

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD
FEBRUARY 19, 2008

The regular monthly meeting of the Board of Directors of Wheat Belt Public Power District was called to order at 9:00 a.m., Tuesday, February 19, 2008, at the District Headquarters, 2104 Illinois Street, Sidney, Cheyenne County, Nebraska.

ROLL CALL

The following Directors were present:

Bernie Fehringer
Jim Hass, Arrived at 10:10
Stuart Morgan
Martin Petersen

Paul Robinson
Doug Smith
Dennis Zimmerman

Also present were Aavo Taaler, General Manager; Pam Wieser, Business Manager; Carolyn Hostetler, Chief Financial Officer; Earl Reilly, Operations Superintendent; Debra Schlaman, Financial Accounting Assistant and Rollie Waite, Dalton Area Foreman.

President Smith, declared a quorum present.

Attention of the Directors and attendees was directed to the Open Meetings poster.

APPROVAL OF AGENDA

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

NOTICE OF MEETING

Notice of this meeting was given by publication in the Sidney Sun-Telegraph on Friday, February 8, 2008, and proof of publication showing such notice as published is attached and thereby made a part of the minutes. Petersen made a motion to waive the reading of the notice. Fehringer seconded. Yea: All present. Motion carried.

INTRODUCTION OF GUESTS

Taaler introduced Rollie Waite, Dalton Outpost Maintenance Foreman.

APPROVAL OF JANUARY 25TH MINUTES

Morgan moved to waive the reading of the January 25, 2008, Board meeting minutes, and that they be approved as presented. Robinson seconded the motion. Yea: All present. Motion carried.

MANAGER ' S REPORT

Financials: The final 2007 year-end reports were reviewed, and thoroughly discussed.

Taaler reported that the auditors will attend the March Board meeting to make their formal report on the 2007 Audit. At the March Board meeting, the January and February financials will be reviewed.

Taaler reported that at the February Tri-State Board meeting, an additional \$15 million was allocated for capital credit retirement (mostly from 1995). This equates to \$264,000 cash for Wheat Belt, which should be received in March, and will be deposited in the prepayment account. Morgan explained the additional allocation and discussion followed. Hostetler qualified the information with Form 7 reports from 1994, 1995 and 1996.

Legislative: Taaler included the "Introducers Statement of Intent" letters on the five bills that are of major interest to NREA members for the short session of the 100th Legislature in the Board packet. Discussion followed.

Other: Taaler again reminded directors that it is time to complete and return the 2007 **Statement of Financial Interests** to the Accountability and Disclosure Commission.

A copy of the letter of termination of the Performance Pipe special economic development rate by Tri-State was included in the Board packet.

Copies of a video showing damages resulting from flooding at the Tri-County Electric in Minnesota were distributed to the directors. They were encouraged to view the video at home.

Taaler asked directors if any of them wanted a change in the Board packet format – hard copy or electronic. Smith wished to begin receiving a hard copy in lieu of the electronic copy.

CONSTRUCTION, MAINTENANCE & OPERATIONS REPORT

Reilly reviewed the construction, maintenance and operations for the past month.

Reilly reported that three Grid Sense LT 40 line trackers had been received. These are to record blinks on the line, voltage, amperage etc. They can be left on the line for weeks, and then the readings can be downloaded to the laptops.

Taaler reported on an Interconnect Agreement concerning the Ethanol Plant account. The Agreement has been sent to Tri-State for review and Taaler will report their findings at the next Board meeting.

BUSINESS REPORT

Wieser reported that the Wheat Belt banner would be displayed at the Environmental Energy and Sustainability Symposium to be held on Saturday, March 8th in Scottsbluff. Discounted tickets are available if anyone is interested.

Wieser reported that contracts had been received on the build south of town for the three new oil well services.

Because we were ten days late getting the bills mailed due to meter reading problems, there will be no delinquent fees charged. Wieser reported on other estimating errors from last year.

Discussion was held on the C-1 policy and customer credits.

A motion was made by Fehringer to amend the Four Year Work Plan to include a 13 mile 34.5 kv line extension to a new substation near the Weyerts Church. Robinson seconded the motion. Yea: All present. Motion carried.

INFORMATION AND TECHNOLOGY REPORT

Lindahl's report was reviewed and discussed.

Lindahl was not present as he was enroute to Anaheim, California, to participate in the Tech Advantage Conference and Expo.

Taaler reported that Lindahl will set up a secure Web Site for the Directors to download the Board packet and exchange information.

MEETING REPORTS

Petersen distributed a written report on the NREA Winter Board meeting he attended.

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Taaler's report on the NREA Manager's Winter Meeting was reviewed.

Morgan reported on the February 5-6, 2008, Tri-State Board meeting. A copy of a "Gap" Generation Capacity Purchases information sheet was distributed and discussion followed.

Morgan reported that the Nucla-Telluride transmission line case was settled, and it will be built underground. Tri-State will only pay costs equivalent to the cost of building above ground.

Legislation in Kansas on the Sunflower power plant was discussed.

Taaler's report on the Wyo-Braska MDM meeting was reviewed. Comments and discussion followed on the NSPIG presentation at the Tri-State Board meeting.

Director Hass asked questions of Wieser concerning the fish farm services.

SAFETY ITEMS

The February 8, 2008, Employee Safety Meeting minutes were reviewed and thoroughly discussed.

The minutes of the February 8, 2008, Safety Committee meeting were also reviewed and discussed.

POLICIES & RESOLUTIONS

Taaler reported on the meeting held with Attorney Tom Sonntag concerning classifying all new irrigation services as indeterminable services in fully or over appropriated areas. Legal counsel agrees that we cannot distinguish between the two as defined by the NRD reports, and we cannot treat irrigators differently on line extension costs. A lengthy discussion followed.

Policy C-1: Line Extension Policy: Robinson made a motion to accept Policy C-1 as modified to read: "All new irrigation services will be classified as indeterminable services." (This is the last line of 7. b.) Morgan seconded the motion. Yea: Morgan, Robinson and Zimmerman. Nay: Fehringer and Hass. Petersen abstained. Motion passed.

Policy C-4: Work on Customers Premises; Policy C-5: Relocation, Retirement, Removal of Facilities and Minimum Bills; Policy C-6: Standard Construction Practice; Policy C-8: Time Limitations and Policy C-10: Readings of Meters & Meter Calibration: Petersen made a motion to readopt Policy C-4, Policy C-5, Policy C-6, Policy C-8 and Policy C-10. Fehringer seconded the motion. Yea: All present. Motion carried.

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Policy C-9: Disconnect for Nonpayment: Motion was made by Hass to table Policy C-9 until a later date. Zimmerman seconded the motion. Yea: All present. Motion carried.

Hostetler reported on the requirements of Resolution #08 – 1. The Resolution is to officially declare intent under Internal Revenue Code Regulation Section 1.150-2 to provide for the incurring of indebtedness, which may include reimbursements of expenditures made by the District for constructing additions and improvements to the electric system of the District.

Resolution #08 – 1: Indebtedness for Construction Additions and Improvements to the Electric System of the District: Motion was made by Petersen to adopt Resolution #08 – 1. Robinson seconded the motion. Yea: All present. Motion carried.

STRATEGIC ISSUES

Morgan distributed a report on the results of the Board's Self Evaluation assessment. The members discussed the results and reviewed the topics that received a score below 8.5. The Board gave themselves an overall score of 9.1 on a scale of one to ten.

Discussion was held on the NPSIG presentation to the Tri-State Board. Directors commented on the professional presentation by the group.

Taaler reported that High West has suggested that perhaps Wheat Belt could build a mile of line to a new High West irrigation service. High West would need to build three miles of line to serve the customer. Taaler wanted to confirm that the Board had no issues with this kind of activity.

Included in the packet was information on the Nebraska Public Service Commissions activity on railroad crossings. Taaler was directed to send an e-mail expressing concerns on Appendix 003.02, that the word "wire" be better defined to include communication wires.

FUTURE MEETINGS & TRAINING

Taaler reviewed the list of future Director meetings and training.

Fehringer made a Motion to declare an emergency amendment to the agenda to elect the Tri-State Director from the Wheat Belt Board. Petersen seconded the Motion. Yea: All present. Motion carried. Voting followed and Morgan was unanimously elected to be the 2008 Director to the Tri-State Board.

FEBRUARY BOARD MEETING

There being no further business to come before the Board, the President declared the meeting adjourned at 11:55 a.m.

ATTEST:

Doug Smith, President

Stuart Morgan, Secretary