

UNAPPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

APRIL 23, 2010

The regular monthly meeting of the Board of Directors of Wheat Belt Public Power District was called to order at 9:00 a.m., Friday, April 23, 2010, at the District Headquarters, 2104 Illinois Street, Sidney, Cheyenne County, Nebraska.

ROLL CALL

The following Directors were present:

Bernie Fehringer
John Gortemaker
Jim Hass
Stuart Morgan

Paul Robinson
Doug Smith
Dennis Zimmerman

Also present were Tim Lindahl, General Manager; Pam Wieser, Business Manager; Carolyn Hostetler, Chief Financial Officer; Earl Reilly, Operations Superintendent; Ryan Borges, Staking Engineer; Jeff Rosenbaum, Meter Technician; and Debra Schlaman, Financial Accounting Assistant.

Debra Schlaman recorded these Minutes at the request of Board Secretary, Stuart Morgan.

Doug Smith, President, declared a quorum present.

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

APPROVAL OF AGENDA

Fehringer 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 Friday, April 9, 2010, and proof of publication showing such notice as published is attached and thereby made a part of these Minutes. Morgan made a motion to waive the reading of the notice. Zimmerman seconded. Yea: All present.

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Motion carried.

INTRODUCTION OF GUESTS

Smith introduced guests Jim Dickman, Assistant Staking Engineer and Deryl Travis and Mark Churchill from Arbor Wealth Management.

APPROVAL OF MARCH 26th MINUTES

Fehringer moved to waive the reading of the March 26, 2010, Board Meeting Minutes, and that they be approved as presented. Robinson seconded the motion. Yea: All present. Motion carried.

INVESTMENT REPORT

Deryl Travis of Arbor Wealth Management gave his semi-annual investment report to the Board. He and Mark Churchill, also of Arbor Wealth Management, fielded questions regarding step-up bonds, future interest rates and additional investment questions.

Board President, Smith expressed appreciation for Deryl and Mark's work on Wheat Belt's behalf.

MANAGER 'S REPORT

Personnel: Lindahl reported that Jeff Dickinson from Sidney has been hired for the vacant IT position and will begin work on May 10th.

Financials: The monthly financial reports, presented under separate cover, were reviewed.

Legislative: Lindahl reported on LB1048, the "Wind for Export" bill, which was made Law.

Lindahl reported that Tri-State passed Policy 109 that would allow Tri-State to purchase our 115kV assets. This may significantly reduce our NERC compliance regulations.

Motion was made by Fehringer that it is the intent of the Board to sell our 115kV substation equipment to Tri-State pursuant to Tri-State's recently changed Policy 109, and that a letter be sent indicating this intent. Motion was seconded by Zimmerman. Yea: All present. Motion carried.

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Lodgepole wheeling was discussed.

Lindahl reported that with the help of Tri-State, Reilly had self-certified with the WECC, that Wheat Belt is compliant with all applicable NERC regulatory standards for 2009-2010.

Other: The impacts to our customers and the electric grid as a result of the new Colorado law requiring Xcel Energy to convert some of its Colorado coal fired plants to natural gas was discussed. Also discussed, was the potential ballot measures in the state of Colorado concerning energy policy and the New Mexico energy policy. All of these policy changes will have an affect on our customers.

Lindahl was directed to draft a letter to Ken Anderson, Executive Vice-President and General Manager of Tri-State Generation and Transmission, and Rick Gordon, President of Tri-State Generation and Transmission with the suggestion to evaluate state regulatory costs in the upcoming rate study and consider breaking them out as a state based rate adder. Lindahl will present the letter at the May Board meeting prior to sending.

Policy D-6 will be reworded by Lindahl, to more clearly state the Manager's responsibilities in authorizing and executing contracts.

Lindahl reported that the Auditors will attend the May Board meeting.

Time of use rates were discussed.

Rate Schedule C-1 Large Power was discussed. Following questions and answers, Morgan made a motion to approve Rate Schedule C-1 Large Power as amended. Gortemaker seconded the motion. Yea: Gortemaker, Hass, Morgan, Robinson, Smith and Zimmerman. Abstain: Fehringer (a potential conflict of interest.) Motion carried.

CONSTRUCTION, MAINTENANCE & OPERATIONS REPORT

Reilly reviewed the construction, maintenance and operations for the previous month. No major outages were reported.

While changing out meters, Reilly reported that a few of the new Cannon meters had been damaged by unknown persons using firearms and found other problems on eight other meters. The reward policy was discussed. It was suggested that articles regarding vandalism be placed in the magazine and in

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the local newspapers.

Reilly reported that Jerry Hager is scheduled to be present at the June meeting to answer questions on the motor capacitor project.

Reilly reported that students from the Lineman Schools are having a difficult time finding jobs.

Borges reported on the status of the Weyerts Substation. He said the 34.5 kV line to the substation has been completed. The 34.5 kV underground into the vault and the regulator bank has been installed. The wire for the ground grid has been ordered, and he found that a local vendor can do the cad welding on the ground grid.

Borges reported that two customers have contacted him about installing wind generators. The State Electrical Inspector was contacted, making him aware of the new windmills being erected.

Borges will be attending his last session of Management Internship Program April 26 through May 7th.

BUSINESS REPORT

Wieser reported that the Chamber Ag Afterhours social was a success. Oshkosh is celebrating their centennial this year. Wieser has offered our support wherever it is needed.

Wieser reported that she has been putting the final touches on the Adoption Agreement for the Health Reimbursement Account Plan.

Wieser has scheduled Customer Appreciation Day for July 27th. This will be held on rodeo night in conjunction with the Cheyenne County Fair. A chuck wagon style meal will be served in the Grand Champion building at the fairgrounds. Discussion followed with Wieser fielding questions.

Wieser reported on the billing software status. One of the companies insists on a non-disclosure agreement that would be against the statutes of Nebraska on public records. After several back and forth attempts, things are moving forward.

SAFETY ISSUES

The April 9, 2010, Employee Safety Meeting minutes were reviewed and

thoroughly discussed. Fehringer attended the meeting and reported that he strongly feels that “no hot work should be conducted.” He stated “that the men’s safety comes before customer convenience”. Borges replied and commented that hot work is avoided when feasible, especially on corner or complex structures. The foreman can always call off any job if they feel their safety is in jeopardy. The Board acknowledged the current practices.

MEETING REPORTS

Morgan reported on the April Tri-State Board Meeting. Questions and discussion followed. The Colorado legislation bills and statutory ballot initiatives that could affect Tri-State and ultimately Wheat Belt, were discussed.

Lindahl’s Tri-State Managers Meeting report was reviewed.

POLICIES & RESOLUTIONS

Policy C-18: Dissemination of Customer Information; Policy C-20: Service Sizing Requests (Single Customer); Policy C-21: Energy Efficiency Credit Rebates; Policy C-22: Reward for Damage Reporting; and Policy C-23: Net Metering: Gortemaker moved to readopt Policy C-18, Policy C-20, Policy C-21, Policy C-22, and Policy C-23. Robinson seconded the motion. Yea: All present. Motion carried.

Policy C-19: Customer Requested Service Connections or Disconnects after Business Hours: Morgan moved to adopt Policy C-19 with changes. Zimmerman seconded the motion. Yea: All present. Motion carried.

Policy E-7: Expenses: Fehringer moved to adopt Policy E-7 with wording changes. Hass seconded the motion. Yea: All present. Motion carried.

STRATEGIC ISSUES

The capacitor program presentation is tabled until the June Board meeting.

Rosenbaum reported on the AMI status. He reported that Jim Dickman and Sonny Copley have been installing the new meters.

Health Insurance Update: Lindahl presented the modified Benefit Plan Adoption Agreement. Questions and discussion followed. Fehringer made a motion to adopt the modified Benefit Plan Adoption Agreement, with an effective date retroactive to January 1, 2010. Zimmerman seconded the motion. Yea: All

present. Motion carried.

Borges reported that the pole testers are working in the Chappell area.

FUTURE MEETINGS & TRAINING

Lindahl reviewed the list of future Director meetings and training.

ELECTION OF DELEGATES

Morgan made a motion to appoint Robinson as the voting delegate for CFC and that Hass remain as the alternate voting delegate. Zimmerman seconded the motion. Yea: All present. Motion carried.

Robinson made a motion that all remaining slots for director voting delegates and alternate voting delegates remain the same for 2010. Gortemaker seconded the motion. Yea: All present. Motion carried.

OTHER

Gortemaker suggested that directors and staff should contact senators about navigation of waters. He also suggested putting articles in the magazine and news papers of upcoming issues.

Morgan suggested that the directors conduct a “test survey” on Zoomerang for the possibility of using the web site for the yearly general manager evaluation and the every other year, board evaluations.

APRIL BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 11:35 a.m.

ATTEST:

Doug Smith, President

Stuart Morgan, Secretary