

UNAPPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD
JULY 23, 2010

The regular monthly meeting of the Board of Directors of Wheat Belt Public Power District was called to order at 8:55 a.m., Friday, July 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
Doug Smith
Dennis Zimmerman
(Left the meeting after lunch.)

Director Paul Robinson was absent.

A motion was made by Zimmerman to excuse Robinson from the Board meeting to attend a funeral. Motion was seconded by Fehringer. Yea: All present. Motion carried.

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; Jeff Dickinson, IT Specialist, 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

Gortemaker made a motion to approve the agenda as mailed. Hass seconded

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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, July 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. Fehringer seconded. Yea: All present. Motion carried.

INTRODUCTION OF GUESTS

Smith introduced guest Steve Groshans, retired Assistant Operations Manager, and thanked him on behalf of the Board for his long and dedicated service to Wheat Belt. Groshans stated that it had been a pleasure to work at Wheat Belt since September, 1967. Guest Dean Gipfert, Sidney Maintenance Lineman, arrived at 9:50 a.m.

APPROVAL OF JUNE 25th MINUTES

Zimmerman moved to waive the reading of the June 25, 2010, Board Meeting Minutes, and that they be approved as presented. Fehringer seconded the motion. Yea: All present. Motion carried.

MANAGER 'S REPORT

Personnel: Lindahl reported that another new baby had been added to the Wheat Belt family. Grady Andrew Begger arrived July 23, 2010.

Legislative: Lindahl presented information in the Board book. Lindahl reported that there will be a delay on any major energy policies until fall.

Financials: The monthly financial reports, presented under separate cover, were reviewed. A lengthy discussion and explanation of information followed.

Health Care: Lindahl reported that there could be a possible 14% increase in premiums. Lindahl reported on savings of \$120,000 to \$252,000 the company has realized using the higher deductible plan over the more common lower deductible plans. Discussion followed.

Approval of Auditor Contract: Lindahl presented the new proposed Financial Audit Contract with Schmidt and Company for approval by the Board. Discussion and questions followed. Morgan made a motion to accept the new Financial

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Audit Contract with Schmidt & Company, LLC for 2010 and 2011, with the stipulation that in-house audit presentations will be determined on a yearly basis by the Board. Gortemaker seconded the motion. Yea: All present. Motion carried.

Other: Lindahl reported on the Basin Managers' Meeting he attended.

EXECUTIVE SESSION

A motion was made by Gortemaker to go into Executive Session at 10:00 a.m. so Lindahl could give an electrical contact accident report and to discuss personnel issues. Zimmerman seconded the motion. Yea: All present. Motion carried. The executive session concluded at 10:50 a.m.

CONSTRUCTION, MAINTENANCE & OPERATIONS REPORT

Reilly reviewed the major outages, construction, maintenance and operations for the previous month. Reilly reported on a weekend accident when a pole was hit in Dalton that disrupted power at the elevator during harvest. Reilly reported that two or three poles were hit and damaged during harvest.

Borges reported on the progress being made at the Weyerts Substation. The ground grid installation has been completed. The substation was "energized" on the 21st, and everything worked perfectly. The fence should be installed on the 26th or the 27th. One large outage (four to six hours) will be taken to convert the existing distribution line to the new substation in the near future. Questions and discussion followed.

Reilly reported that FEMA has declared Cheyenne, Garden and Morrill counties disaster areas, and the paperwork is ready for when the representative arrives at the office.

BUSINESS REPORT

Wieser reviewed the board book information. A lengthy discussion took place concerning a customer account.

Wieser reported that Customer Appreciation is scheduled for July 26th from 4 to 6 p.m. at the Cheyenne County Fairgrounds Grand Champion Building. Brats and trimmings will be prepared for 800 attendees.

Gortemaker thanked Wheat Belt for their participation in the Garden County celebration.

INFORMATION AND TECHNOLOGY REPORT

Dickinson reviewed his report and answered director questions. Fehringer expressed concern on server issues dealing with control, security and risk assessments.

SAFETY ISSUES

The July 9, 2010, Safety Committee Meeting minutes were reviewed and discussed. Reilly reported the No Lost Time Accident hours of 62,031 has been filed with Federated Insurance for 2009.

MEETING REPORTS

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

Lindahl reported on the July Tri-State Managers Meeting he attended. Reilly reported that the FCC will cause us to narrowband our radio system by January 1, 2013. We will also need to reapply for our radio license by 2013. Borges reported that radio and sub-communication equipment will possibly be added to a new tower at the Wildhorse Substation.

POLICIES & RESOLUTIONS

Policy E-2: Paid Time Off (PTO): Following a lengthy discussion, Morgan moved to table Policy E-2: Paid Time Off (PTO) until the August Board meeting. Zimmerman seconded the motion. Yea: All present. Motion carried. Staff was directed to come back with two proposals for approval.

Policy E-10: Code of Ethics: Following discussion, Fehringer moved to table Policy E-10: Code of Ethics, until the August Board meeting. Zimmerman seconded the motion. Yea: All present. Motion carried. Staff was directed to rewrite one paragraph for directors and one for employees, to gain consistency.

Policy E-11: Employment of Relatives; Policy E-14: Theft from the District; Policy E-15: Electrician's License; Policy E-16: Employee Recognition; Policy E-17: Equal Employment Opportunity; and Policy E-18: Medical Insurance, Retired Employees: Gortemaker moved to readopt Policy E-11, Policy E-14, Policy E-15, Policy E-16, Policy E-17 and Policy E-18. Zimmerman seconded the motion. Yea: All present. Motion carried.

Policy E-12: Cell Phone and Other Electronics Use in Vehicles: Zimmerman

moved to adopt Policy E-12 as modified. Gortemaker seconded the motion. Yea: All present. Motion carried.

Policy E-13: Separation of Service: Morgan moved to adopt Policy E-13 as modified. Fehringer seconded the motion. Yea: All present. Motion carried.

STRATEGIC ISSUES

Rosenbaum reported on the AMI status. Cannon installation in the Weyerts Substation is taking place. The Cowcreek and Colton Substations customer meters are being installed. Programming and entering meters into the system for the Colton Substation is almost completed. Programming meters for the final substation (Chappell Rural) will be conducted next.

Capacitor Rebate Program: Incentive rebate program to include \$18 per KVAR from conception until April 1, 2012; \$15 per KVAR April 1, 2012 to April 1, 2013, and after April 1, 2013, \$13 per KVAR indefinitely. This would be a one-time rebate per account. Pre-existing motor capacitors do not qualify for the rebate program. Motion was made by Fehringer to implement a capacitor rebate program with rebates the first two years at \$18 per KVAR, the second year at \$15 per KVAR and \$13 per KVAR indefinitely. Following discussion, Fehringer withdrew his motion. Staff was directed to bring back a defined policy next month for consideration. It was suggested that we advertise in the magazine and/or send pamphlets with irrigation account bills.

The meeting was suspended for lunch at 12:30 p.m. and resumed at 1:15 p.m.

Health Insurance Update: Lindahl reported that there are many items in the new health care reform that will have a large impact on the District. One item is the enforcement and expansion of all entities having to file a Form 1099 with the IRS for any purchase over \$600, including our customers who purchase over that from us. Discussion followed. Another impact is that health insurance premiums will have to be reported on W-2 forms starting in 2011. It is still unclear if those premiums will be taxable in the future.

Pole Attachment Program: Lindahl and Borges reported that Wheat Belt had been approached by a company to attach their infrastructure to our poles. Discussion was held whether to charge for the attachments, how much to charge, liability and responsibility. Following the discussion, Fehringer made a motion to not allow any new attachments to our poles. Gortemaker seconded the motion. Yea: All present. Motion carried. Staff was directed to report next

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month on existing unauthorized pole attachments.

Rate Discussion: Lindahl reported on possible rate increase scenarios. He will explore time of use rates and asked for guidance from the Board. A “recovery” adder” from all accounts was mentioned. Staff was directed to research and present several proposals of percentages of rate increases spread across all the rate classes at the August Board meeting.

FUTURE MEETINGS & TRAINING

Lindahl reviewed the list of future Director meetings and training.

OTHER

Lindahl informed the Board that James Dukesherer, NREA Grassroots Coordinator, will be present after the August Board meeting. Also, that the ribbon cutting for the new Weyerts Substation is tentatively scheduled following the August Board meeting.

JULY BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 1:45 p.m.

ATTEST:

Doug Smith, President

Stuart Morgan, Secretary