

**Minutes of the 132<sup>nd</sup> Regular Meeting of the Board of Directors  
Northeast Nebraska Public Power District**

The 132<sup>nd</sup> regular meeting of the Northeast Nebraska Public Power District was called to order at 7:02 p.m., on November 25, 2008, by President Don Larsen. This meeting was held in the power district's Operations Center in Wayne, NE. President Larsen announced that the meeting was being conducted pursuant to the Nebraska Open Meetings Law and pointed out the location of the law in the meeting room.

Notice of this meeting was posted at all facilities of Northeast Nebraska Public Power District and was delivered by first class mail to the City Hall offices of the following towns and villages: Allen, Carroll, Concord, Dixon, Emerson, Foster, Hoskins, Hubbard, Jackson, Martinsburg, Maskell, McLean, Newcastle, Obert, Osmond, Pierce, Ponca, Thurston, Waterbury, Wayne, and Winside. Notice was also sent to the following newspapers: Nebraska Journal Leader, Norfolk Daily News, Norfolk Shopper, Pender Times, Pierce County Leader, Osmond Republican, Randolph Times, South Sioux City Star, Wakefield Republican, and Wayne Herald.

The following Officers and Directors were present:

**Director Larsen    Director Gansebom    Director Lebsock    Director Loberg  
Director Silhacek    Director Kneifl    Director Bodlak    Director Birkley  
Director Gustafson**

Mark Shults, Manager

Christopher J. Connolly, Attorney

Others present: Jan Kristjanson, Dean Bruggeman and Randy Belt

The Open Meetings Act advisement was also given.

Minutes of the October 28, 2008 Meeting: There was a motion to approve the minutes, as corrected, made by Director Gansebom and seconded by Director Kneifl and was approved 9-0 on a voice vote.

Authorization of October, 2008 Expenses: There was then a discussion of the October, 2008 expenses. There was a discussion of mowing bills and truck repair costs. There was then a motion to approve the October, 2008 expenses made by Director Birkley and seconded by Director Bodlak.

The following roll call vote was taken upon the motion:

Director Larsen – yes	Director Birkley – yes	Director Loberg – yes
Director Lebsock – yes	Director Silhacek – yes	Director Kneifl – yes
Director Gansebom – yes	Director Bodlak – yes	Director Gustafson - yes

All directors present voting yes, the chairman declared the motion carried 9-0.

Review of the Financial Statements for October, 2008: There was a discussion of the financial condition of the District. The forecast for the remainder of the year is good. Many grain dryers are running. Some commercial 3Phase meters have been installed with the rest to be installed this winter. There was a discussion of line loss reduction. Ethanol plants account for 30% of total KW sold. There was also a discussion of load factors from various customers. There was then a motion to approve the financial statements made by Director Lebsock and seconded by Director Gustafson

and was approved 9-0 on a voice vote.

Old Business: None.

New Business:

1. Resolution 2008-11-01: WRITE-OFF OF BAD DEBT. After a general discussion, there was a motion to approve this resolution made by Director Gansebom and seconded by Director Silhacek and was approved 9-0 on a voice vote.
2. A RESOLUTION DEALING WITH A CHANGE IN THE AMOUNT OF DEPOSIT REQUIRED FOR NEW ACCOUNTS. The Board declined to take any action on this matter.
3. Resolution 2008-11-02: BID FOR BUYING A 7500 KVA TRANSFORMER FROM VIRGINIA TRANSFORMER FOR \$185,000.00. The engineers for the District reported that this is the lowest and most responsible bid. There was then a motion by Director Bodlak and seconded by Director Silhacek to approve the bid.

The following roll call vote was taken upon the motion:

Director Larsen – yes	Director Birkley – yes	Director Loberg – yes
Director Lebsock – yes	Director Silhacek – yes	Director Kneifl – yes
Director Gansebom – yes	Director Bodlak – yes	Director Gustafson - yes

All directors present voting yes, the chairman declared the motion carried 9-0.

4. Resolution 2008-11-03: CONSTRUCTION WORKPLAN AND BUDGET FOR 2009. There was a review of the proposed budget for 2009. Other than the new office building, there are a few capital projects. Less borrowing for 2009 is projected if margins come in as expected. May be able to absorb the NPPD rate increase next year if it stays at 1-2%. There was then a motion to approve this resolution made by Director Lebsock and seconded by Director Bodlak.

The following roll call vote was taken upon the motion:

Director Larsen – yes	Director Birkley – yes	Director Loberg – yes
Director Lebsock – yes	Director Silhacek – yes	Director Kneifl – yes
Director Gansebom – yes	Director Bodlak – yes	Director Gustafson - yes

All directors present voting yes, the chairman declared the motion carried 9-0.

5. There was then a discussion concerning changing the time and date of the December, 2008 meeting. There was then a motion made by Director Bodlak and seconded by Director Kneifl to move the December meeting to December 16, 2008 at 10:00 a.m. This motion was then approved 9-0 on a voice vote.

6. Management Reports:

1. Jan Kristjanson: The Pre-Audit visit from the auditors is scheduled for January 5-6, 2009.
2. Dean Bruggeman: Distribution transformers have not yet dropped in price, although other metal prices are dropping. The District has been buying more transformers in the last 2 months. He is looking at fencing for the McLean and Sholes sub stations. There was a discussion of one truck with a cracked head. Other trucks seem to be ok.
3. Randy Belt: There were two big projects. Hubbard is now on Sub 8. A big 3Phase project east of Homer has been completed. Looking at one-quarter to one-half mile of overhead 3Phase and 800 feet of underground east of Carroll. T-2 line is going in at the McLean sub. Evaluations of linemen are completed. Apprentices are doing well. They will start patrolling transmission lines soon. They will also be checking connections. They have mouse-baited all underground cabinets. Hanging of Christmas lights in various towns and villages will be done tomorrow. Tree trimming still being done by the crews. No contractors have been hired yet.
4. Mark Shults: There was an outage in Hoskins originating from the jointly-owned substation with Elkhorn Rural Public Power District. A feeder line there failed. It turns out that NPPD made a switching error and caused the outage. Hoskins was out of power for about 1 hour. Directors Larsen, Silhacek, Birkley, and Gustafson have completed all available director training courses and were presented with certificates showing the completion. There was then a discussion of signing up for ACRE. There was then a short discussion of the Bessmer lawsuit. Mark then discussed his upcoming schedule and when he will be out of town. He will also be participating in an NRTC focus group. The NREA annual meeting will take place next week in Kearney. Board members were provided with a chart showing outages by substation. This is new data being developed through the AMR system and has been helpful to staff. The District may hire a new customer service representative who previously interned for NPPD.

Director Birkley leaves at 9:24 p.m.

There was then a discussion on NPPD construction costs for office buildings versus NNPPD construction costs. Staff was dismissed at 9:40 p.m.

There was then a discussion of director compensation and whether health insurance should be paid by the District. There was no consensus on making any changes and there was then a motion to reaffirm Policy 04-05 made by Director Gustafson and seconded by Director Gansebom and that was approved 8-0 on a voice vote.

There was then a motion to adjourn the meeting made by Director Gustafson and seconded by Director Lebsock. This motion was approved 8-0 on a voice vote and the meeting was adjourned at 10:31 p.m.

certify that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and available for public inspection at the office of the District; that minutes of the District were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meeting of said body were provided advance notification of the time and place of said meeting and the subject matters to be discussed at said meeting.

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Secretary

Attest: \_\_\_\_\_

President