

**UNAPPROVED REGULAR MEETING MINUTES**  
**BOARD OF DIRECTORS - WHEAT BELT PPD**  
**OCTOBER 24, 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, October 24, 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 Aavo Taaler, General Manager; Carolyn Hostetler, Chief Financial Officer; Pam Wieser, Office Manager; Earl Reilly, Operations Manager; Ryan Borges, Staking Engineer; Tim Lindahl, IT Technician 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**

Morgan made a motion to approve the agenda. Fehringer 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, October 11, 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. Fehringer seconded. Yea: All present. Motion carried.

## **INTRODUCTION OF GUESTS**

Smith introduced John Gortemaker, a Director candidate seeking a position on the Board. Taaler introduced Deryl Travis of Smith Barney and Mark Cape, Maintenance Equipment Operator. Wayne Rasmuss of Ameritas, arrived later.

## **APPROVAL OF SEPTEMBER 18<sup>TH</sup> SPECIAL MEETING MINUTES**

Morgan moved to waive the reading of the September 18, 2008, Special Board meeting minutes and that they be approved with two corrections. Change the day of the week to Thursday instead of Friday and change the reason for the Executive Session to read “to interview potential general manager candidates.” Zimmerman seconded the motion. Yea: All present. Motion carried.

## **APPROVAL OF SEPTEMBER 26<sup>TH</sup> MINUTES**

Fehringer moved to waive the reading of the September 26, 2008, meeting minutes and that they be approved as presented. Zimmerman seconded the motion. Yea: All present. Motion carried.

## **INVESTMENT REPORT**

Deryl Travis, Financial Advisor from Smith Barney, gave his semi-annual investment report and answered questions from the Board.

Travis had no recommended changes to **Policy F-3: Investments**, which was reviewed by the Board.

Motion was made by Petersen to re-approve **Policy F-3: Investments**. Motion was seconded by Robinson. Yea: All present. Motion carried.

## **CANNON AMI BOND ISSUE**

Wayne Rasmuss of Ameritas Investment Corp. announced that everything was ready to proceed with the issuance of tax free municipal bonds to install the new AMI project in the amount of two million dollars (\$2,000,000) for 6.7 years.

Robinson introduced Resolution #08-05 and moved for its adoption, authorizing the issuance of Electric System Revenue Bonds, 2008A Series in the principal amount of two million dollars (\$2,000,000) at an average interest rate of 3.9345% for the purpose of paying the cost of constructing electric improvements of the district. Motion seconded by Hass. Yea: All present. Motion carried.

## **MANAGER'S REPORT**

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Personnel: Taaler announced that Earl had completed his first two-week session of the Management Internship Program (MIP). Lindahl has received several applicants for the IT position and will be interviewing soon.

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

Legislative: Taaler asked the Board if anyone had a proposed resolution to be forwarded to the NREA Legislative Committee to prepare for the new 2009 Legislative session. There were none to be presented.

Taaler noted that our new RUS GFR (general field representative) is John Rabaglia of Denver, Colorado.

### **COMMENT PERIOD**

Mr. Kevin Derry appeared before the Board to present his grievance concerning a retired irrigation account reinstatement. After hearing all of the information from Mr. Derry, it was agreed that if a new well was drilled, rather than attempting to use the existing well as first indicated, the account is eligible under the “dry well policy.”

Mr. Bob Beyer appeared before the Board concerning the placement of the new communication tower. After a lengthy discussion, Robinson moved to proceed with the tower construction at the original site. Fehringer seconded the motion. Yea: Fehringer, Petersen, Robinson, Smith and Zimmerman. No: Hass and Morgan. Motion carried. Taaler will inform Mr. Beyer of the results of the vote.

### **CONSTRUCTION, MAINTENANCE & OPERATIONS REPORT**

Borges reviewed the construction, maintenance and operations for the month.

Borges and Reilly reported on the eminent failure of the Dalton Substation transformer. New high-side bushings were installed and low-side bushings will be ordered. Reilly will report at next month’s Board meeting on the cost of a new transformer.

Borges reported that materials for the new 34.5 KV transmission line for the Weyerts Substation are arriving, and the tree grove has been removed. Staking will continue next week.

Taaler reported that the engineer from Y-W Electric will be at the office Tuesday, October 28<sup>th</sup>, to complete the Interconnection Agreement for the Bridgeport Ethanol plant.

## **BUSINESS REPORT**

Wieser reported that the 2009 pocket calendars and diaries have arrived and will be mailed with the December statement. They are also available in the office in December.

Wieser reported to the Board that the Health Fair was scheduled for October 28<sup>th</sup> at 8:00 a.m. if they wished to participate.

Wieser will contact attorney, Tom Sonntag, to work out some questions on the contracts regarding the easement portion. Also, a short article on Tax Exemptions will appear in the November magazine.

A quick vote of the Board was taken concerning traditional or pot luck for the November lunch. Traditional turkey dinner won.

## **INFORMATION AND TECHNOLOGY REPORT**

Technology: Lindahl reported that a new computer was ordered for Carolyn and that Jim Weeda had been helping with some of the IT problems to test our business continuity plan.

Information: Lindahl spent several days processing the increase on the rates. The proposals will be reviewed for budgeting purposes.

The advertisements for an I.T. replacement have resulted in seven applicants to date. Interviews will take place early in November.

Lindahl reported that he has not had an opportunity to draft the “wind” article yet.

AMI: The internal kickoff meeting was held October 23<sup>rd</sup>, and Rosenbaum was appointed the leader of the project.

It was suggested that another GPS unit be added to the budget list for next year.

## **2009 BUDGET**

Roger Abrams and Michelle Hodges represented the Wage and Salary committee and reported that they had reviewed information on different concepts and approaches for wages and the committee decided to ask only for the cost of living increase of 5.9% on the total wage package. This figure was the cost of living percentage reported in the Consumers Index Report in August.

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The Board went into Executive Session at 10:37 a.m. to discuss wage and salary. They resumed the meeting at 10:45 a.m.

Motion was made by Petersen to assign a five percent increase in wages, which would increase the total wage and benefit package by 5.4%. Zimmerman seconded the motion. Yea: All present. Motion carried.

The proposed 2009 rate schedules were presented and discussion followed. The proposed rates reflect a 3% revenue increase on our rate base to compensate for the Tri-State rate increase.

Robinson moved to accept all of the proposed rate schedules. Fehringer seconded the motion. Yea: All present. Motion carried.

### **MEETING REPORTS**

Taaler reported on the WyoBraska MDM meeting, the NREA Manager's Meeting and the NREA Legal Seminar. Discussion followed.

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

### **SAFETY ITEMS**

The October 10, 2008, Employee Safety Meeting minutes were reviewed and thoroughly discussed

### **POLICIES & RESOLUTIONS**

**Policy F-1: Checks, Drafts, Etc.; Policy F-2: Financial Goals; and Policy F-4: Handling of Payments:** Fehringer moved to readopt Policy F-1, Policy F-2, and Policy F-4. Hass seconded the motion. Yea: All present. Motion carried.

**Policy E-35: Prevention of Identity Theft:** Fehringer moved to adopt Policy E-35. Zimmerman seconded the motion. Yea: All present. Motion carried.

**Policy C-23: Net Metering:** Fehringer moved to adopt Policy C-23 with one wording change. Robinson seconded the motion. Yea: All present. Motion carried.

Fehringer moved to approve **Resolution #08-04**, the 2008 Load Forecast as prepared by Tri-State G & T. Robinson seconded the motion. Yea: All present. Motion carried.

### **STRATEGIC ISSUES**

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Communication Tower: The tower project will proceed as originally planned. It was noted that future construction of this type should be brought to the attention of customers near the site for public relation and informational purposes.

Reliability Reporting: Taaler reported that Wheat Belt is working towards getting off of the MRO registry.

Dalton Transmission Transformer: Taaler reported on the failing transformer. Discussion followed. This item may be added to the new four-year work plan.

Ethanol Plant Interconnection Agreement with Bridgeport Ethanol: Taaler reported that the engineer from Y-W Electric will be at Wheat Belt October 28<sup>th</sup>, to finalize the written agreement and go to Bridgeport to tie up loose ends. Taaler would like to see a clause in the agreement that would automatically initiate standby rate provisions if the plant goes over the one megawatt internal generation level.

Customer Education: Director Morgan asked that a letter explaining the climate change legislation be sent to customers. Discussion followed and postcards will be sent to customers that can be forwarded to NREA.

### **FUTURE MEETINGS & TRAINING**

Taaler reviewed the list of future Director meetings and training.

At the NREA Annual meeting, Petersen and Robinson will remain as voting delegates.

Lindahl will post an internet based calendar on the Board's website.

### **OCTOBER BOARD MEETING**

There being no further business to come before the Board, the President declared the meeting adjourned at 2:53 p.m.

ATTEST:

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Doug Smith, President

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Stuart Morgan, Secretary