

UNAPPROVED REGULAR MEETING MINUTES
BOARD OF DIRECTORS - WHEAT BELT PPD
JANUARY 23, 2009

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 23, 2009, at the District Headquarters, 2104 Illinois Street, Sidney, Cheyenne County, Nebraska.

ROLL CALL

The following Directors were present:

Bernie Fehringer
John Gortemaker
Jim Hass, arrived at 9:08
Stuart Morgan

Paul Robinson
Doug Smith
Dennis Zimmerman

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

Doug Smith, President, declared a quorum present.

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

APPROVAL OF AGENDA

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

NOTICE OF MEETING

Notice of this meeting, notification of By-law changes and notification of a public comment session regarding a proposed communication tower at 10:00 a.m., and notification of a public comment session on the proposed substation location at 10:30 a.m., was given by publication in the Sidney Sun-Telegraph on Saturday, January 10, 2009, 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

Lindahl introduced guest Jeff Rosenbaum, Senior Meter Technician.

APPROVAL OF DECEMBER 18th MINUTES

Zimmerman moved to waive the reading of the December 18, 2008, Board meeting minutes, and that they be approved as presented. Gortemaker 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**. Each director nominated in writing, a candidate for the office of President. Nominations were tallied and incumbent Smith was the only director nominated for the office of President. Robinson made a motion to close nominations and that a unanimous ballot be cast for Smith. Motion was seconded by Zimmerman. Yea: All present. Motion carried. Smith was elected President.

The Chair was returned to the President elect Smith. Smith called for nominations for **Vice President**. Each director nominated in writing, a candidate for the office of Vice President. Nominations were tallied and incumbent Hass was the only director nominated for the office of Vice President. Fehringer made a motion to close nominations and that a unanimous ballot be cast for Hass. Motion was seconded by Zimmerman. Hass was elected Vice President.

The Chair called for nominations for **Secretary**. Each director nominated in writing, a candidate for the office of Secretary. Nominations were tallied and incumbent Morgan was the only director nominated for the office of Secretary. Robinson made a motion to close nominations and that a unanimous ballot be cast for Morgan. Fehringer seconded the motion. Yea: All present. Motion carried. Morgan was elected Secretary.

The Chair called for nominations for **Treasurer**. Each director nominated in writing, a candidate for the office of Treasurer. Nominations were tallied and incumbent Robinson was the only director nominated for the office of Treasurer. Fehringer made a motion to close nominations and that a unanimous ballot be cast for Robinson. Zimmerman seconded the motion. Yea: All present. Motion carried. Robinson was elected Treasurer.

The Chair called for nominations for **Assistant Secretary**. Each director nominated in writing, a candidate for the office of Assistant Secretary. Nominations were tallied and incumbent Fehringer was the only director nominated for the office of Assistant Secretary. Robinson made a motion to close

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nominations and that a unanimous ballot be cast for Fehringer. Zimmerman seconded the motion. Yea: All present. Motion carried. Fehringer was elected Asst. Secretary.

New Board director, John Gortemaker, signed the Oath of Office. Re-elected Board director Jim Hass, signed the Oath of Office.

MANAGER ' S REPORT

Personnel: Jim Weeda moved to the metering department, replacing Mindy Schmidt, and is working both positions until a replacement is found. Borges will conduct interviews next week for Weeda's position.

The two lineman school interns are now working on Fridays.

An employee's issue committee has been formed to take an in-depth look at the needs and desires of the employees and will also be the wage and salary committee. The committee consists of: Wieser, Schilz, Bond, Lechman and Waite. The committee will meet quarterly, and members will be on a rotating two-year term.

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

Discussion was held on the Gross Revenue Tax that we are required to pay the counties for accounts located within city limits that we serve. We pay 5% on gross revenue. That revenue is determined at the time of billing, not collection, which increases our exposure should a customer declare bankruptcy. Carolyn will check with the State Auditor concerning a refund on an account that declared bankruptcy several years ago. The tax was paid on the full amount of revenue billed, not on the collected amount of revenue.

Lindahl included a year-end summary of our power purchases and explained the load factor calculations. Directors responded favorably to the summary.

Lindahl reported that the auditors were here on January 14th and 15th. Their Board presentation will be in April or May. The auditor suggested that we get rid of outdated materials and write them off, and that he would like to see inventory at a lower level. Following a discussion by the Board, there are three sound business reasons why our inventory is currently at a higher than normal level:

- 1) to allow for longer lead times; 2) AMI project; and 3) several unfinished projects.

The year-end Form 7 and graphs will be presented at the February Board

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meeting, by which time, the Tri-State capital credits allocation, the unbilled revenue and the 2008 auditor adjustments will have been made.

A lengthy discussion was held on the CFC Member Capital Securities Program and their new investment rate.

Legislative: The 2009 legislative session calendar was included in the Board packet. A new net-metering bill will be introduced.

Other: Lindahl reported that he had been appointed to the Cheyenne County Chamber of Commerce Board.

A community emergency responders' training session will be held January 28th for all EMS and law enforcement individuals and dispatchers who may respond to an incident involving Wheat Belt poles and lines.

Lindahl added several articles to the Board packet and asked directors if they would prefer to have them e-mailed to them. The Board preferred having them in the Board packet.

The February and March calendars were reviewed, and Smith will not be at the March meeting. Vice-President Hass was asked to preside at the meeting.

CONSTRUCTION, MAINTENANCE & OPERATIONS REPORT

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

Borges reported that the transformer for the Weyerts Substation arrived December 29th.

Nobody appeared at the Public Comment Sessions, so Borges will proceed with the purchase of the land for the substation. Surveys will be conducted on the proposed sites for the substation, one-half mile of transmission line and the communications tower.

Reilly reported on the completion of his second session of MIP training.

The status of CWC removal was discussed. A copy of the cost of construction study for 2009 was included in the Board packet.

Other: Rosenbaum stated that they are ready to begin installing Cannon equipment at the substations. They hope to complete one substation per day.

PUBLIC COMMENT PERIOD

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Signs were erected on January 6, 2009, and January 8, 2009.

Proposed Tower Location: No one appeared. No phone calls or letters were received.

Proposed Substation Location: No one appeared. No communications received relative to the proposed location.

BUSINESS REPORT

Wieser reported on the pie and ice cream social for Farm and Ranch Days in Oshkosh. Petersen and Borges served the pie and ice cream. Lindahl had the opportunity to chat with customers.

Contracts/Tax Forms: Discussion was held on the possibility of a pre-payment account.

Service Territory Waiver: Following a lengthy discussion, the Board decided that a waiver would not be granted.

Wieser reported on a possible bankruptcy situation.

INFORMATION AND TECHNOLOGY REPORT

Bond's report was reviewed. The Board asked that her name be included in the report.

EXECUTIVE SESSION

Hass called for an executive session at 10:55 a.m. Robinson seconded the motion. Yea: All present. Motion carried.

Reason: Financial Matters

Morgan moved that the executive session end at 11:13 a.m. Fehringer seconded the motion. Yea: All present. Motion carried.

MEETING REPORTS

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

Lindahl's MDM meeting report was reviewed. Lindahl discussed the possibility of

defining net metering and the wholesale cost of power in our current policy.

Reilly reported on the new FR clothing requirements. Following the Arc Flash Study conducted by Jerry Hager of ESC, Wheat Belt may be purchasing FR pants for employees and they may be required to be worn at all times.

Lindahl's NRECA CEO Close-up report was reviewed.

Hass reported on the Central Nebraska Public Power & Irrigation District vs. Natural Resources District lawsuit. Discussion followed.

SAFETY ITEMS

The December 12, 2008, and January 19, 2009, Employee Safety Meeting minutes were reviewed and thoroughly discussed. The December 12, 2008, special meeting of the Safety Committee was reviewed.

POLICIES & RESOLUTIONS

Bylaws: Article II, Section 6 and Article IV, Section 2: Following publication in the newspaper and readings at two consecutive meetings, Morgan moved to adopt Article II, Section 6 and Article IV, Section 2 with the proposed changes. Robinson 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: To be reviewed at the February meeting.

Policy C-1: Line Extension Policy: Robinson made a motion to accept Policy C-1 as modified. Zimmerman seconded. Yea: All present. Motion carried.

Policy C-2: Right-of-Way and Policy C-3: Attachments to Poles: Robinson moved to readopt Policy C-2 and Policy C-3. Hass seconded the motion. Yea: All present. Motion carried.

STRATEGIC ISSUES

Lindahl reported on the Strategic Planning Session for March. Jonathan Barch had been contacted and his facilitator fees were considered quite high. Lindahl was instructed to pursue different options for facilitators and was given a dollar cap to use. Topics were discussed with additional suggestions.

Rosenbaum reported that the three-phase meters were still three weeks out and

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that they hoped to begin installation at the Dalton Town Substation soon.

FUTURE MEETINGS & TRAINING

Lindahl reviewed the list of future Director meetings and training.

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

Morgan made a motion to appoint Robinson and Fehringer as the voting delegate and alternate voting delegate at the NRECA Directors Election (at NREA). Zimmerman seconded the motion. Yea: All present. Motion carried. Robinson made a motion to reaffirm all other voting delegates. Zimmerman 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 12:22 p.m.

ATTEST:

Doug Smith, President

Stuart Morgan, Secretary