of the Colton line rebuild. Materials have been ordered and construction may begin at the end of September with poles and 2F copper wire being replaced. Discussion and questions followed.

Fehringer asked if customers would be called on their cell phones in addition to the main phone number when there was a planned outage. Directors stated that we need to work on this in order to adapt to the times as many customers do not

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have land lines anymore and only use cell phones. Wieser has put information in the REN magazine asking customers to call in with their cell phone information more than once and will do so again. She will also contact our programmer for costs for an additional field in the billing data base to accommodate a second telephone number.

Reilly reported that a team from the Regulatory Compliance Service will be conducting a PCB Management Evaluation for Wheat Belt. This evaluation will be of the utility's management of PCB's including standard operating procedures and record-keeping practices to make sure we are compliant. The approximate cost is \$6,000.

BUSINESS REPORT

Discussion was held on Subordination Agreements.

INFORMATION AND TECHNOLOGY REPORT

Lindahl reported on his SCA"DA" system and reviewed the graphs and charts included in the Board packet and answered questions.

Lindahl reported that it was too late this year for a "time of use" rate report. He will probably have it ready for next year.

EXECUTIVE SESSION

None needed.

MEETING REPORTS

There were no questions for Taaler concerning his Midwest Electric Consumers meeting report. Discussion was held on the Basin Electric integrated system plan.

Morgan reported on the August Tri-State Board Meeting and questions and discussion followed. Morgan reported that the projected rate increase for 2008 is 11.4% and the projected rate increase for 2009 is 2.7%.

SAFETY ITEMS

The Employee Safety Meeting and the Safety Committee Meeting minutes of August 10, 2007, were reviewed and thoroughly discussed.

POLICIES & RESOLUTIONS

Policy E-19: Drug Free Workplace and Policy E-19A: Drug and Alcohol Testing: Petersen made a motion to adopt Policy E-19 and Policy E-19A as amended. Fehringer seconded. Yea: All present. Motion carried.

Policy E-20: Safety Policy: Petersen moved to readopt Policy E-20. Morgan seconded. Yea: All present. Motion carried.

Policy D-10: Reliability Standards: Fehringer made a motion to adopt Policy D-10. Zimmerman seconded the motion. Yea: All present. Motion carried.

STRATEGIC ISSUES

Lengthy discussion was held on the Nebraska Systems Power Supply Group Resolution. Taaler reported that the group is forging ahead and plans to go to Tri-State with their Resolution. It was the consensus of the Board that Taaler ask Reiber and Skinner to include Wheat Belt in their meetings for information purposes and that Wheat Belt reserve the option to not go to Tri-State if there is an ultimatum involved. Fehringer feels there is a reasonable basis for the Basin served members to have a different rate.

Discussion was held on the motor capacitor program. The goal is the same; just no progress has been made.

A discussion was held concerning the WECC/MRO Reliability Standards. Taaler reported that the final papers were submitted and we are finished for the year.

Wheat Belt will be audited by MRO in 2008. This will be a “submission” audit only.

Discussion was held concerning the 11.4% Tri-State proposed rate increase for 2008. The Cost of Service Study will be included for consideration in the new Budget figures to be presented to the Board for approval.

FUTURE MEETINGS & TRAINING

Taaler reviewed the list of future Director meetings and training.

Motion was made by Petersen to reaffirm CFC voting delegates Robinson and Fehringer. Morgan seconded the motion. Yea: All present. Motion carried. Motion was made by Petersen to reaffirm the Midwest Electric Consumers voting delegates Zimmerman and Robinson. Fehringer seconded the motion. Yea: All present. Motion carried.

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OTHER BUSINESS

None reported.

AUGUST BOARD MEETING

There being no further business to come before the Board, the President declared the meeting adjourned at 11:15 a.m.

ATTEST:

Paul Robinson, President

Martin E. Petersen, Secretary