

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD
JANUARY 25, 2008

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, January 25, 2008, 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

Paul Robinson
Doug Smith
Dennis Zimmerman

Also present were Aavo Taaler, General Manager; Pam Wieser, Business Manager; Carolyn Hostetler, Chief Financial Officer; Earl Reilly, Operations Superintendent; Ryan Borges, Staking Engineer; Tim Lindahl, IT Specialist; Debra Schlaman, Financial Accounting Assistant; Mindy Schmidt, Meter Technician Trainee; guests, Terry Hamaker and Steve Carter, two possible candidates for Petersen's Board position.

Paul Robinson, President, declared a quorum present.

Attention of the directors and attendees was directed to the Open Meetings poster.

APPROVAL OF AGENDA

Petersen made a motion to approve the agenda with the addition of discussing the Performance Pipe special rate under Strategic Issues. Zimmerman seconded the amended motion. Yea: All present. Motion carried.

NOTICE OF MEETING

Notice of this meeting was given by publication in the Sidney Sun-Telegraph on Wednesday, January 23, 2008, 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. Hass seconded. Yea: All present. Motion carried.

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INTRODUCTION OF GUESTS

Taaler introduced guest Mindy Schmidt, Meter Technician Trainee and Petersen introduced guests, Terry Hamaker and Steve Carter, two possible candidates for his Board seat.

APPROVAL OF DECEMBER 17th MINUTES

Morgan moved to waive the reading of the December 17, 2007, Board meeting minutes, and that they be approved as presented. Zimmerman seconded the motion. Yea: All present. Motion carried.

REORGANIZATION OF BOARD: ELECTION OF OFFICERS

The Chair was turned over to the General Manager for nominations for the office of **President**. Hass and Smith received nominations. Smith was elected President.

The Chair was returned to the President elect Smith. Smith called for nominations for **Vice President**. Hass, Morgan, Robinson and Zimmerman received nominations. Hass was elected Vice President.

The Chair called for nominations for **Secretary**. Petersen, Morgan and Zimmerman received nominations. Petersen and Zimmerman declined. Fehringer moved to cast a unanimous ballot for Morgan. Smith seconded the motion. Yea: All present. Motion carried. Morgan was elected Secretary.

The Chair called for nominations for **Treasurer**. Zimmerman, Robinson, Petersen received nominations. Petersen and Zimmerman declined. Fehringer made a motion to unanimously elect Robinson. Petersen seconded. Yea: All present. Motion carried. Robinson was elected Treasurer.

The Chair called for nominations for **Asst. Secretary**. Zimmerman, Petersen and Fehringer received nominations. Zimmerman and Petersen declined. Morgan moved to unanimously elect Fehringer. Hass seconded the motion. Yea: All present. Motion carried. Fehringer was elected Asst. Secretary.

MANAGER ' S REPORT

Personnel: The new intern, Nathan Parker of Dalton, started working Fridays as of January 18th. Taaler reported that the PTO policy will be reviewed at the safety meeting. The payroll handout will include clarification for the employees that do not understand the policy.

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Financials: The monthly financial reports presented at the meeting were thoroughly discussed.

Taaler reported that the auditors were on site January 15th through the 17th and plan to attend the March meeting to do their year-end presentation.

The year-end Form 7 and graphs will be presented at the February Board meeting, by which time the Tri-State capital credits allocation, the unbilled revenue and all 2007 auditor adjustments will have been made.

At the January Tri-State Board meeting, the Tri-state Board decided that should the December financials meet forecast budget numbers, additional capital credit retirements would probably be considered. Discussion was led by Fehringer concerning the capital credits and the borrowing capabilities of Tri-State.

Legislative: The 2008 legislative session calendar was included in the Board packet.

Senator Louden's LB 579 is now LB 1065. Bill LB 766 is going to be introduced by several senators regarding the recycling of scrap metal – copper theft.

Other: Taaler reported that a potential big issue coming up is changes in the OSHA requirements on FR (fire retardant) clothing.

As per Board Policy D-5, Duty 8, the Board is to perform self evaluations every second year (on even numbered years) at its February Board meeting. The Board secretary is responsible to administer the evaluations. Newly elected Secretary Morgan, would like the evaluations returned to him by February 8th.

Taaler reminded directors that it is time to complete and return the 2007 **Statement of Financial Interests** to the Accountability and Disclosure Commission.

CONSTRUCTION, MAINTENANCE & OPERATIONS REPORT

Reilly reviewed the construction, maintenance and operations for the past month.

Reilly reported that the 21st Century Equipment project is on hold for coordination with the City of Sidney as there is a joint-use pole.

Electro-Test is on site performing breaker maintenance and changing bad transformer bushings at Broadwater and Lewellen Subs. While on site, a low oil alarm activated at the Covalt substation load tap changer. Three gallons of oil were added to alleviate the problem.

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Crews have 60 irrigation and annual meters left to read as of January 25th. The difficulties of reading meters this time of year was discussed. The issue will be addressed by the Rate Committee.

Borges reported on a new service request for a 400 HP gas compressor station East of Gurley. Borges talked to ESC and they reported that we may need a new substation with a 3750 or 5000 KVA pad mount transformer. He will meet with ESC for further investigation and report at the next meeting.

BUSINESS REPORT

Wieser reported on the pie and ice cream social for Farm and Ranch Days in Oshkosh.

Wieser reported that there has been interest in Diesel conversions. Discussion followed. The line extension policy may need to be addressed.

Correspondence with NRECA on the Life Insurance Issue continues. Wieser is concerned that without actuarial data, the changes would be considered discriminatory. NRECA has not provided the data to date.

Discussion was held on the Irrigation Policy regarding the requirement of capacitors. Groshans will be assigned the task of monitoring the capacitors. Hass said he had been contacted by two customers concerning measurements and estimates of costs. Hass suggested more education to our customers. Zimmerman asked staff to visit with the two customers regarding the Irrigation Policy and their concerns.

A lengthy discussion was held on the request from the energy consultant for the Ethanol Plant regarding the option to switch from the E-2 rate to the E-1 rate if the savings warrant a change. The Board chose to stay consistent with the Policy.

INFORMATION AND TECHNOLOGY REPORT

Lindahl reviewed items in his report in the Board packet. Under separate cover, a report on customer load profiles for information only, was discussed. Fehringer felt the information was confidential and should be destroyed after review.

Discussion was held on the AMI project. The preliminary schedule will be mid to late March for delivery and possible installation of the equipment. Energizing of the equipment will be held off until a good share of the meters are installed. The ninety-day trial period starts from the energized date in the sub.

MEETING REPORTS

Morgan reported on the January Tri-State Board Meeting. Questions and discussion followed. Morgan reported that the NPSIG will make a presentation at the February Board meeting.

Taaler reported on the NRECA Annual Managers' Conference in Indian Wells, California, where term limits at three, three year terms was suggested as a good compromise between losing accumulated Director Knowledge and complacency. "Consent agenda" was discussed and the Board declined to implement the concept.

SAFETY ITEMS

The December 14, 2007, and January 11, 2008, Employee Safety Meeting minutes were reviewed and thoroughly discussed.

POLICIES & RESOLUTIONS

Bylaws: Article 2, Section 6: Following publication in the newspaper, Fehringer moved to adopt Article 2, Section 6 with the noted change. Petersen seconded the motion. Yea: All present. Motion carried.

Policy A-1: Purpose, Formulation, Adoption, Review and Distribution of Board Policies and Policy C-2: Right-of-Way: Petersen made a motion to readopt Policy A-1 and Policy C-2. Morgan seconded. Yea: All present. Motion carried.

Policy C-1: Line Extension Policy: Robinson made a motion to accept Policy C-1 as modified. Morgan seconded. Yea: Morgan, Petersen, Robinson, Smith and Zimmerman. Opposed: Fehringer and Hass.

A second motion was made by Petersen to table Policy C-1 until next month. Zimmerman seconded the motion.

After a request by Wieser, a third motion was made by Fehringer to accept Policy C-1 with revisions, but exclude the last sentence in 7. b. and to review the Policy in February. Zimmerman seconded the motion. Yea: Fehringer, Hass, Petersen, Robinson, Smith and Zimmerman. Opposed: Morgan. Motion carried.

Policy C-3: Attachments to Poles: Fehringer moved to approve Policy C-3 striking only the word "safety". Petersen seconded the motion. Yea: All present. Motion carried.

STRATEGIC ISSUES

Discussion was held on the NPSIG presentation to the Tri-State Board early afternoon February 5, 2008.

It was agreed that Fehringer would be the “designated” Director to receive the new manager applications. Advertisement for the position will run in May and June and end July 15th. Ads will be in the National NRECA and Statewide magazine and NWPPA.

Taaler suggested that the strategic planning session be postponed until the latter week of November 3, 2008, so that the new manager can be identified and on board to participate.

Morgan moved to approve the Cost of Service Study. Robinson seconded the motion. Yea: All present. Motion carried.

The first meeting of the Rate Committee will start at 9:30 a.m. on Monday, February 11th. Bob McDonald of ESC will be attending the meeting. The main purpose of the meeting is to set goals and schedules, and to decide how to properly and effectively mix the cost of service study with a rates philosophy study and changes.

FUTURE MEETINGS & TRAINING

Taaler reviewed the list of future Director meetings and training.

Board meeting dates for 2008 were discussed and changes made. The May meeting will be held on the 30th and the February meeting will be on the 19th.

Robinson made a motion to appoint Morgan and Fehringer as the NRECA voting delegates. Hass seconded the motion. Yea: All present. Motion carried.

Fehringer made a motion to appoint Robinson and Hass as the CFC voting delegates. Morgan seconded the motion. Yea: All present. Motion carried.

Zimmerman made a motion to appoint Hass & Robinson as the NRTC voting delegates. Petersen seconded the motion. Yea: All present. Motion carried.

Fehringer announced that he is running for the District 47 Legislative seat.

Fehringer made a motion to write a Resolution concerning CRN so that the Nebraska statewide delegates may present it at the meeting. Robinson seconded the motion. Yea: All present. Motion carried.

JANUARY BOARD MEETING

There being no further business to come before the Board, the President declared the meeting adjourned at 11:55 a.m.

ATTEST:

Doug Smith, President

Stuart Morgan, Secretary