

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD
DECEMBER 17, 2007

The regular monthly meeting of the Board of Directors of Wheat Belt Public Power District was called to order at 9:00 a.m., Monday, December 17, 2007, at the District Headquarters, 2104 Illinois Street, Sidney, Cheyenne County, Nebraska.

ROLL CALL

The following Directors were present:

Bernie Fehringer
Jim Hass
Stuart Morgan

Paul Robinson
Doug Smith
Dennis Zimmerman

Director Martin Petersen was absent.

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

Paul Robinson, President, 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 agenda as mailed. Hass 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 Saturday, December 8, 2007, and proof of publication showing such notice as published is attached and thereby made a part of the minutes. Morgan made a motion to waive the reading of the notice. Hass seconded. Yea: All present. Motion carried.

INTRODUCTION OF GUESTS

Taaler introduced guest Chris Schilz, Warehouseman.

APPROVAL OF NOVEMBER 28TH MINUTES

Smith moved to waive the reading of the November 28, 2007, Board meeting minutes, and that they be approved as presented. Fehringer seconded the motion. Yea: All present. Motion carried.

MANAGER ' S REPORT

Taaler and Wieser reported on a change at NRECA regarding life insurance. As of January 1, spouses over the age of 70 will no longer be eligible for the group plan – they can transfer over to the Met Life private policy at a much higher cost. Discussion followed and Wieser will continue to investigate options and report to the Board. Active employees over the age of 70 will have a decreasing benefit amount.

Financials: The monthly financial reports presented at the meeting were thoroughly discussed.

Taaler reported on a residential usage error in last month's financials. Taaler and Hostetler discussed the discrepancies with the Board.

Tri-State, at its December Board meeting, approved a \$5 million capital credits retirement, which will result in a budgeted \$102,797 check to Wheat Belt. Funds will be deposited into the Tri-State prepayment account.

Legislative: The NREA Board approved an additional \$100,000 for the NREA budget to start a grass roots advocacy program. One full-time employee will report to Kristen. Taaler reported that Kristen will be in the Wheat Belt office to visit on December 18th. She will be giving a Grass Roots presentation to High West Energy in Pine Bluffs, WY.

Questions were brought up concerning Net Metering and the proposed changes to the latest bill for the 2008 Legislative Session.

Other: The 2008 IRS mileage rate will increase to 50.5 cents per mile January 1.

Director candidate filing dates have been set for July 15th for incumbents, and the first of August for non-incumbents.

Taaler reported that Mark McGahey will give a presentation in January to a group in Chappell considering wind generation for the town to augment the City's power requirements.

CONSTRUCTION, MAINTENANCE & OPERATIONS REPORT

Reilly reviewed the construction, maintenance and operations for the past month. There was a major outage on November 7th. The west circuit out of Lewellen was affected and power was out for approximately six hours.

Last month, Reilly reported that the three transformers in the Oshkosh South Sub needed to be changed. After consulting with Bob McDonald from ESC, three 167 KVA step down transformers will be installed at a cost of \$7,329.00 (plus a spare). These will be properly sized instead of oversized and will save in line loss.

Discussion was held concerning the Dalton communications tower regarding the location move, the generator and batteries.

Borges reported on the 2007 physical inventory. Borges asked the Board for a negative adjustment of \$115.81. Hass moved to adjust the inventory in the amount of a minus \$115.81. Smith seconded the motion. Yea: All present. Motion carried.

BUSINESS REPORT

The auditor had been in the office, and Wieser spent some time doing calculations and explaining the information gathered for him.

Wieser reported on the end of the year write-offs, which are in the amount of \$6,527.36. These accounts have been sent to Credit Management for collection. Fehringer moved to write off the bad debt accounts in the amount of \$6,527.36. Zimmerman seconded the motion. Yea: All present. Motion carried.

INFORMATION AND TECHNOLOGY REPORT

Lindahl reported on the purchase of electrical digital timers for the substations which will automatically reboot the communications equipment. This was an inexpensive fix for this maintenance item.

Lindahl has been updating the telephone server software. He reported that the Cannon project is still in the initial stages.

The Wheat Belt power peak this month was during a non-peak period time resulting in a savings to the company and customers.

Discussion was held on E-2 rate and peaks for commercial accounts.

MEETING REPORTS

Morgan reported on the December Tri-State Board Meeting. Questions and discussion followed.

Taaler reported on the NREA Annual meeting in Kearney.

Zimmerman asked if the Directors were happy with the programs at the Midwest Electric Consumers meeting held in Denver. The Directors unanimously agreed the programs were well presented.

SAFETY ITEMS

The December 2007 and January 2008 Employee Safety Meeting minutes will be reviewed at the January Board meeting.

The 2008 schedule for Directors' attendance at the Safety meetings and Safety Committee meetings was presented and reviewed.

2008 BUDGET

The final 2008 budget proposal was presented with the addition of a \$7,000 cable reel trailer. This is a custom ordered trailer for transporting and stringing various size cable reels. Also, Taaler reported that the contractors conducting the maintenance work on the system reclosers and breakers will not get the planned work finished by the end of the year. This will result in a \$32,000 Operations and Maintenance line item, which will be a 2007 carry over.

Fehringer moved to approve the 2008 Budget as presented including the capital items. Hass seconded the motion. Yea: All present. Motion carried.

POLICIES & RESOLUTIONS

Bylaws: Article 2, Section 6: A minor change was discussed. Publication in the newspaper will follow.

Policy D-1: Director Compensation and Expense Report Approval: Smith made a motion to adopt Policy D-1 as amended. Morgan seconded. Yea: All present. Motion carried.

Board Minutes – December 17, 2007

Page 5

STRATEGIC ISSUES

Discussion was held on the NPIG issues and the group's meeting on December 19th.

Directors Fehringer and Zimmerman volunteered to be on the 2008 Rate Review Committee with staff members. The first meeting will be in February to lay out a strategic plan of action.

Taaler reported on the FERC/MRO/WECC reliability standards paperwork and procedures.

FUTURE MEETINGS & TRAINING

Taaler reviewed the list of future Director meetings and training.

Board meeting dates for 2008 were discussed and changes made. The February meeting will be held on the 20th and the November meeting will be held on the 21st.

DECEMBER BOARD MEETING

There being no further business to come before the Board, the President declared the meeting adjourned at 11:25 a.m.

ATTEST:

Paul Robinson, President

Dennis Zimmerman, Assistant Secretary