

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD
OCTOBER 31, 2007

The regular meeting of the Board of Directors of Wheat Belt Public Power District was called to order at 9:00 a.m., Wednesday, October 31, 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

Martin Petersen
Doug Smith
Dennis Zimmerman

Also present were Aavo Taaler, General Manager; Pam Wieser, Business Manager; Carolyn Hostetler, Chief Financial Officer; Ryan Borges, Staking Engineer; Tim Lindahl, IT Specialist; Debra Schlaman, Financial Accounting Assistant and Meladi Roseberry, Customer Care Assistant.

Paul Robinson, President, declared a quorum present.

APPROVAL OF AGENDA

Smith made a motion to approve the agenda with two changes: Agenda Item 6 will be postponed until November with Deryl Travis of Smith Barney giving his Investment Report at that time; and Attorney, Tom Sonntag, will be joining the meeting at 10:30 a.m. to contribute to the discussion on the Nebraska Power Issues Group. Zimmerman 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, October 13, 2007, and proof of publication showing such notice as published is attached and thereby made a part of the minutes. Fehringer made a motion to waive the reading of the notice. Hass seconded. Yea: All present. Motion carried. Copies of the Notice of the Meeting Postponement, published on October 23, 2007, were distributed to the Directors and thereby made a part of the minutes.

INTRODUCTION OF GUESTS

Robinson introduced guest Meladi Roseberry, Customer Care Assistant.

APPROVAL OF SEPTEMBER 28TH MINUTES

Morgan moved to waive the reading of the September 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 reported that flu shots will be given in a couple of weeks in conjunction with the yearly health fair. Discussion was held on holding the health fair earlier in the month of November for next year.

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

Taaler reported that the special irrigation meter readings held in mid-September will be an item for discussion during next year's proposed major rate review.

Taaler commented that should the remainder of the year be fairly similar to last year, we should meet overall TIER requirements of 1.25.

Legislative: Taaler distributed copies of Kristen Gottschalk's report.

Auditor: Taaler reported that we are entering the second year of a two-year contract with Schmidt and Company to perform the 2007 operating year audit, and asked if anyone had a question or concern with their work. There were no concerns, so they will be scheduled to perform the audit in January.

A copy of the NREA systems survey on Director health insurance benefits was included in the Board packet and discussed.

CONSTRUCTION, MAINTENANCE & OPERATIONS REPORT

Borges reviewed the construction, maintenance and operations for the past month. Crews have completed the overhead build for the 450 hp compressor station east of Dalton. Discussion followed.

Taaler reported that Reilly was attending a week-long Loss Control Training class in Wisconsin.

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Reilly, Armstrong and Begger attended the annual JT&S conference in Kearney where training was held on cold weather survival. Packs for the trucks are being prepared and placed in each unit.

Borges and Taaler reported that John Corum, instructor for the WNCC Lineman School in Alliance, is setting up internships for the students for the spring semester. The students will have Fridays off to do intern work. There are two students from our service territory and Taaler and Reilly would like to place one or both with Wheat Belt. The concept was approved by the Directors.

Also discussed was the switching out of poles climbed by the students at the school and placing them in our systems at non-critical locations. This could save the school considerable money each year replacing worn out poles as well as give the students more opportunity to practice replacing poles in their outside labs. This subject will require further investigation.

BUSINESS REPORT

Wieser reported that the Keith County Sheriff was contacted because a disconnected customer damaged a meter and cut the seal to reconnect himself. He could have been severely injured. Said customer will be billed extra for the additional calls and damages on his house account.

Taaler reported that Bob Lyons, formerly from High West Energy, may give a presentation on energy theft recognition to Wheat Belt employees.

INFORMATION AND TECHNOLOGY REPORT

Lindahl reported on the AMRA meeting he and Rosenbaum attended.

A lengthy discussion on the AMR pilot project at the Gurley Sub and area followed.

STRATEGIC ISSUES

Attorney Tom Sonntag arrived, and a lengthy discussion followed on the Nebraska Power Issues Group. Petersen moved to table the discussion and take no action until advice from legal counsel was received. Motion seconded by Zimmerman. Yea: All present. Motion carried.

Motion was made by Petersen to address a new proposed NPIG Engagement Agreement at the next Board meeting. Morgan seconded the motion. Yea: All present. Motion carried.

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EXECUTIVE SESSION

The Board went into executive session at 11:19 a.m. to discuss personnel issues and resumed the meeting at 11:25 a.m.

MEETING REPORTS

The NREA Manager's Meeting report submitted by Taaler was reviewed.

Taaler reported on the NREA Legal Seminar. Items of discussion were: sales and income taxes; railroad crossings; and transmission line applications.

Petersen's report on the NRECA Region VII Meeting was reviewed. A correction was noted that Smith was the voting delegate, not Morgan.

Robinson's report on the CFC Meeting at Overland Park, Kansas was reviewed with no questions.

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

Taaler covered a few points discussed at the WyoBraska MDM meeting held in Scottsbluff.

SAFETY ITEMS

The Employee Safety Meeting minutes of October 12, 2007, were reviewed and thoroughly discussed.

BUDGET ITEMS

Weeda represented the Employee Wage and Salary Committee and answered questions on the examples in the Board packet on the 2008 wage proposals. Fehringer stated that because of the safety accreditation and exemplary safety record, he would like to raise the no lost time accident reward to \$100 per employee. Motion was made by Petersen to assign a 4.0% total increase to the whole package which would increase the wages 4.79% in the complete package and to increase the no lost time accident reward to \$100 per employee. Fehringer seconded the motion. Yea: All present. Motion carried.

Following a discussion on the proposed 2008 rate increases presented by Lindahl and staff, Fehringer moved to adopt the new rates as presented by the staff. Petersen seconded the motion. Yea: All present. Motion carried.

MANAGER’S EVALUATION & SALARY REVIEW

The Board went into executive session at 11:50 a.m. to discuss the manager’s evaluation and salary compensation.

The meeting resumed at 12:42 p.m. with a motion being made by Petersen and seconded by Zimmerman that based upon an excellent evaluation and service record, Taaler’s salary would remain the same for 2008, but a one-time, manager only, waiver be granted in exchange for considering his retirement at the end of the year as “a qualifying retirement” for frozen sick leave bank use towards future monthly medical plan payments. Yea: All present. Motion carried.

POLICIES & RESOLUTIONS

Policy F-1: Checks, Drafts, Etc.; Policy F-2: Financial Goals; and Policy F-4: Handling of Payments: Zimmerman made a motion to readopt Policy F-1, Policy F-2, and Policy F-4. Petersen seconded. Yea: All present. Motion carried.

Policy C-7: Payment Responsibility: Fehringer moved to adopt Policy C-7 as amended. Hass seconded. Yea: All present. Motion carried.

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

FUTURE MEETINGS & TRAINING

Taaler reviewed the list of future Director meetings and training.

OCTOBER BOARD MEETING

There being no further business to come before the Board, the President declared the meeting adjourned at 12:52 p.m.

ATTEST:

Paul Robinson, President

Martin E. Petersen, Secretary