

UNAPPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD
MAY 28, 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, May 28, 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 - Absent

Paul Robinson
Doug Smith
Dennis Zimmerman

Also present were Tim Lindahl, General Manager; Carolyn Hostetler, Chief Financial Officer; Earl Reilly, Operations Superintendent; Ryan Borges, Staking Engineer; Jeff Rosenbaum, Meter Technician; Chris Schilz, Purchasing/Inventory Coordinator; Jeff Dickinson, IT Specialist; Larry Lane from Schmidt & Co., and Shelley Peterson, Human Resources.

Shelley Peterson recorded these minutes at the request of Board President, Doug Smith.

Doug Smith, President, declared a quorum present.

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

APPROVAL OF AGENDA

Robinson made a motion to approve the agenda as mailed. Gortemaker 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, May 14, 2010, and proof of publication showing such notice as published is attached and thereby made a part of these minutes. Hass made a motion to

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waive the reading of the notice. Zimmerman seconded. Yea: All present. Motion carried.

INTRODUCTION OF GUESTS

Lindahl introduced guests Chris Schilz, Purchasing/Inventory Coordinator, Jeff Dickinson, IT Specialist and Larry Lane from Schmidt & Company.

APPROVAL OF APRIL 23rd MINUTES

Fehringer moved to waive the reading of the April 23, 2010, Board Meeting Minutes, and that they be approved as presented. Zimmerman seconded the motion. Yea: All present. Motion carried.

AUDIT REPORT

Larry Lane of Schmidt & Company presented the 2009 Audit Report to the Board members and staff. Each section of the presented report was discussed and reviewed. Lane reported that no errors were found and that it was a clean audit giving Wheat Belt PPD an unqualified opinion which is the highest audit rating. Questions and answers followed.

At 9:18 a.m., Fehringer moved to go into Executive Session to discuss the audit with Lane. Robinson seconded the motion. Yea: All present. Motion carried.

At 9:28 a.m., Zimmerman moved to end the Executive Session. Gortemaker seconded the motion. Yea: All present. Motion carried.

A motion was made by Robinson to accept the 2009 Audit Report. Fehringer seconded the motion. Yea: All present. Motion carried.

MANAGER ' S REPORT

Personnel: Lindahl reported that Steve Groshans will be retiring on June 30, 2010. There will be an open house on June 12, 2010, at the Holiday Inn in Sidney, from 2:00 p.m. to 4:00 p.m. to wish Steve well.

Lindahl stated that we are up to 30 employees. Lindahl said that we will go through a staff strategic analysis to determine if we need to retain the Assistant Operations Manager's position or if there are any other positions that may be beneficial to the District.

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

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reviewed.

Legislative: Lindahl reported that legislative activity on the state level is done. He asked to let him know if anyone had any suggestions for new legislation to be presented next year. If so, he will start the process.

Community: Lindahl reported that Earl Reilly completed his Leadership Cheyenne County program.

Kevin Coss has started to attend the Garden County Chamber meetings on behalf of Wheat Belt PPD. Lindahl also stated that Bridgeport is trying to get their Chamber of Commerce together again. They have been disbanded for some time.

Lindahl said that he is in the beginning stage of forming a Grassroots Advisory committee. This committee would be made up of approximately eight to ten people. Lindahl would like names of anyone the Board feels would be good on this committee. Lindahl is looking for customers as well as community leaders, and any Board members who would like to participate. The consensus of the Board was to form this committee and proceed with educating the community.

Other: The letter that Lindahl drafted to Ken Anderson, Executive Vice-President and General Manager of Tri-State Generation and Transmission was discussed.

Lindahl looked into what Wheat Belt PPD spends on City sales tax. He stated that it really is a philosophy issue, but thought we may be able to cut it in half if we have items delivered to our training facility as it is outside City limits. The Board agreed to do what we can to save tax dollars.

The Center for Rural Affairs has been trying to get support for a renewable energy standard. A discussion was held. It was the consensus of the Board that Lindahl draft a letter in this regard.

CONSTRUCTION, MAINTENANCE & OPERATIONS REPORT

Reilly reviewed the construction, maintenance and operations for the previous month. A terrible wind storm caused 13 poles to break on May 24, 2010. Reilly stated that all residential customers had power restored by midnight.

Reilly stated that Tri-State did the six-year test on the Colton substation transformer and everything was good.

Crews have been preparing for the upcoming irrigation season by replacing and

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repairing damaged equipment.

The Cannon Metering System has been installed in the Colton substation.

Reilly reported that Nate Begger's apprenticeship completion was approved.

Reilly, Lindahl and Deb Schlaman attended the Federated Safety Strategy Lab follow-up meeting. Reilly felt it will be a very useful tool, and will discuss the details with Rollie Waite as he was unable to attend this meeting. Rollie was the lineman who attended the initial Federated Strategy Lab.

Borges reported that three circuit breakers have been installed on the lines at the new Weyerts substation. When weather allows, the underground wire will be installed and they will be setting the transformer and switchgear in the substation. The ground grid wire also arrived, so Borges will be scheduling the installation of that also.

Borges completed his Management Internship Program the week of May 7th. He thanked the Board for allowing him to attend as he feels this is the best training class that he has attended. He gained many ideas from this class as well as from his classmates that will help him in the future.

BUSINESS REPORT

Wieser was not able to attend the Board meeting as she was attending the Customer Services Week conference. Her report was reviewed and discussed.

SAFETY ISSUES

The May 13, 2010, Employee Safety Meeting minutes were reviewed and thoroughly discussed as were the Safety Committee meeting minutes.

At 11:00 a.m. Gortemaker made a motion to go into Executive Session to discuss safety issues and personnel issues. Robinson seconded. Yea: All present. Motion carried.

At 11:31 a.m. Robinson made a motion to come out of Executive Session. Fehringer seconded. Yea: All present. Motion carried.

MEETING REPORTS

Morgan was absent, but his May Tri-State Board meeting report was reviewed

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and discussed.

Lindahl's NRECA Legislative meeting & NREA Manager's meeting reports were discussed. A question and answer session was held. Lindahl stated that he attended the Western United Board meeting and will have his report ready for the June Board meeting.

Robinson gave a report on the NREA Spring meeting.

POLICIES & RESOLUTIONS

Policy D-1: Director Compensation and Expense Report Approval; Policy D-2: Director Insurance; Policy D-3: Student Scholarships; Policy D-4: Selection of General Manager; and Policy D-5: Board of Directors Duties: Zimmerman moved to readopt Policy D-1, Policy D-3, Policy D-4, Policy D-5 and Policy D-2 as amended. Fehringer seconded the motion. Yea: All present. Motion carried.

Policy D-10: Reliability Standards: Fehringer moved to adopt Policy D-10 with changes. Gortemaker seconded the motion. Yea: All present. Motion carried.

Policy D-5A: Board of Directors Duties: Fehringer moved to adopt Policy D-5A with changes. Robinson seconded the motion. Yea: All present. Motion carried.

Policy D-6: Board of Directors/General Manager Relationship and Policy D-6A: General Manager Evaluation, were tabled until the June Board meeting.

Policy D-7: Director Elections; Policy D-8: Director Absence from Meetings; and Policy D-9: Electronic Communications: Gortemaker moved to readopt Policy D-7, Policy D-8 and Policy D-9. Robinson seconded. Yea: All present. Motion carried.

It was also discussed that the Board would like to see the Federated Rural Electric General Manager's evaluation survey at the June Board meeting.

A motion was made by Fehringer to allow Lindahl to sign service contracts, HRA contracts, repair contracts, operational contracts and general obligation contracts. Zimmerman seconded. Yea: All present. Motion carried.

A motion was made by Gortemaker to excuse the absences of Board members from Wheat Belt PPD meetings in 2009 and through May 2010. Zimmerman seconded. Yea: All present. Motion carried.

STRATEGIC ISSUES

Rosenbaum reported on the AMI status. He reported that the new meters will be installed at the Big Springs Substation in the next week, and they will start on the Cowcreek Substation.

Health Insurance Update: Lindahl clarified that all reimbursable expenses must be presented with an itemized receipt or EOB for reimbursement as per Section 125 guidelines. He also stated that work is being done on a version for our Retirees so that we are in compliance.

Gortemaker made a motion to accept and mail the letter that Lindahl drafted to Ken Anderson of Tri-State recommending Tri-State to look at regulatory requirements in a future rate. Robinson seconded. Yea: All present. Motion carried.

FUTURE MEETINGS & TRAINING

Lindahl reviewed the list of future Director meetings and training.

ELECTION OF DELEGATES

No business to discuss.

OTHER

No business to discuss.

MAY BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 12:17 p.m.

ATTEST:

Doug Smith, President

Stuart Morgan, Secretary