

UNAPPROVED REGULAR MEETING MINUTES

BOARD OF DIRECTORS - WHEAT BELT PPD

MAY 26, 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., Tuesday, May 26, 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
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; Julie Bond, IT Technician; and 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

Hass made a motion to approve the agenda as mailed. Gortemaker 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 Friday, May 15, 2009, 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.

INTRODUCTION OF GUESTS

Smith introduced Deryl Travis and Mark Churchill from Arbor Wealth Management.

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Lindahl announced that there would be a 9:30 a.m. teleconference with Schmidt & Company to conduct the Audit Report.

APPROVAL OF APRIL 24th BOARD MINUTES

Morgan moved to waive the reading of the April 24, 2009, Board meeting minutes, and that they be approved as presented. Robinson seconded the motion. Yea: All present. Motion carried.

INVESTMENT REPORT

Deryl Travis expressed his appreciation to the Board for allowing Arbor Wealth Management to serve the Board and the employees. Travis reported on Wheat Belt's Bond portfolio. He and Churchill discussed interest rates, long-term investments and current market trends. Questions and answers followed.

2008 AUDIT REPORT

Policy D-5: Board of Directors Duties: Fehringer moved to approve Policy D-5 as amended. Robinson seconded the motion. Yea: All present. Motion carried.

At 9:40 a.m., a teleconference with Roger Schmidt, Sr., of Schmidt & Company was conducted to present the 2008 Audit Report to the Board members and staff. Each section of the presented report was reviewed. Schmidt reported that no errors were discovered, and it was a very clean audit. Questions and answers followed.

At 9:53 a.m., Fehringer moved to go into Executive Session to discuss the audit with Schmidt. Hass seconded the motion. Yea: All present. Motion carried.

At 9:58 a.m., Zimmerman moved to end the Executive Session. Morgan seconded the motion. Yea: All present. Motion carried.

Motion was made by Zimmerman to accept the 2008 Audit Report. Robinson seconded the motion. Yea: All present. Motion carried.

FRAUD REPORT

Discussion was held on the current status of the fraud case. Lindahl and Wieser updated the Board on the findings. The Board members asked that a final report be presented by Sonntag at a Board meeting.

OTHER

Fehringer announced that Federated is exploring the options of a Defined Benefit Plan versus a 401K plan. Discussion followed.

MANAGER 'S REPORT

Personnel: Lindahl reported that Kelli Haas has been hired as a Customer Care Assistant, and she was introduced to the Board by Wieser. Secret has completed his four-year training through the Merchant Course program to become a Journeyman Lineman.

Financials: The April financials, sent under separate cover, were discussed.

Bond Proposals: RUS and Ameritas are still working out the details regarding requirements to refinance the RUS debt.

Lindahl distributed an updated Bond proposal with a lower interest rate for financing the Dalton Transmission Transformer. Discussion followed.

Legislative: Lindahl reported that the Net Metering bill, LB 436, was signed into law on May 13, 2009. Discussion and an explanation of usage procedures followed. The full Bill was included in the Board packet for review. Lindahl reported that a Wheat Belt consumer was installing a 2.4 kW wind generator. Borges has done extensive work to get a packet together for those interested in taking advantage of the new law. Lindahl explained to the Board that we provide all of the metering equipment to the customer. Lindahl is still concerned about the liability issue on inter-connections.

Discussion was held on Cap and Trade. Lindahl reported that we should expect another NREA "fly-in" for a rally in Washington, possibly in the fall.

Lindahl distributed copies of a letter from an attorney concerning claims from the fire on March 5, 2009, which burned grassland, fence posts, etc. Discussion followed and it was the consensus of the Board to make a reasonable settlement.

The NREA special assessment for the advertising campaign for grassroots education was discussed. Wheat Belt's assessment amount is \$1,502.04. Fehringer moved to approve the assessment amount. Morgan seconded the motion. Yea: All present. Motion carried.

BUSINESS REPORT

Wieser reported that Wheat Belt is participating in the Dalton Centennial Celebration. We are sponsoring the bratwurst feed from 11:30 a.m. until 12:30 p.m.

A number of calls have been received concerning irrigation testing. Following the receipt of bills at the end of May, Wieser will be asking for demand write-off adjustments at the June Board meeting.

A customer bankruptcy issue brought up at last month's Board meeting was discussed. Wieser still has not received notification.

Wieser reported on a disconnect situation where the Sheriff had to be called for energy theft from the company. The customer removed the meter and installed jumpers to reconnect himself. Wieser reported that the customer owes approximately \$1,000.

CONSTRUCTION, MAINTENANCE & OPERATIONS REPORT

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

Meetings: Reilly attended the NREA Statewide meeting. The Safety Manual is in question by Twin-Valleys PPD. There are a few changes to the accreditation process, but nothing major. Wheat Belt's incident rate, based on a three-year average, is 4.6.

Six employees attended the Oshkosh Community Thank You.

Reilly, Coss and Waite have attended the Oshkosh and Gurley fire meetings and showed the video "Electricity – Recognizing & Avoiding the Hazards". It has been well received by the fire departments. They will try to visit other departments in the service area this fall.

Weyerts Substation: An agreement has been reached with the landowner for the location of the new substation. The purchase price for the land will be \$2,300. The price includes an additional \$500 fee to have the land released from the lien. Sonntag is preparing the paperwork for the land purchase.

Platte Pipeline has scheduled a maintenance shutdown for June 1 through June 3. The crew will be working to get the 34.5 KV line ready to make the conversion to the new lines at the time of their shutdown.

Pole Testing: SBS Inspections will be conducting pole inspections in the Redington, Bridgeport and Broadwater areas.

Reilly announced that following an infra-red scan at the Sidney Substation, several hot spots were found. An outage will be taken on May 27th to repair those hot spots.

INFORMATION AND TECHNOLOGY REPORT

Bond reviewed her report and answered questions.

MEETING REPORTS

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

Lindahl's reports on the Tri-State Managers Meeting and the NREA Statewide Managers and Board Meetings were reviewed.

Bond's report on the NRECA Legislative Conference was reviewed.

SAFETY ITEMS

The May 8, 2009, Employee Safety Meeting Minutes and May 8, 2009, Safety Committee Meeting Minutes were reviewed and thoroughly discussed.

POLICIES & RESOLUTIONS

Policy D-1: Director Compensation and Expense Report Approval; Policy D-2: Director Insurance; Policy D-4: Selection of General Manager; Policy D-6: Board of Directors/General Manager Relationship; Policy D-7: Director Elections; Policy D-8: Director Absence from Meetings; and Policy D-9: Electronic Communications: Fehringer moved to readopt Policy D-1, Policy D-2, Policy D-4, Policy D-6, Policy D-7, Policy D-8 and Policy D-9. Zimmerman seconded the motion. Yea: All present. Motion carried.

Policy D-3: Student Scholarships: Zimmerman moved to adopt Policy D-3 as amended. Fehringer seconded the motion. Yea: All present. Motion carried.

Policy D-10: Reliability Standards: Robinson moved to adopt Policy D-10 as amended. Gortemaker seconded the motion. Yea: All present. Motion carried.

Policy C-23: Net Metering: Fehringer moved to adopt Policy C-23 as amended. He asked that, "All terms and conditions of any inter-connection greater than 25 kW will be considered on a case by case basis.", be added as the last sentence. Zimmerman seconded the motion. Yea: All present. Motion carried.

STRATEGIC ISSUES

AMI Update: The meter installation on accounts off the Lewellen Substation is completed with 600+ meters reading on a regular basis. The Wildhorse Substation

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meter installations should be completed by the end of the week as well as the Cannon equipment in the substation. Trouble shooting and repeater installations will be conducted after the meters are installed.

Automatic calling will be conducted to advise customers when they can stop reading their meters.

New Radio Tower Building: The wiring is completed and the standby generator and transfer switch from the old tower building has been installed.

Strategic Planning Session: Lindahl has written software to track projects, tasks, assignments and updates for the strategic planning items. A list of “to-do’s” was included in the Board packet.

FUTURE MEETINGS & TRAINING

Lindahl 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 12:25 p.m.

ATTEST:

Doug Smith, President

Stuart Morgan, Secretary