

UNAPPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD

MARCH 25, 2011

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, March 25, 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 Manager; Ryan Borges, Staking Engineer; Jeff Rosenbaum, Senior Meter Technician; Jeff Dickinson, IT Technician; and Debra Schlaman, Cost/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 with additions. Zimmerman wished to give a verbal meeting report. 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 Tuesday, March 15, 2011, and proof of publication showing such notice as published is attached and thereby made a part of these Minutes. Gortemaker made a motion to waive the reading of the meeting notice. Fehringer seconded. Yea: All present. Motion carried.

INTRODUCTION OF GUESTS

Smith introduced Sonny Copley, Meter Technician.

APPROVAL OF FEBRUARY 25th MINUTES

Morgan moved to waive the reading of the February 25, 2011, Board Meeting Minutes, and that they be approved as presented. Fehringer seconded the motion. Yea: All present. Motion carried.

AUDIT REPORT

A teleconference with Larry Lane of Schmidt & Company was conducted to review the 2010 Audit Report to the Board members and staff. Each section of the presented report was reviewed. Lane reported that no errors were discovered, and that it was a very clean audit.

Fehringer made a motion to go into executive session at 9:35 a.m. so the Board of Directors could discuss the audit with the Auditor. Consensus of the directors to go into executive session by roll call vote was conducted.

The meeting resumed at 9:38 a.m.

A motion was made by Gortemaker to accept the 2010 Audit Report presented by Schmidt & Company. Zimmerman seconded the motion. Yea: All present. Motion carried.

MANAGER ' S REPORT

Lindahl reminded directors and staff of the April 11, 2011, Strategic Planning session taking place in the Wheat Belt Board room. Lindahl asked if the directors wanted this to be an official meeting whereby actions can be taken. If so, legal Notice of the Meeting will need to be published and official minutes recorded. Lindahl was instructed to publish notice of the meeting.

Personnel: Lindahl announced that Brent Waltman resigned as of March 1. The position was posted internally and received no applications. The top choices from the previous position were re-interviewed and Dylan Bradley from Holyoke was hired to fill the Oshkosh position, and will begin April 1, 2011. Colt Alexander was hired as our Equipment Operator, and began work on March 1, 2011. We are now fully staffed. Jim Dickman retired as of Monday, March 21, 2011.

Lindahl reported that Mike and David Reher from Federated Insurance were in the office this week. The Insurance policies with Federated were reviewed. We maintain an experience rating of .85 with a fifteen percent reduction in premium underwriting for

Workers Compensation. Discussion followed. Lindahl reported that Mike Reher is retiring and his son David will be our new representative. David Reher indicated that he would like to make a presentation to the Board in the future.

Lindahl reported that he received information from Tri-State concerning a request to recruit one middle or high school teacher from our service area to attend the Keystone Center CSI: Climate Status Investigations class on neutral climate change on June 28-30, 2011 in Westminster, Colorado. It is an opportunity to expose teachers in advancing their knowledge around climate change with hands on assignments to take back to their schools. Rob Shoopman, a teacher at Leyton, was nominated by director Morgan. Director Fehringer feels a Sidney teacher should also be nominated. Questions of costs were discussed. There is a May 15 deadline. Lindahl will report later with more details.

Legislative: Lindahl reported that State Senators gave first round approval to LB230, which allows us to protect certain information with regards to our facilities and customer information that would be considered open under the state open records laws. Large load notification was also passed.

Financials: The financial report was presented under separate cover. The financials were reviewed and discussed. Lindahl answered questions. Hostetler reported on Tri-State's co-incident peak. Discussion followed. Hostetler reported that one of the RUS two percent notes was paid off in March. We now have just a little less than \$1.5M remaining in RUS notes at the two percent rate. They will be completely paid in the first quarter of 2017.

Lindahl attended the Highline Annual meeting and reported.

Lindahl reported that Wheat Belt experienced phone issues in case the directors heard from some of the customers.

Wieser reported on post office and mail delivery issues.

Sonny Copley thanked the Board for allowing him to work 950 hours/year prior to his retirement. He is currently still building meter loops, flashing meters and trying to pass on his many years of knowledge and experience to Jim Weeda. The Board thanked Sonny for his years of dedication to the company.

CONSTRUCTION, MAINTENANCE & OPERATIONS REPORT

Reilly reviewed the major outages, construction, maintenance and operations for the previous month.

Reilly reported that Jerry Hager from ESC is working on the 115KV equipment Tri-State will be purchasing to come up with a preliminary figure.

Reilly has received bids for the replacement of the bucket truck in Oshkosh, and will be reviewing them. He will make a determination and accept one of the bids.

Borges reported that we currently have five irrigation well conversion requests for this spring. As soon as the temperatures stabilize around the 60 degree mark, installation of the underground will commence.

Borges reported on the new grain elevator facilities for Crossroads Co-op being built in Bridgeport.

Gortemaker asked about the turnout for the Irrigation Workshop held in Bridgeport. Wieser reported on the seminar and answered questions.

Robinson asked about the capacitor program and how it was progressing. Reilly reported and discussion followed.

Lindahl reported that he had heard from Tim Texel, Executive Director and General Counsel for the Nebraska Power Review Board, concerning the definition of where “ultimate user” is located for service area enforcement purposes. Texel reported that the “ultimate user is where the load is located, not where the meter is placed.”

BUSINESS REPORT

Wieser reported on the PCS billing conversion. Many hours have been spent developing and designing the new invoices and disconnect notices. Wieser is working with PCS to insure PCI (Payment Card Industry) compliance. We are also researching the “Utility Rate”, which fee structure is greatly reduced. This may make it possible to accept credit card payments on all accounts as neighboring systems currently do.

Wieser reported on the HRA’s for the retirees. Wheat Belt’s exposure has been greatly reduced.

Wieser reported that several customers who were unable to attend the Irrigation Workshop have called and would like print-outs and information that was distributed at the meeting. She will check with Ron Eberkamp to see what he has available for distribution.

METERING, INFORMATION AND TECHNOLOGY REPORT

Dickinson reviewed his report and reported on PCI compliance with the new billing system. He has been working on establishing a domain controller, which will provide a strong, secure environment to protect Wheat Belt, and all of our customers.

Dickinson is researching an electronics recycling plan to get rid of old computer equipment in an environmentally safe manner. This could be a great public relations

project for Wheat Belt by sponsoring an activity like this to help keep our community clean, and recycle electronics properly. More details will be forthcoming.

Rosenbaum reported that they are close to completing the firmware updates on all of the three-phase meters, which requires a physical update at each meter.

Irrigation season begins in April, and the plan is to read all of the irrigation accounts manually again this year. This helps to find damaged meters and meter loops, and any other problems that might need addressed before the wells and pivots are started for the summer.

Attached in the Board book were charts of the system load and also the loads of the industrial accounts for the month of February.

EXECUTIVE SESSION

Fehringer made a motion to enter into executive session at 11:00 a.m. to discuss personnel issues. Consensus of the directors to go into executive session by roll call vote was conducted.

Zimmerman made a motion to come out of executive session at 11:15 a.m. Fehringer seconded the motion. Yea: All present. Motion carried.

SAFETY ISSUES

The March 4, 2011, Safety Meeting Minutes were reviewed.

MEETING REPORTS

Zimmerman gave a verbal report on the Mid-West Electric meeting he attended in Washington, DC.

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

Lindahl reported on the MDM meeting and reviewed his report. Discussion followed.

Robinson presented a written report of the 2011 NRECA Annual Meeting held in Orlando, Florida.

POLICIES & RESOLUTIONS

Policy C-11: Irrigation Accounts; Policy C-12: Exceptions to General Provisions; Policy C-13: Nondiscrimination; Policy C-14: Damage to District Property; Policy C-15: Failure of Customer Equipment; Policy C-16: Tree Trimming and Policy C-

17: Yard and Lease/Rental Lights: Fehringer moved to readopt Policy C-11, Policy C-12, Policy C-13, Policy C-14, Policy C-15, Policy C-16 and Policy C-17. Zimmerman seconded the motion. Yea: All present. Motion carried.

STRATEGIC ISSUES

The Interim Strategic Planning Session is scheduled for April 11, 2011, at the Wheat Belt PPD headquarters. Lindahl presented a “draft” agenda for approval. The directors approved the presented agenda.

Lindahl presented a proposal for a mileage reimbursement change for consideration by the Board. This will be reviewed at the April Board Meeting.

Discussion was held on large truck financing. Lindahl presented his analysis and discussion followed.

FUTURE MEETINGS & TRAINING

Lindahl reviewed the list of future Director meetings and training.

ELECTION OF DELEGATES

No changes were made to the current Delegate listing.

MARCH BOARD MEETING ADJOURNMENT

There being no further business to come before the Board, the President declared the meeting adjourned at 11:50 a.m.

ATTEST:

Doug Smith, President

Stuart Morgan, Secretary