

UNAPPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD
MAY 30, 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, May 30, 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; Ryan Borges, Staking Engineer; Tim Lindahl, IT Technician and Debra Schlaman, Financial Accounting Assistant. Also present for a portion of the meeting were Mark Churchill, Smith Barney Financial Advisor and Wayne Rasmuss from Ameritas Investment Corp.

President Smith, declared a quorum present.

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

APPROVAL OF AGENDA

Fehringer made a motion to approve the agenda as mailed. Zimmerman seconded the motion. Yea: All present. Motion carried.

Taaler announced that lunch would be at Buffalo Point instead of Sweet Basil.

NOTICE OF MEETING

Notice of this meeting was given by publication in the Sidney Sun-Telegraph on Saturday, May 17, 2008, and proof of publication showing such notice as published is attached and thereby made a part of the minutes. Robinson made a motion to waive the reading of the notice. Petersen seconded. Yea: All present. Motion carried.

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APPROVAL OF APRIL 25th MINUTES

Fehringer moved to waive the reading of the April 25, 2008, Board meeting minutes, and that they be approved as presented. Hass seconded the motion. Yea: All present. Motion carried.

INTRODUCTION OF GUESTS

Taaler introduced Mark Churchill, Financial Advisor with Smith Barney and announced that Wayne Rasmuss of Ameritas Investment Corp. would be arriving at 9:30 a.m.

INVESTMENT REPORT

Mark Churchill reported on the performance record of Wheat Belt's investments in the last six months. He discussed interest rates, long-term investments and current market trends. Questions and answers followed.

AMERITAS BOND PRESENTATION

Wayne Rasmuss of Ameritas Investment Corp. announced that everything was ready to proceed with the issuance of tax free municipal bonds for the 34.5 kV line build from the Gurley Substation in the amount of \$1.25 million for 25 years. Zimmerman made a motion to sell \$1.25 million in bonds for a 25-year term at an average rate of 4.8127% to finance the 34.5 kV line build. Fehringer seconded the motion. Yea: All present. Motion carried.

MANAGER ' S REPORT

Personnel: Taaler reported that Jim Dickman fell and broke his knee cap. Schlaman reported on the Strategic Financial Planning and Analysis Workshop she attended in Madison, WI.

Borges reported on an in-house training session that was conducted by Bob Hessler of Safety Line Consultants for all outside employees on May 20th on trench shoring.

Financials: The April financial reports were reviewed, and thoroughly discussed.

Legislative: A correction was made to the information in the Board packet. The polar bear is listed on the "threatened" species list, not the "endangered" species list.

Taaler announced that he will write a letter to the Statewide suggesting a

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common operating policy be formed to address net metering and inter-connection.

Audit Approval: Motion was made by Zimmerman to approve the 2007 audit as presented by Mr. Schmidt in April. Robinson seconded the motion. Yea: All present. Motion carried.

Robinson made a motion to approve a Wheat Belt staff member to be appointed to be involved in the Grassroots project. Fehringer seconded the motion. Yea: All present. Motion carried.

CONSTRUCTION, MAINTENANCE & OPERATIONS REPORT

Borges reported on the snow storm outage on May 2nd and the high winds that damaged 30 poles last week. He also reviewed the construction, maintenance and operations for the past month.

Borges reviewed Reilly's report on the WNCC Lineman School, and the search for a new instructor. Two applicants were interviewed. John Corum has agreed to stay until the end of the summer semester.

Reilly received a call from NEMA and Wheat Belt may qualify for disaster assistance for the damages from the storm in Morrill County on April 23rd. We had approximately \$24,000 in damages.

Borges reported that as of May 20th, 1,026 poles had been tested with a 1.8% failure rate. He will give a final report at the June Board meeting.

Borges has started ordering material for the new substation. Currently, the cost for a transformer, switchgear and a new Goab switch to replace the existing one is \$110,150. At a later date, all landowners involved with the project will be invited to a meeting to try and obtain the necessary easements.

BUSINESS REPORT

Bob McDonald from ESC will present the results of the Cost of Service study at the June Board meeting.

Wieser asked for a Board approved write-off in the amount of \$481 for irrigation well testing for J & J Farm & Ranch. Fehringer moved to approve the \$481 write-off. Zimmerman seconded the motion. Yea: All present. Motion carried.

A request was made on Jim Jessen's behalf for the retirement of an irrigation

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account. Wieser explained the situation. Fehringer moved to not accept Jessen's terms and reiterated that the current policy would apply. Petersen seconded the motion. Yea: All present. Motion carried.

Fehringer questioned the minimum charge as stipulated on the C-1 Rate. He does not feel it is correct. Wieser explained the reasoning. Taaler indicated the rate will be reviewed by the Rates Committee.

INFORMATION AND TECHNOLOGY REPORT

Technology: Lindahl reported that the 47" LCD monitor has been installed to monitor the parameters of our system, including the substations and AMI. Directors were invited to tour the IT room.

Information: Lindahl reported on the various meetings he had attended in May. He has been invited to give three presentations at the Tech Advantage conference next year in New Orleans.

Lindahl had been contacted by a customer who would like to have load graphs available so they could monitor their usage. Discussion was held on the liability issue of posting the graphs on line and disclaimer issues. Sonntag will be contacted to discuss the legal issues involved.

MEETING REPORTS

The meeting reports in the Board packet were reviewed and discussion followed.

Petersen's NREA Spring Meeting minutes were e-mailed to the Directors.

SAFETY ITEMS

The May 9, 2008, Employee Safety Meeting minutes and the May 9, 2008, Safety Committee Meeting minutes were reviewed and thoroughly discussed.

POLICIES & RESOLUTIONS

Policy D-1: Director Compensation and Expense Report; Policy D-3: Student Scholarships; Policy D-4: Selection of General Manager; Policy D-5: Board of Directors Duties; Policy D-6: Board of Directors/General Manager Relationship; Policy D-7: Director Elections; Policy D-8: Director Absence from Meetings; and Policy D-10: Reliability Standards: Robinson made a motion to readopt Policy D-1, Policy D-3, Policy D-4, Policy D-5, Policy D-6, Policy D-7, Policy D-8 and Policy D-10. Petersen seconded the motion. Yea: All present. Motion carried.

Discussion was held on **Policy D-2: Director Insurance.** It will be tabled until

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next month so research on the insurance information can be obtained.

Discussion was held on **POLICY D-9: Electronic Communications.** Zimmerman moved to readopt Policy D-9. Fehringer seconded the motion. Yea: All present. Motion carried.

STRATEGIC ISSUES

Manager Search: Fehringer updated the Board on the status of the search and the proceedings. Motion was made by Petersen to approve the letter to be sent to the applicants, the procedures as outlined by Fehringer and for a request for two special meetings. Zimmerman seconded the motion. Yea: All present. Motion carried.

Fehringer reported that he had been contacted by a professional employment consultant asking Wheat Belt to pay his fees on behalf of his applicant client. The Board's consensus was a definite "NO."

Cost of Service Study: Taaler reported that Bob McDonald will attend the June Board meeting to present the Cost of Service Study, answer questions, and then schedule the next Rates Committee meeting.

Dialogue With America: Basin produced banners which are hanging at the headquarters inviting people to sign the formal petition that Basin is circulating with the three questions suggested by NRECA. Tri-State will be advertising in the Sidney newspaper. Hass had a photo shoot scheduled at 1:00 p.m. that Wheat Belt will use to augment other articles and information to educate the public.

FUTURE MEETINGS & TRAINING

Taaler reviewed the list of future Director meetings and training.

MAY 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