

**UNAPPROVED REGULAR MEETING MINUTES**  
**BOARD OF DIRECTORS - WHEAT BELT PPD**  
**SEPTEMBER 26, 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, September 26, 2008, at the District Headquarters, 2104 Illinois Street, Sidney, Cheyenne County, Nebraska.

**ROLL CALL**

The following Directors were present:

Bernie Fehringer  
Jim Hass, Arrived at 9:05  
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**

Fehringer made a motion to approve the agenda with one addition. An emergency addition under Strategic Issues: NREA Headquarters Building Financing. Robinson 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 Tuesday, September 16, 2008, and proof of publication showing such notice as published is attached and thereby made a part of the minutes. Morgan made a motion to waive the reading of the notice. Zimmerman seconded. Yea: All present. Motion carried.

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### **INTRODUCTION OF GUESTS**

Smith introduced John Gortemaker and Steve Carter, Director candidates seeking a position on the Board. Taaler introduced Sonny Copley, Senior Meter Technician, and announced that Sonny would be going to four-day weeks beginning in October.

### **APPROVAL OF AUGUST 22<sup>nd</sup> MINUTES**

Robinson moved to waive the reading of the August 22, 2008, Board meeting minutes, and that they be approved as presented. Petersen seconded the motion. Yea: All present. Motion carried.

### **MANAGER ' S REPORT**

Personnel: Taaler announced that the 401k plan contributions deficit had been corrected. Total correction cost was \$11,540.60.

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

Taaler reported on the cash flow requirements with the following comments: Line 28 – Employee Benefits - employees have not used all available deductible reimbursements; Line 35 – Operations and Maintenance – carry over recloser maintenance from 2007; and Line 41 – Maintenance General Plant – painting and modernization of store room and meter room, which had not been done for 40 + years.

Legislative: Taaler reported that Kristen Gottschalk and James Dukesherer conducted a Grassroots/ACRE presentation for employees at Wheat Belt on September 23<sup>rd</sup>. We will continue to take no action on the ACRE issue until a directive from NREA is received. Employees did sign membership cards for NREA. Taaler announced that Jim Weeda is the Grassroots Coordinator for Wheat Belt PPD and if anyone had questions, to contact him.

Other: Wheat Belt will pay the 5% Gross Revenue Tax to the City of Bridgeport. There was some discussion on the letter from Rush Creek concerning the Project Arrow Boy Scout Camp.

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

Reilly reviewed the construction, maintenance and operations for the month and the status of the PCB's testing.

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Reilly reported that Steve Hopkins had agreed to sign the new tower lease agreement. Reilly asked the Board for approval to amend the 2008 Capital Budget to cover an additional \$6,000 one-time lease payment. Morgan made a motion to amend the Capital Budget for a one-time lease payment in the amount of \$6,000. Petersen seconded the motion. Yea: All present. Motion carried.

Reilly reported that there were 71 students for the overhead school and 37 students for the underground school held at the training field north of Sidney. Also, that the Nebraska Safety Council presented an ATV training course at Wheat Belt headquarters and training grounds on September 22<sup>nd</sup> for 15 Wheat Belt employees and three employees from Chimney Rock.

Reilly announced that he will start his NRECA Management Internship Program on October 6<sup>th</sup> in Madison, Wisconsin.

Borges reported that six miles of the 34.5 kV transmission line to the new substation have been staked. All of the materials except for the poles have been ordered. Taaler commented that from a “strategic planning” standpoint, it has been stated that with the price of materials constantly going up, it is a good idea to build up the material stock inventory, if possible.

### **BUSINESS REPORT**

Wieser reported on the parades and the “CFL Charlie” used this year to promote the “Change a Bulb and Change the World” national campaign.

Wieser reported that rural electricians are pushing the replacement of old, inefficient appliances with “Energy Star” systems. Tri-State is now giving a \$40 energy credit rebate for the purchase of a new Energy Star refrigerator or freezer. Morgan made a motion to match Tri-State at fifty percent (\$20) for the purchase of an Energy Star refrigerator or freezer. Fehringer seconded the motion. Yea: All present. Motion carried. This rebate will now be included in Wheat Belt’s Energy Credit Program.

The NRECA representative, Rick Lepley, was present on September 23<sup>rd</sup> to explain the Health Savings Account (HSA) Plan and other available plans to the staff and employees.

A lengthy discussion was held on customers that refuse to sign contracts and agreements and the assessment of customer account deposits.

**COMMENT PERIOD**

Mr. Richard Winchell appeared before the Board to present his grievance about signing a service contract/service agreement or pay the deposit. It was agreed by the Board that the Policy will stand.

**INFORMATION AND TECHNOLOGY REPORT**

Lindahl thanked the Board for selecting him for the General Manager position.

Technology: Lindahl reported that all computer systems and network systems had been functioning well, with no failures. An evaluation of the tech items in the office revealed that we should be in good shape for one more year with servers, computers, etc. The exception would be for an occasional failed computer replacement.

Information: Lindahl designed a piece of software that will normalize our electric sales per rate class. It was determined by this software, that our irrigation rates are very close; within two cents. This software will allow us to run several scenarios to the rates before making a final recommendation, and should increase the accuracy of the increases. It will provide a detailed cost of power per rate class.

Lindahl reported that he had been selected to serve on the “Corporate Social Responsibility and the Environment” panel at Concordia University, which falls in nicely with the Grassroots efforts. Concordia University was hosting an Alumni Business Professionals Reunion.

Discussion was held on a wind generation meeting attended by Taaler and Lindahl. Fehringer suggested putting something in the local papers concerning Wheat Belt’s stand on wind generation.

Lindahl has put out advertisements for an I.T. replacement.

AMI: Robinson asked for a clarification between AMI and AMR. Questions were raised concerning new customer contracts and about informing customers of the new system, if we proceed with the full Cannon implementation.

**2009 BUDGET**

The 2009 budget process schedule was reviewed.

The 2009 capital items purchase list was reviewed as presented. Taaler was asked to verify the office area water sprinkler system costs and to check with Federated on the insurance consequences of the installation.

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The employee medical plan was presented by Wage and Salary Committee representative, Michelle Hodges. The Committee recommended keeping Plan B as presented in the Board packet. The Committee felt that it's in the best interest of Wheat Belt to leave the deductible at its present level. It will cost Wheat Belt more initially, but the liability to them should stay low, if at least fifteen employees meet their full deductible. Petersen made a motion to keep Plan B with the \$2,000 deductible. The motion was seconded by Fehringer. Yea: All present. Motion carried.

The Cannon AMI full deployment justification report by Lindahl was discussed. Hostetler reported that the Bonds could be purchased by local customers. Advertisements could be placed in the local newspapers by Ameritas

Following further discussion, Petersen made a motion to approve the Cannon AMI system for full deployment and to: 1) inform customers that the Bonds will be available for purchase in \$5,000 increments by advertising in the local papers by Ameritas; 2) this will be for a \$2 million bond issue; and 3) the issue will be for a seven-year term. Robinson seconded the motion. Yea: All present. Motion carried.

Due to the Tri-State rate increase of 4.1 percent, effective January 1, 2009, Wheat Belt will need to increase its revenue by 2.79% to offset the increased power costs. For budgeting purposes, staff asked the Board to approve adjusting the present electric rates to result in an overall revenue increase for 2009 of three percent. Motion was made by Zimmerman to adjust the existing rates to result in an overall revenue increase for 2009 of three percent. Motion was seconded by Hass. Yea: All present. Motion carried.

### **MEETING REPORTS**

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

Taaler reported on the RMEL Fall Conference held in Vail, Colorado. It was recommended at the conference to build up material inventories now, as costs will only increase.

### **SAFETY ITEMS**

The September 12, 2008, Employee Safety Meeting minutes were reviewed and thoroughly discussed. Pole top rescue and mock May Day calls were conducted.

**POLICIES & RESOLUTIONS**

**Policy E-21: Sexual Harassment:** Petersen made a motion to adopt Policy E-21, with one minor change. Robinson seconded the motion. Yea: All present. Motion carried.

**Policy E-22: Smoking Policy; Policy E-23: Return to Work; Policy E-24: On-Call Compensation; Policy E-25: First Aid and CPR Certification; Policy E-26: Suggestion Plan and Policy E-27: Employee Behavior:** Petersen moved to readopt Policy E-22, Policy E-23, Policy E-24, Policy E-25, Policy E-26 and Policy E-27. Zimmerman seconded the motion. Yea: All present. Motion carried.

The draft of Policy C-23: Net Metering, was reviewed and discussed.

The draft of Policy E-35: Prevention of Identity Theft (also known as the Red Flag Policy), was reviewed and discussed and will be presented at the October Board meeting for approval.

Lindahl will present a preliminary third, Industrial Rate Schedule, at the October Board meeting.

**STRATEGIC ISSUES**

Fehringer made a motion to engage Tim Lindahl as the General Manager beginning November 14, 2008. His salary is to be established at \$85,000 and the Board will conduct a preliminary performance appraisal not more than six months from date of hire. Motion seconded by Petersen. Yea: All present. Motion carried.

Smith thanked Fehringer for all of his extra work on the manager selection process.

Taaler reported on the MRO Reliability Audit. Discussion followed.

Taaler discussed the Inter-Connection Agreement with the Bridgeport Ethanol plant. There are metering and additional generation of power issues.

A motion was made by Robinson to pay NREA \$18,911 toward the purchase of their new building headquarters. Petersen seconded the motion. Yea: All present. Motion carried.

**FUTURE MEETINGS & TRAINING**

Taaler reviewed the list of future Director meetings and training.

Morgan and Fehringer will be the voting delegates at the NRECA Region VII meeting in Omaha, October 1-3.

Taaler and Lindahl will attend the Tri-State October Board Meeting, October 7th & 8th.

Lindahl and Morgan will plan to attend the Basin Annual Meeting in Bismarck, November 5th & 6th.

Motion was made by Morgan that Zimmerman remain as the voting delegate at the Midwest Electric Consumers Meeting, December 10th & 11th, and Robinson will remain as the alternate. The motion was seconded by Petersen. Yea: All present. Motion carried.

It was verified that the November Board meeting is scheduled for November 21<sup>st</sup>.

**SEPTEMBER BOARD MEETING**

There being no further business to come before the Board, the President declared the meeting adjourned at 12:10 p.m.

ATTEST:

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Doug Smith, President

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Stuart Morgan, Secretary