

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD
SEPTEMBER 28, 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, September 28, 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
Paul Robinson

Martin Petersen
Doug Smith
Dennis Zimmerman, Left at 11:00 a.m.

Also present were Aavo Taaler, General Manager; Pam Wieser, Business Manager; Earl Reilly, Operations Superintendent; Tim Lindahl, IT Specialist; Debra Schlaman, Financial Accounting Assistant and Adam Lechman, Construction Lineman.

Paul Robinson, President, declared a quorum present.

APPROVAL OF AGENDA

Petersen made a motion to approve the agenda as mailed. Morgan 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, September 15, 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. Fehringer seconded. Yea: All present. Motion carried.

INTRODUCTION OF GUESTS

Robinson introduced guest Adam Lechman, Construction Lineman.

Board Minutes – September 28, 2007

Page 2

APPROVAL OF AUGUST 24th MINUTES

Morgan moved to waive the reading of the August 24, 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 the monthly Board minutes will now be reviewed by attorney, Tom Sonntag, prior to publishing of same.

Financials: The monthly financial reports were included in the Board packet and were thoroughly discussed.

Taaler reported that transportation costs and the continuing high cost of fuel will be reviewed for budgeting purposes for 2008. The replacement vehicle #3 for Dalton has been ordered and should be received by the end of the year.

Legislative: Fehringer made a motion directing Taaler to write a letter in support of Federal H.R. 2125, The Railroad Competition and Service Improvement Act of 2007. Petersen seconded the motion. Yea: All present. Motion carried.

Taaler reported that he, Reilly, Borges and Hass met with the Bridgeport City Council members and their attorney on September 17th to discuss the Bridgeport Ethanol plant. Lindahl showed a map indicating the area involved in the annexation of the Ethanol plant. A lengthy discussion followed concerning the 5% in lieu of tax appropriation.

Other: Mr. Tim Meier appeared before the Board at 10:00 a.m. to discuss his grievance with staff concerning his disconnect for non-payment in August, and the resulting treatment that he felt was unjust. Staff and directors discussed his statements. Taaler was directed to call Mr. Meier and state that no changes would be made in the procedures that were followed.

Taaler asked the Board to complete the annual manager's evaluation as required by Director Policy D-6 and return to Director Petersen by October 15th. The results of the assessment will be presented at the October 26th Board meeting.

Motion was made by Hass for staff to draft policy changes making the Directors' official and formal work headquarters their homes. Petersen seconded the motion. Yea: All present. Motion carried.

Motion was made by Fehringer to donate \$500 to the relief fund for the

Board Minutes – September 28, 2007

Page 3

employees of Tri-County Electric in Minnesota. Petersen seconded the motion. Yea: All present. Motion carried.

Taaler discussed the two “Agreements for Joint Use of Substation Facilities” with NPPD that are expiring after 35 years for the Bridgeport and Oshkosh Subs. The only change in the Agreements would read, “The contract will be year to year unless terminated on an anniversary date thereof by at least one year prior written notice given by either party to the other.” These are contracts CRF#94-L21-383 and CRF #94-L21-384. Morgan made a motion authorizing Taaler to sign the contract extensions for automatic renewal with NPPD. Petersen seconded the motion. Yea: All present. Motion carried.

CONSTRUCTION, MAINTENANCE & OPERATIONS REPORT

Reilly reviewed the major outages and the construction, maintenance and operations for the past month. Crews have been changing poles damaged by machinery; discussion followed.

Reilly reported on the results of the sectionalizing study. It was recommended that six substations with Southern States fuses be changed to new S&C type fuses. The cost would be in the range of \$8,000 per sub to change the fuses. About 150 of the line reclosers settings need changed. Most just need the coordination changed. Most of the work will be done in conjunction with annual breaker maintenance. Discussion and questions followed.

Reilly reported on the NREA overhead and underground schools held in late August and early September. There was a good turn out and the training building is very much appreciated by vendors and instructors alike.

Reilly reported that the Benson Mineral Group is ready to proceed with the installation of a gas compressor station east of Dalton. Borges met with a representative from the company at the site to confirm the new service location. A cost estimate and contracts have been sent.

BUSINESS REPORT

Wieser reported that a “formal” evening Customer Appreciation event is being planned for mid-March, 2008.

An October 10th meeting with U. S. Energy Services is scheduled to discuss contracts, stand-by power requirements, etc. for the Bridgeport Ethanol plant.

Wieser discussed Policy C-7 with the Board. This Policy requires a deposit from

Board Minutes – September 28, 2007

Page 4

a landowner who refuses to sign a service contract. It requires a deposit based on past history. A customer is asking for a variance to the policy because the history on the account is extremely high. After discussion by the directors, Smith moved to grant a variance to Policy on this account only, because the history on the account is not valid to make a determination. Fehringer seconded the motion. Yea: All present. Motion carried. The Policy will be amended for future consideration to cover this situation.

INFORMATION AND TECHNOLOGY REPORT

Lindahl reported on technology related items. He performed a technology evaluation on computer and server needs for next year, and there will be no additions to the budget for replacements.

Discussion was held on the Cannon AMR bid and the future industrial load on the Wheat Belt system and the overall cost of power based on Load Factor.

EXECUTIVE SESSION

None needed.

MEETING REPORTS

The NREA Board Meeting report submitted by Petersen was reviewed. It was noted that the report is well done.

Taaler reported on the NREA Summer Meetings held August 22 & 23, 2007, in Scottsbluff and the RMEL Fall Conference meeting.

Morgan reported on the September Tri-State Board Meeting. Questions and discussion followed.

SAFETY ITEMS

The Employee Safety Meeting minutes of September 12, 2007, were reviewed and thoroughly discussed.

STRATEGIC ISSUES

Following a lengthy discussion on the Nebraska Power Alliance, Smith moved to join the group with the two point stipulations as outlined by the group. Hass seconded the motion. Yea: Fehringer, Hass, Morgan, Petersen, Smith, and Zimmerman. Nay: Robinson. Motion carried.

Board Minutes – September 28, 2007

Page 5

Smith, Hass and Taaler will attend the October 12th Nebraska Power Alliance meeting in Bridgeport.

The Directors and Staff broke for lunch at 11:52 a.m. and resumed the meeting at 1:28 p.m.

2008 BUDGET

- 1) 2008 & 2009 Medical: Information and Options from the Wage & Salary committee had been distributed to the Directors prior to the meeting. Jim Weeda represented the committee and asked the Board to adopt Option 2, which would raise the medical deductible from \$1,500 to \$2,000 and leave the co pay at \$15. Fehringer moved to adopt Option 2. Petersen seconded. Yea: All present. Motion carried.

Taaler reported on a program being offered by NRECA where Wheat Belt can sign up for a fixed 6% increase in the medical insurance for 2009. Staff viewed the July 17th web seminar describing the program, and unanimously found the program to be undesirable. Morgan moved to **not** participate in the fixed 6% increase program. Hass seconded the motion. Yea: All present. Motion carried.

- 2) 2008 Wish List: Discussion was held and questions asked on the items listed in the Board packet. Fehringer moved to proceed with the Cannon AMR Pilot Project for the Gurley Substation. (This will allow staff to order the needed equipment.) Smith seconded the motion. Yea: All present. Motion carried.

POLICIES & RESOLUTIONS

Policy E-21: Sexual Harassment; Policy E-22: Smoking Policy; Policy E-25: First Aid and CPR Certification; and Policy E-26: Suggestion Plan:

Petersen made a motion to readopt Policy E-21, Policy E-22, Policy E-25 and Policy E-26. Hass seconded. Yea: All present. Motion carried.

Policy E-23: Return to Work: Petersen moved to adopt Policy E-23 as amended. Hass seconded. Yea: All present. Motion carried.

Policy E-24: On-Call Compensation: Morgan made a motion to adopt Policy E-24 as amended. Petersen seconded the motion. Yea: All present. Motion carried.

STRATEGIC ISSUES (Cont.)

The Tri-State 2008 rate increase was discussed. Fehringer moved to recommend a change in Wheat Belt's rates to result in a 7.5% total revenue increase for 2008. Petersen seconded the motion. Yea: All present. Motion carried.

Taaler reported that Mr. Denver Schlaeppli, the new RUS Field Rep, will attend the November Board meeting.

The FERC Reliability Audit has been scheduled for September 10 & 11, 2008.

FUTURE MEETINGS & TRAINING

Taaler reviewed the list of future Director meetings and training.

Motion was made by Fehringer to appoint Smith as the NRECA voting delegate and Petersen as the alternate at the NRECA Region VII Meeting. Hass seconded the motion. Yea: All present. Motion carried.

Motion was made by Fehringer to reaffirm Robinson as the CFC voting delegate and to appoint Petersen as the alternate at the NRECA Region VII meeting. Hass seconded the motion. Yea: All present. Motion carried.

Fehringer will attend the Wheat Belt Safety Meeting on October 12th as Smith will be attending the Nebraska Power Alliance meeting in Bridgeport.

At the Basin Electric Annual Meeting on November 7 & 8, 2007, Taaler will be the alternate voting delegate.

OTHER BUSINESS

Morgan asked to move the November Board meeting to Wednesday, November 28, 2007. Fehringer moved to change the date of the November Board meeting from November 27, 2007 to November 28, 2007. Morgan seconded the motion. Yea: All present. Motion carried.

Board Minutes – September 28, 2007

Page 7

SEPTEMBER BOARD MEETING

There being no further business to come before the Board, the President declared the meeting adjourned at 2:30 p.m.

ATTEST:

Paul Robinson, President

Martin E. Petersen, Secretary