

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD
FEBRUARY 26, 2007

The regular meeting of the Board of Directors of Wheat Belt Public Power District was called to order at 9:00 a.m., Monday, February 26, 2007, at the District Headquarters, 2104 Illinois Street, Sidney, Cheyenne County, Nebraska.

ROLL CALL

The following Directors were present:

Paul Robinson
Bernie Fehringer
Stuart Morgan
Doug Smith

Martin Petersen
Dennis Zimmerman
Jim Hass

Also present were Aavo Taaler, General Manager; Carolyn Hostetler, Chief Financial Officer; Earl Reilly, Operations/Safety Supervisor; Ryan Borges, Staking Engineer/Construction Supervisor; Pam Wieser, Business Manager; Tim Lindahl, Information Technology Specialist; Shelley Peterson, Human Resources and Kevin Coss, Oshkosh Area Line Maintenance Foreman.

Directors absent - None

Paul Robinson, President, declared a quorum present.

APPROVAL OF AGENDA

Fehringer made a motion to approve the agenda. Taaler reported to the Board that at approximately 10:00 a.m., Tim Peetz would be here to discuss the issue concerning the cost and liability of moving an overhead line as discussed last month. Gary Dible would also be present to visit with the Board regarding the Cattleman's Ball that will be held in June at Sandpoint Cattle Company. Zimmerman 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, February 17, 2007, and proof of publication showing such notice as published is attached and thereby made a part of the minutes. M. Petersen made a motion to waive the reading of the notice. Fehringer seconded. Yea: All present. Motion carried.

Board Minutes – February 26, 2007

Page 2

INTRODUCTION OF GUESTS

Taaler introduced Kevin Coss, Oshkosh Area Maintenance Foreman. Robinson welcomed him to the meeting.

APPROVAL OF JANUARY 26th MINUTES

Morgan moved to waive the reading of the January 26, 2007, regular Board meeting minutes and that they be approved as mailed. Hass seconded the motion. Yea: All present. Motion carried.

MANAGER'S REPORT

Taaler reported that Mindy Schmidt has been selected to fill the Meter Technician Trainee position. She will officially begin in that department on March 1, 2007. Meladi Roseberry's position will be increased to full time as a result of this change.

We are advertising for a Customer Service Aide to fill Schmidt's vacancy. This person will start at the front desk. The successful applicant will eventually begin cross-training in the Accounting Department.

The financials were discussed. The year end 2006 Form 7 was reviewed. Taaler prepared the Management's Discussion and Analysis letter, which is required each year for the auditors, and it was included in the Board packet. Taaler and Hostetler answered questions.

The Auditors will be at the March Board meeting to present their 2006 audit report.

M. Petersen made a motion to approve a \$14,000 expenditure to purchase two four wheelers and trailers for the Dalton and Oshkosh outposts. Fehringier seconded. Yea: All present. Motion carried.

Taaler reminded the Board that they must submit their Statement of Financial Interests forms by April 2, 2007 and that the short C-1A form was no long acceptable.

CONSTRUCTION, MAINTENANCE & OPERATIONS REPORT

Reilly reported on recent outages. There were more than usual as we had some inclement weather. The longest that anyone was without power was approximately 25 hours. We lost two poles due to the weather. Crews have been busy doing storm repairs and also installing double throws.

Board Minutes – February 26, 2007

Page 3

The bid for the new garage building was awarded to Cleary Building of Scottsbluff in the amount of \$68,687.00.

Reilly stated that bid requests have been mailed for the purchase of two pickups. These are for the meter department and to replace Unit #2.

Hostetler and Schlaman have been working with FEMA on the losses from the December 2006 storm we had in Garden County.

Borges reported that the figure he presented last month concerning the reduction in book quantity to match physical inventory was not correct. In the new computer system, it recalculates the average costs on all inventory items as they are entered. The correct reduction figure should be a negative \$505.84 and not a negative \$820.84 as stated last month.

BUSINESS REPORT

Wieser stated that the Ag After-Hours social has been set for March 23, 2007, at the Hillside Grill. The social hour starts at 5:30 p.m. with entertainment at 6:00 p.m.

The weather has still not been very cooperative for meter reading. A number of meters have still not received a "year end" reading.

The first statement with the rate increase will be printed in February. With the rate increase and the high usage, Wieser expects we will be inundated with calls.

Tim Lindahl discussed the progression of the substation metering project. He also discussed the RMEL conference he attended regarding substation communication and SCADA controls.

Wieser informed the Board of a potential new ethanol plant in the Bridgeport area. There has not been any formal contact with the owner as of yet.

PUBLIC COMMENT PERIOD

The Cattleman's Ball committee presented a request of electrical power needs and, in return, we would receive sponsorship advertisement. The Board was informed that 90% of the funds would go to the Eppley Cancer Center in Omaha, Nebraska, and 10% would remain in the area. Morgan made a motion to cover all costs of line construction and energy usage. Hass seconded. Yea: All present. Motion carried.

Board Minutes – February 26, 2007

Page 4

Tim Peetz was present to discuss the moving of an overhead line in further detail as discussed at the January Board meeting. Taaler informed the Board that multiple sources, our lawyer, RUS and Federated Insurance, felt this was not a good idea to allow a customer to purchase a line and retire it themselves. There are liability and precedence issues. The Staff's recommendation was to not allow the proposed transaction. Fehringer made a motion to allow the sale of the line. It was the Board's opinion that Tim Peetz had the skills and equipment to perform this job safely. A release must be signed before any work may begin, which Wieser will obtain from our attorney. Smith seconded. Yea: All present. Motion carried.

EXECUTIVE SESSION

M. Petersen made a motion to go into executive session at 10:52 a.m. to discuss succession planning. Zimmerman seconded. Yea: All present. Motion carried.

Zimmerman made a motion to come out of executive session at 10:57 a.m. M. Petersen seconded. Yea: All present. Motion carried.

MEETING REPORTS

Fehringer reported on the February Tri-State Board meeting.

Taaler reported on the NRECA CEO Conference, the NREA Winter Managers' meeting and the Midwest Water & Power Committee meeting.

M. Petersen reported on the NREA Winter meeting and all Directors who attended the NRECA Director's Conference reported.

Short discussions were held.

The Board asked Staff to develop a program to add capacitors to the irrigation services and present it next month.

SAFETY ITEMS

The January 12th, and February 9th, 2007, Safety Meeting minutes were reviewed and thoroughly discussed as were the February 9th Safety Committee meeting minutes.

POLICIES & PROCEDURES

Policy C-5: Relocation, Retirement, Removal of Facilities and Minimum Bills, Policy C-6: Stand Construction Practice, Policy C-7: Payment Responsibility and Policy C-8: Time Limitations: M. Petersen made a

Board Minutes – February 26, 2007

Page 5

motion to readopt the above policies. Hass seconded. Yea: All present. Motion carried.

Policy C-9: Disconnect for Nonpayment: M. Petersen made a motion to adopt Policy C-9 as amended. Fehringer seconded. Yea: All present. Motion carried.

Policy C-10: Reading of Meters: M. Petersen made a motion to adopt Policy C-10 as amended. Fehringer seconded. Yea: All present. Motion carried.

Policy E-2: Paid Time Off (PTO): Fehringer made a motion to adopt Policy E-2 as amended. Zimmerman seconded. Yea: All present. Motion carried.

Policy E-18: Insurance for Full Time, Part Time and Retired Employees: Fehringer made a motion to adopt Policy E-18 as amended. Hass seconded. Yea: All present. Motion carried.

Policy D-2: Director Insurance: M. Petersen made a motion to adopt Policy D-2 as amended. Fehringer seconded. Yea: All present. Motion carried.

Policy C-18: Dissemination of Customer Information: Fehringer made a motion to adopt Policy C-18 as amended. Morgan seconded. Yea: All present. Motion carried.

Resolution 07-1: RUS Certification Resolution for Electronic DCS: Morgan made a motion to approve Resolution 07-1 as presented. Zimmerman seconded. Yea: All present. Motion carried.

STRATEGIC ISSUES

Taaler stated that no word has been received from the possible new industrial load of Performance Pipe.

The Tri-State contract extension was discussed. The Board feels we do not need to take any further action on this issue.

A discussion on the Tri-State Compact Fluorescent Light Program was held. M. Petersen made a motion to purchase an additional 3,000 bulbs and give them away as a promotional program. Fehringer seconded. Yea: All present. Motion carried.

Taaler proposed starting a portable generator program. M. Petersen made a motion that for the rest of the year 2007, the fifty-dollar deposit required would be waived. Morgan seconded. Yea: All present. Motion carried.

FUTURE MEETINGS & TRAINING

Board Minutes – February 26, 2007

Page 6

Taaler reviewed the list of future Director meetings and training. The Board decided to leave the CFC voting delegates as Robinson/Fehringer. M. Petersen made a motion to reappoint Fehringer as the Tri-State Director. Morgan seconded. Yea: All present. Motion carried.

OTHER BUSINESS

None reported.

FEBRUARY BOARD MEETING

There being no further business to come before the Board, the President declared the meeting adjourned at 12:20 p.m.

ATTEST:

Paul Robinson, President

Martin Petersen, Secretary