

APPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD
NOVEMBER 21, 2008

The regular monthly meeting of the Board of Directors of Wheat Belt Public Power District was called to order at 9:02 a.m., Friday, November 21, 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
Paul Robinson

Martin Petersen
Doug Smith
Dennis Zimmerman

Also present were Tim Lindahl, General Manager; Carolyn Hostetler, Chief Financial Officer; Earl Reilly, Operations Manager; Ryan Borges, Staking Engineer and Debra Schlaman, Financial Accounting Assistant.

President Smith declared a quorum present.

Attention of the Directors, attendees and guests was directed to the Open Meetings Law Poster.

APPROVAL OF AGENDA

Lindahl notified the Board that the Safety Meeting and Safety Committee Minutes were included in the Board packet, and should be included in the Agenda. Robinson made a motion to approve the agenda as modified. Petersen 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, November 8, 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. Robinson seconded. Yea: All present. Motion carried.

INTRODUCTION OF GUESTS

Smith introduced Kevin Coss and Brent Waltman, Foreman and lineman from the Oshkosh outpost. John Gortemaker, Director-elect, arrived at 9:16 a.m.

APPROVAL OF OCTOBER 24th MINUTES

Morgan moved to waive the reading of the October 24, 2008, meeting minutes and that they be approved as presented. Fehringer seconded the motion. Yea: All present. Motion carried.

APPROVAL OF NOVEMBER 7th SPECIAL MEETING MINUTES

After research into the legality of Zimmerman's teleconference vote, the motion made by Fehringer to move the tower to another location and seconded by Hass, was approved. Yea: Fehringer, Morgan and Hass. Nay: Robinson and Smith.

Morgan moved to waive the reading of November 7, 2008, Special Meeting minutes and that they be approved as amended. Fehringer seconded the motion. Yea: all present. Motion carried.

MANAGER 'S REPORT

Personnel: Lindahl reported that there are now 29 employees, with Taaler's retirement.

Lindahl has conducted six interviews with candidates for the I.T. position and has narrowed the applicants down to two.

Discussion was held on the Alliance Lineman School internship program. Zimmerman made a motion to offer an internship to the two students from the Gurley area to work on Fridays, for a total of 150 hours. Fehringer seconded the motion. Yea: All present. Motion carried.

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

Legislative: Lindahl reported on a push to update/create a new energy policy for the state of Nebraska.

Other: Discussion was held concerning large commercial accounts.

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Other: Hostetler reported that the final documents for the two million dollar bond issue for the AMI project were ready for signatures by the Directors. Fehringer made a motion to approve the closing documents for the two million dollar bond issue for the AMI project. Robinson seconded the motion. Yea: All present. Motion carried.

CONSTRUCTION, MAINTENANCE & OPERATIONS REPORT

Reilly reported on the snow and wind storm on November 6th. He then reviewed the construction, maintenance and operations for the month.

Reilly reported on a problem with the substation transformer at Vo-Tech. The gas analysis was too high, and the transformer had to be replaced. A spare 5MVA transformer was installed and will be left in place. No outages occurred. Reilly will contact Federated about insurance coverage.

Borges reported that three more miles were staked on the new transmission line for the Weyerts Substation. He is still negotiating with the landowner on the cost to purchase the land for the substation. Signs will be posted on the proposed site indicating “the future home of the Weyerts Substation.” The 5MVA transformer has been ordered. A public hearing will be conducted for comments on the proposed site.

Reilly reported that the audit of the PCB records went well. No major problems were found. Robinson asked how work was progressing on the PCB testing. Reilly reported that with the installation of the Cannon meters, transformers will also be tested. They hope to be finished by year end 2010.

BUSINESS REPORT

Wieser’s report was reviewed and discussion followed on heat pump rebates, and the signing of service agreements and contracts.

2009 BUDGET

Lindhahl reviewed the budget process and how estimates and assumptions are determined. A lengthy discussion was held on line losses. A comment was made that with the addition of new transformers and the Cannon installations, our line losses should improve. The Federated 2009 premium increase reflects the increase in property values. Final budget figures will be presented at the December Board meeting.

MEETING REPORTS

Lindahl reported on the MDM meeting he attended. A lengthy discussion followed on various wind projects. Also, discussion was held on the Arc Flash study, the requirements concerning PP&E clothing, and the liability for Wheat Belt.

Morgan reported on the Tri-State Board meeting. Questions and discussion followed on rate agreements; step-down transformer ownership, and the timely maintenance of the transformers. Morgan reviewed the Member and Consumer polling survey results.

Lindahl reviewed his Tri-State Manager's meeting. He reported that several systems may visit Wheat Belt for a presentation on the Google Earth outage management system and how it is tied into the Cannon AMI system.

SAFETY ITEMS

The November 14, 2008, Employee Safety Meeting minutes were reviewed and thoroughly discussed.

The November 14, 2008, Safety Committee Meeting minutes were reviewed and discussed.

POLICIES & RESOLUTIONS

Policy E-28: Grievance Procedure; Policy E-29: Guidelines for Discipline and Termination; Policy E-30: Access to Employee Records; Policy E-31: Change in Work Hours and Premium Rates; Policy E-32: Exchange Time; Policy E-33: Military Leave for Reservists and Policy E-34: Personal Use of Wheat Belt Equipment: Robinson moved to readopt Policy E-28, Policy E-29, Policy E-30, Policy E-31, Policy E-32, Policy E-33 and Policy E-34. Fehringer seconded the motion. Yea: All present. Motion carried.

Lindahl would like to see a policy put in place, which requires a review of the employee 401K plan provider/administrator on a regular basis – perhaps every four years.

Lindahl reported that the Red Flag Policy is completed, even though the requirement period has been extended.

STRATEGIC ISSUES

Communication Tower: After consulting with the Attorney General, it was determined that the teleconference vote by Zimmerman was invalid. A director must be present at the meeting in order to vote. Therefore, the vote to move the tower was passed by a three to two vote. Staff is directed to report at the December Board meeting on alternative locations for the tower.

Construction of the tower has been postponed until spring. Staff will make determinations and report to the Board.

NERC Reliability Reporting: Lindahl reported that Wheat Belt has been removed from the NERC registry and the MRO registry, and he is working on the WECC registry.

Dalton Transmission Substation Transformer: Reilly reported on the costs for the new transformer. A new 25MVA transformer would be \$844,665. Reilly asked to budget \$900,000 to cover crane costs and new bus work, if needed. Fehringer moved to approve the exception to the current work plan for the purchase of the new transformer. Hass seconded the motion. Yea: All present. Motion carried.

Spring Wheat Belt Strategic Planning: Discussion was held on the location, potential dates and facilitators for Strategic Planning. Fehringer suggested Jonathan Bartsch from CDR Associates as the facilitator. Fehringer moved to have Strategic Planning in Broomfield, Colorado, beginning on Wednesday, March 4th, following the Tri-State meeting. Zimmerman seconded the motion. Yea: Fehringer, Zimmerman and Smith. Nay: Hass, Robinson, Morgan and Petersen. Motion failed.

Following discussion, Fehringer moved to have the Strategic Planning session in Cheyenne, Wyoming, beginning on March 4th at Little America. Robinson seconded the motion. Yea: All present. Motion carried.

Lindahl will contact Jonathan Bartsch and Little America.

FUTURE MEETINGS & TRAINING

Lindahl reviewed the list of future Director meetings and training. Gortemaker will attend the NREA Annual meeting in Kearney, instead of Hass.

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There being no further business to come before the Board, the President declared the meeting adjourned at 11:48 a.m.

ATTEST:

Doug Smith, President

Stuart Morgan, Secretary