

**APPROVED REGULAR MEETING MINUTES**  
**BOARD OF DIRECTORS - WHEAT BELT PPD**  
**JUNE 22, 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, June 22, 2007, at the District Headquarters, 2104 Illinois Street, Sidney, Cheyenne County, Nebraska.

**ROLL CALL**

The following Directors were present:

Paul Robinson  
Bernie Fehringer  
Jim Hass  
Stuart Morgan

Martin Petersen  
Doug Smith  
Dennis Zimmerman

Director Petersen left the meeting at 12:30 p.m.

Also present were Aavo Taaler, General Manager; Carolyn Hostetler, Chief Financial Officer; Pam Wieser, Business Manager; Ryan Borges, Staking Engineer; Debra Schlaman, Financial Accounting Assistant; Steve Groshans, Assistant Operations Manager and Deryl Travis of Smith Barney.

Paul Robinson, President, declared a quorum present.

**APPROVAL OF AGENDA**

Zimmerman 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 Saturday, June 9, 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**

Taaler introduced guests Steve Groshans, Assistant Operations Manager and Deryl Travis, Financial Advisor from Smith Barney.

**APPROVAL OF MAY 25TH MINUTES**

Smith moved to waive the reading of the May 25, 2007, Board meeting minutes and that they be approved as mailed. Hass seconded the motion. Yea: All present. Motion carried. Taaler asked the Board if they would consider recording the Board meetings for secretarial purposes. Request denied.

**INVESTMENT REPORT**

Deryl Travis gave his semi-annual investment report. The Portfolio Performance Report was reviewed by the Board. A question was posed to Deryl as to the difference in interest rates between the Wheat Belt records and the information given in the Investment Report. It was discovered that several of the bonds are classified as “step up” bonds. The interest rates on these bonds increase periodically. Deryl’s report reflected these increases.

**MANAGER / S REPORT**

Personnel: Taaler stated the employee level is now at 30, with the addition of two linemen. Taaler stated that we now have a good, young line construction crew that he felt would be stable for some time.

Financials: The monthly financial reports were included in the Board packet and were thoroughly discussed. The cost of power for May was 62.12 mills, slightly higher than the annual budgeted amount of 60 mills.

Taaler reported that the pole testing program was completed. There were 2,196 transmission poles tested and 24 were bad.

Legislative: The Rural Electric Statehouse News year end report from NREA Government Relations Director, Kristen Gottschalk, was included in the Board packet for the directors’ review.

Other: The annual statistical report from the Nebraska Electric G & T was enclosed in the Board packet and discussed.

Taaler reported that the issuance of the 2007 Refunding Bonds has been completed.

On May 23, the annual insurance policy review with Federated was completed. Our Workers Comp experience factor was 0.92, which saved \$3,499 on the Wheat Belt premium.

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Taaler reported that the new Ethanol plant in Bridgeport is scheduled to start construction this summer, and be in operation next summer with a predicted load of 3.7 megawatts.

A question was raised concerning the report from Jim Dietz concerning directors' mileage reimbursement being taxable. The consensus of the Board is to wait for an opinion from Jay Holmquist.

### **PUBLIC COMMENT PERIOD**

Ryan Reiber, Manager of Panhandle Rural Electric, and Roland Skinner, Manager of Northwest Rural PPD, gave a presentation on the Tri-State power costs and how the Nebraska systems pay considerably more for power than Tri-State's cost from Basin. In the next few months, the Board was asked to review the Draft Resolution and consider joining the Nebraska group of Tri-State members seeking a reduction in power costs.

The Board adjourned for lunch at noon and resumed the meeting at 12:40 p.m.

### **CONSTRUCTION, MAINTENANCE & OPERATIONS REPORT**

Borges reported on a major outage on June 17<sup>th</sup>. Switch 2-05AW was arcing. The crew took the outage to install a jumper. Replacement parts for the switch have been ordered.

Six new services were completed.

The UPRR crossing permit has been received and construction has begun for the Evertson irrigation well.

Borges reported on the new load estimation at the Bridgeport Ethanol plant. ESC has informed us that with upgrades, we will be able to serve the load from the distribution system.

A natural gas company is in the process of purchasing land east of Dalton to put in a gas compression station. Initially, there will be two motors installed with a horsepower of 150 and 250.

### **BUSINESS REPORT**

Wieser reported on the Cattlemen's Ball. The temporary service has been removed from the location.

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The Directors were invited to attend the annual Christmas in July ice cream socials at the various nursing homes in the area. A list was provided indicating the dates and locations.

Wieser reported that Haas Hops has asked for an account transfer as the property has been sold. The new owners were given a minimum demand figure based on their equipment size information. Some discussion followed.

### **INFORMATION AND TECHNOLOGY REPORT**

Lindhahl was attending the NRECA IT Conference in Indianapolis. His report was reviewed.

### **EXECUTIVE SESSION**

None needed.

### **MEETING REPORTS**

Morgan reported on the June Tri-State Board meeting. Discussion followed. Morgan reported that there will be a member information meeting Wednesday afternoon, August 8<sup>th</sup> following the Board meeting. Also, there will be bus tours on the 9<sup>th</sup> to the Laramie River Station.

Taaler reported on the NREA Managers' Meeting. Discussion followed. Correspondence between Southern Power District and the Statewide was enclosed in the Board packet for review.

### **SAFETY ITEMS**

The June 8, 2007, Employee Safety Meeting minutes were reviewed and thoroughly discussed.

### **POLICIES & RESOLUTIONS**

**Policy E-1: Employment Policies; Policy E-6: Educational Courses; Policy E-7: Expenses; Policy E-8: District Vehicles and Mileage Payments and Policy E-9: Physical Examination:** Morgan made a motion to readopt Policy E-1, Policy E-6, Policy E-7, Policy E-8 and Policy E-9. Fehring seconded. Yea: All present. Motion carried.

**Policy E-2: Paid Time Off (PTO):** Fehring made a motion to adopt Policy E-2 as amended. Zimmerman seconded. Yea: All present. Motion carried.

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**Policy E-3: Holidays:** Fehringer made a motion to adopt Policy E-3 as amended. Hass seconded. Yea: All present. Motion carried.

**Policy E-4: Uniforms and Safety Equipment:** Zimmerman made a motion to adopt Policy E-4 with a wording change of “fire retardant” following the FR initials in the second paragraph. Morgan seconded the motion as modified. Yea: All present. Motion carried.

**Policy C-23: Customer Generation:** Was reviewed. A wording change of “net billing” instead of “net metering” was approved. This first draft with amendments and appendices will be reviewed again next month.

### **STRATEGIC ISSUES**

Taaler reported on the FERC Reliability Standards. Wheat Belt is registered with both the WECC (Western Electricity Coordinating Council) and the MRO (Midwest Reliability Organization). The MRO self reported notices of violation and their associated mitigation plans were submitted on June 13<sup>th</sup>.

A Cannon AMI demonstration was staged at Wheat Belt and attended by several directors. On review, staff has decided that the Gurley Sub would provide the best diversity of accounts to conduct a pilot program.

Taaler reported that half of the test capacitors had been installed. Reilly will pressure electricians to finish the installation so that the testing process can begin.

### **FUTURE MEETINGS & TRAINING**

Taaler reviewed the list of future Director meetings and training.

### **OTHER BUSINESS**

None.

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**JUNE BOARD MEETING**

There being no further business to come before the Board, the President declared the meeting adjourned at 2:00 p.m.

ATTEST:

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Paul Robinson, President

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Martin Petersen, Secretary