

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

AUGUST 19, 2011

The regular monthly meeting of the Board of Directors of Wheat Belt Public Power District was called to order at 8:57 a.m., Friday, August 19, 2011, 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, Senior Meter Technician; Jeff Dickinson, IT 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

Robinson made a motion to approve the agenda as presented. Fehringer 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, August 6, 2011, and proof of publication showing such notice as published is attached and thereby made a part of these minutes. Fehringer made a motion to waive the reading of the meeting notice. Gortemaker seconded. Yea: All present. Motion carried.

INTRODUCTION OF GUESTS

Smith introduced guest Jay Holmquist, General Manager of the Nebraska Rural Electric Association. Also present were Kevin Coss, Area Two Foreman and Dylan Bradley, Area Two Lineman.

APPROVAL OF JULY 22nd MINUTES

Zimmerman moved to waive the reading of the July 22, 2011, Board Meeting Minutes, and that they be approved as presented. Fehringer seconded the motion. Yea: All present. Motion carried.

Mr. Jay Holmquist, General Manager of Nebraska Rural Electric Association, reported on the strategic planning process recently conducted. Several issues were identified and suggestions were made for improvement. Discussion, questions and answers followed. Robinson asked about the “Call Before You Dig” relating to soil sampling and NREA’s position. Holmquist reported that there is a general agriculture exemption. Reilly reported that there is a four foot depth requirement for Wheat Belt’s wire. Discussion followed.

MANAGER’ S REPORT

Personnel: Level is at 27 active full-time and one part-time. One employee is still on disability. Lindahl reported that ten employees were wearing hearing monitoring systems checking proper decibel noise levels for an eight-hour period.

Legislative: Nothing new to report

Financials: The monthly financial reports, presented under separate cover, were reviewed. Discussion, questions and answers followed. Wieser reported that it is difficult to obtain all of the readings by the new billing date. She would like to read the single-phase meters between the 25th and the 28th of the month, instead of the last day of the month. The three phase meters are read at midnight on the last day of the month. After discussion, the Board agreed to change the billing/meter reading dates. Prepaid metering was discussed after Holmquist’s report on the subject.

Community: Lindahl invited several community members and customers to tour the Black Thunder Coal Mine, which is the largest surface mine in North America. Lindahl and employees Coss, Bradley and Bartels toured the mine. Bradley and Coss reported to the Board on the experience.

Other: Lindahl reported that Schlaman completed her four years on the Public Information Committee and Hodges was elected to fill the position. Also, Lindahl was appointed to the Policy and Resolutions Committee, the Statewide Group Retention Committee, and Statewide Services Committee.

Lindahl reported that the NREA passed a Resolution to support and promote animal agriculture. Holmquist commented and discussion followed.

Lindahl reported on the Tri-State 115KV purchase of assets. He envisions a late September meeting to complete the Environmental Contract.

Lindahl reported on Tri-State's possible new rate structure.

Lindahl will start rate proposals in September for October approval.

Lindahl reported on the Cyber Security Insurance. Jeff Dickinson has completed the requirements to secure the insurance. Also, Jeff Dickinson has completed the customer identity data work.

Lindahl reported on the formation of a statewide voluntary technology users group to offset costs and utilize volume software and hardware purchases and share knowledge.

Health Insurance Premiums: Lindahl will review the increases in the health insurance premiums and present the package at the September Board Meeting. Research is being conducted into changing the co-pay, participating in health fairs and other wellness type programs.

CONSTRUCTION, MAINTENANCE & OPERATIONS REPORT

Reilly reported on the major outages for the month. Reilly showed a photo of the bad potential transformer at the Cow Creek Substation that had to be replaced. This caused a two and a quarter hour outage for customers. Gortemaker appreciated the radio ads concerning the planned outages in the Big Springs area.

Borges reported that crews have completed two of our four-year work plan items this past month. The one mile of 2F copper wire south of the Big Springs Sub has been replaced. Also, the one mile of primary underground off the Oshkosh Sub has been replaced. Staking has been completed on a work plan item, but will need to be re-evaluated due to a consumer request to relocate some poles closer to the road.

Discussion was held on non-fused disconnects installed for irrigation wells. Fehringer asked that a preliminary program be presented at the next Board meeting on disconnect box installation cost savings and incentives.

BUSINESS REPORT

Wieser reported on the ice cream socials conducted at the area nursing homes. The residents always enjoy the ice cream and the entertainment.

A lengthy discussion was held on the NREA magazine usage by consumers.

Wieser reported that the on-line bill pay package has been ordered, and we are scheduled for installation.

Wieser attended an hour-long conference call with James Dukesherer and Kristen Gottschalk from NREA concerning Grassroots and being pro-active in selecting “friends of rural electric” to run for the Legislature.

A proposed Operating Policy on Disconnect Collar Application was presented and discussed. Lindahl hopes to eventually have a book of operating policies available at the office.

INFORMATION AND TECHNOLOGY REPORT

Rosenbaum reviewed his report and answered questions. The meter department has been busy replacing circuit boards for those damaged by lightning in the Chappell Substation. Also, they have been replacing meters off the Wildhorse Substation that were not communicating.

Dickinson reviewed his report and answered Board member questions.

Dickinson reported that he has installed a new intrusion system in addition to a firewall system. This allows us to move forward in compliance to obtain cyber security insurance for the District. The data backup system has been restructured.

SAFETY ISSUES

The August 12, 2011, Safety Meeting minutes and Safety Committee Meeting minutes were unavailable at printing, and will be presented at the September Board meeting.

Reilly reported that a fiber optic crew cut through our line near Oshkosh. Reilly showed photos to both Jarecke and Cooper, and they recommended billing the fiber optic crew who will probably contest the bill.

MEETING REPORTS

Morgan reported on the August Tri-State Board Meeting. A lengthy discussion and questions and answers followed.

Lindahl's report on the Tri-State Manager's Meeting was presented in the Board book.

POLICIES & RESOLUTIONS

The following Policies were reviewed by David Jarecke, Regulatory Counsel for NREA. Changes to the Policies reflect his recommendations.

Policy E-19: Drug Free Workplace and Policy E-19A: Drug and Alcohol Testing: Fehringer moved to adopt Policy E-19 and E-19A with the changes recommended by David Jarecke and further wording changes recommended by staff. Gortemaker seconded the motion. Yea: All present. Motion carried.

Policy E-20: Safety Policy; Policy E-20A: Safety and Injury Prevention Program; Policy E-20B: Emergency Management/Evacuation Plan; Policy E-20C: Hazard Communication Plan; Policy E-20D: Bloodborne Pathogen Program; Policy E-20E: Hearing Conservation Program; Policy E-20F: Powered Industrial Trucks; Policy E-20G: Fire Prevention Plan and Policy and E-20H: Energy Control (lock-out/Tag-out) Program: Zimmerman moved to adopt Policy E-20, Policy E-20A, Policy E-20B, Policy E-20C, Policy E-20D, Policy E-20F, Policy E-20G and Policy E-20H with changes recommended by David Jarecke. Robinson seconded the motion. Yea: All present. Motion carried.

STRATEGIC ISSUES

Tri-State Rates: Lindahl presented the proposed Tri-State A-3X new rate structure. Lindahl developed some concept rates under the new Tri-State rate structure and will present them at a later date.

Tri-State 115KV Purchase: Waiting for the environmental report from Tri-State.

Employee Retirement Plan: Lindahl presented the cost breakdown by switching the 401K plan to John Hancock. Following questions, answers and discussion, Robinson made a motion granting Lindahl permission to enter into a contract with John Hancock for a new 401K Plan. Motion seconded by Zimmerman. Yea: All present. Motion carried.

Following review of Resolution 11-1 for “Removal of First State Trust Company as Trustee of the 401k Retirement Plan”, motion was made by Fehringer to accept the Resolution. Motion was seconded by Gortemaker. Yea: All present. Motion carried.

The timeline for transfer of funds is October 1, 2011.

General Manager Core Duties: Lindahl received no new ideas.

Cyber Security Insurance: The issues that prevented us from receiving a quote from Lockton (through Federated) for Cyber Security Insurance have been resolved. Later this month, another quote will be requested.

FUTURE MEETINGS & TRAINING

Lindahl reviewed the list of future Director meetings and training.

ELECTION OF DELEGATES

Basin Electric: Morgan will remain as the Voting Delegate and Fehringer will remain as the Alternate Voting Delegate.

Midwest Electric Consumers Association: Zimmerman will remain as the Voting Delegate and Robinson will remain as the Alternate Voting Delegate.

OTHER BUSINESS

Fehringer asked to change the September Board meeting date. Following discussion, it was agreed to change the September Board meeting to September 30, 2011.

Lindahl reported that the Fall Tri-State Surplus Vehicle/Equipment Sale form listed a 1997 Ford E-350 XLT 15 passenger van that he was interested in bidding on for Wheat Belt. Following discussion, Gortemaker made a motion granting Lindahl the authority to bid on the 1997 Ford E-350 XLT van. Zimmerman seconded the motion. Yea: All present. Motion carried.

LindahI reported that the Cheyenne County Fairgrounds needs an upgrade to their electrical facilities for additional camper hook-ups. Following questions and discussion, it was recommended by the Board to work on figures to upgrade the facilities and bring it back to the Board for consideration.

AUGUST BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at noon.

ATTEST:

Doug Smith, President

Stuart Morgan, Secretary