

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD
JULY 27, 2007

The regular meeting of the Board of Directors of Wheat Belt Public Power District was called to order at 9:00 a.m., Friday, July 27, 2007, at the District Headquarters, 2104 Illinois Street, Sidney, Cheyenne County, Nebraska.

ROLL CALL

The following Directors were present:

Bernie Fehringer
Jim Hass
Stuart Morgan

Martin Petersen
Doug Smith
Dennis Zimmerman

Director Robinson was absent.

Also present were Aavo Taaler, General Manager; Carolyn Hostetler, Chief Financial Officer; Earl Reilly, Operations Superintendent; Ryan Borges, Staking Engineer; Tim Lindahl, IT Specialist; Debra Schlaman, Financial Accounting Assistant and Michelle Hodges, Marketing and Customer care Specialist.

Stuart Morgan, Vice President, declared a quorum present.

APPROVAL OF AGENDA

Petersen made a motion to approve the agenda as mailed. 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, July 14, 2007, and proof of publication showing such notice as published is attached and thereby made a part of the minutes. Petersen made a motion to waive the reading of the notice. Smith seconded. Yea: All present. Motion carried.

INTRODUCTION OF GUESTS

Morgan introduced guest Michelle Hodges, Marketing and Customer care Specialist.

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APPROVAL OF JUNE 22ND MINUTES

Smith moved to waive the reading of the June 22, 2007, Board meeting minutes and that they be approved as mailed. Zimmerman seconded the motion. Yea: All present. Motion carried.

MANAGER ' S REPORT

Taaler reported that on July 17th staff joined a web conference discussing multi year medical rate guarantees. A discussion will be held at the September Board meeting when a decision needs to be made as to next year's medical benefit plan. Taaler noted that the deductible reimbursement was down 22% YTD from last year, which was probably attributable to the average age (41.83) of the employees continuing to decrease.

Financials: The monthly financial reports were included in the Board packet and were thoroughly discussed. June normally is a high irrigation sales month, but the YTD sales are down 53%. A discussion was held on Pumpkin Creek and water allocations for irrigators.

Legislative: The Nebraska Legislative year is over, and Kristin will give a report at the statewide meeting in Scottsbluff next month. Taaler mentioned that NREA will be asking for proposal ideas for the short 2008 session. Two suggestions were; (1) to allow for pre-paid metering and (2) that railroad crossing costs and insurance be addressed.

Other: Director Petersen reported that a Net Metering meeting will be held Monday, July 30, 2007 at noon in Columbus and that he would be attending.

Taaler reported on the Association Dues for 2006 and Schlaman was asked to check with the Chamber of Commerce offices in Bridgeport, Chappell, and Garden County concerning their yearly dues.

Taaler reported on the Tri-State G&T Assn new Wholesale Electric Service Contracts which were returned from RUS for one additional signature and that a third original copy be signed and returned.

CONSTRUCTION, MAINTENANCE & OPERATIONS REPORT

Reilly reported on the major outages in July. On July 6th, the high side fuse at the Lewellen sub failed. Two other outages were from lightning storms.

Reilly reported that the Evertson project had been completed.

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Reilly attended a meeting for the lineman school in Alliance on July 9th. There are only 9 students registered for the next session; the school was hoping for 15. Another lineman school will be opened in Trinidad, CO and Tri-State contributed \$50,000 to the project.

Wheat Belt has been contacted by Benson Mineral Group about a new compressor station East of Dalton. The land has been purchased and they would need 440 KVA. Reilly reported that the line could be converted to 3 phase for the 450 hp to 750 hp motors.

Discussion was held on the motor capacitor testing program, which might be a 5 or 6 year pay back. Also, a motor capacitor has been installed by the customer at Account 3-0265. Wheat Belt will monitor the usage on the well for testing purposes.

BUSINESS REPORT

Wieser was absent from the meeting but her report was reviewed and discussed.

A Motion was made by Fehringer to grant a request from Rick Spearow to write off the demand charges on Account 2332905 in the amount of \$235.23 as it fell within the perimeters of the policy for testing wells. Zimmerman seconded. Yea: All present. Motion carried.

INFORMATION AND TECHNOLOGY REPORT

Technology: Lindahl reported on overheated routers which led to a loss of communication in some of the uninsulated metal substation buildings. Questions were raised as to whether to install exhaust fans or cooling cabinets.

Lindahl reported that with the exception of Commercial Resins, ADC, and a few irrigation accounts, all of the Wheat Belt load can now be monitored remotely.

Information: Lindahl reported that the data received last month from the sub metering correctly predicted the peak as well as closely estimating the mill rate. This gave integrity to the data being received and confidence in the technology. A lengthy discussion was held as to putting the technology on the web for customer access.

Lindahl and Taaler reported and discussed the comparison sheet with the Tri-State rate philosophy change. Wheat Belt came in at 9.4% higher last month than if we would have been billed on Tri-State's peak using the 2006 rate philosophy. This is still less than the estimated 12% rate increase. The weighted average for the year is 10.5%.

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Lindahl gave a presentation to the Board on the metering project and then conducted a tour at the Sidney Sub.

The Board members congratulated Lindahl on his successful completion of NRECA's Management Internship Program.

EXECUTIVE SESSION

None needed.

MEETING REPORTS

Taaler reported on the NRECA Legal Seminar conducted at Jackson Hole, WY. He noted that there was a long discussion on the new "metadata" issue, which is the protection of information that one has thought destroyed, but still available to a specialist that can "mine" it...i.e. information on a hard drive that the writer believed was "deleted" but that has not been correctly erased.

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

Taaler reported on the Tri-State's Manager's Meeting where it was reported that the expected rate increase for 2008 will be in the 11-12% range.

SAFETY ITEMS

The July 13, 2007, Employee Safety Meeting minutes were reviewed and thoroughly discussed.

Reilly reported that Stan Bray of Federated completed a safety inspection.

The Federated Loss History for the past year was discussed.

The "work boot" policy was discussed and the policy will remain as replacement every 3 years.

POLICIES & RESOLUTIONS

Policy E-6: Educational Courses: Smith made a motion to adopt Policy E-6 as amended. Petersen seconded. Yea: All present. Motion carried.

Policy E-10: Code of Ethics; Policy E-11: Employment of Relative; Policy E-12: Cell Phone Use In Vehicles; Policy E-13: Separation of Service; Policy E-14: Theft from the District; Policy E-15: Electrician's License and Policy E-16: Employee Recognition: Petersen moved to readopt Policy E-10, Policy E-11, Policy E-12, Policy E-13, Policy E-14, Policy E-15, and Policy E-16. Zimmerman seconded. Yea: All present. Motion carried.

Policy E-17: Equal Employment Opportunity: Smith made a motion to adopt Policy E-4 as amended. Fehringer seconded the motion. Yea: All present. Motion carried.

Policy E-18: Insurance for Full Time, Part Time and Retired Employees: Smith moved to adopt Policy E-18 as amended/presented with a single wording change of "per" hour. Fehringer seconded the motion. Yea: All present. Motion carried.

STRATEGIC ISSUES

Lengthy discussion was held on the Nebraska Systems Power Supply Group Resolution. The six points presented in the Wholesale Power Issues Resolution were discussed and it was decided that Wheat Belt would not sign the Resolution. The directors felt the action was premature and the group needed to proceed with care. The directors felt the group should pursue looking at the numbers and they would agree to contribute to an outside consultant, but felt that a Resolution was not needed to take to Tri-State.

Taaler stated that hopefully final numbers on the six test accounts with installed capacitors will be available for the August Board meeting.

A discussion was held concerning the FERC Reliability Standards. Wheat Belt will be audited by MRO in 2008. Tri-State will work with Wheat Belt to prepare for the audit and will then use the experience to prepare a template for other Tri-State systems to use when they are audited.

Discussion followed on the article on the decommissioning of the Springview, NE wind turbines that are not even 10 years old.

FUTURE MEETINGS & TRAINING

Taaler reviewed the list of future Director meetings and training.

Petersen and Robinson will remain as the NRECA Nebraska Director Voting Delegate and Alternate.

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A Motion was made by Fehringer to approve Resolution #07-04 nominating Russell Nielsen from Potter, Nebraska, and Director from High West Energy, to the NRECA Board from Nebraska for the coming year. Zimmerman seconded the motion. Yea: All present. Motion carried.

Zimmerman moved that Fehringer be appointed to be the NRECA Voting Delegate and Hass the Alternate for the Regional meeting. Petersen seconded the motion. Yea: All present. Motion carried.

OTHER BUSINESS

It was decided that following the August Board Meeting, the directors and employees would get together to play golf at the Sidney golf course.

JULY BOARD MEETING

There being no further business to come before the Board, the Vice-President declared the meeting adjourned at 12:05 p.m.

ATTEST:

Stuart Morgan, Vice-President

Martin Petersen, Secretary