

**Minutes of the 143rd Regular Meeting of the Board of Directors
Northeast Nebraska Public Power District**

The 143rd regular meeting of the Northeast Nebraska Public Power District was called to order at 7:38 p.m., on October 27, 2009, by President Don Larsen. This meeting was held in the power district's General Office 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 Birkley Director Gansebom Director Silhacek Director Larsen
Director Kneifl Director Lebsock Director Bodlak Director Gustafson**

Directors Absent: Director Loberg,

Others present: Mark Shults, Kyle Dahl, Jan Kristjanson, Dean Bruggeman.

President Larsen publicly thanked the Directors and employees of the District, as well as the general public for their sympathy and memorial gifts following the recent passing of his mother.

Public Comment: None

Minutes of the September 22, 2009 Meeting: A typographical error was noted in the minutes for the September 22, 2009 meeting, and then there was a motion to approve the minutes made by Director Lebsock and seconded by Director Kneifl and was approved 8-0 on a voice vote.

Minutes of the October 9, 2009 Safety Meeting: The minutes of the October 9, 2009 safety meeting were reviewed and then there was a motion to approve the minutes by Director Lebsock and seconded by Director Gustafson and was approved 8-0 on a voice vote.

Authorization of September 2009 Expenses: There was then a brief discussion of various expenses including a refund of a deposit following a house move and payment made to L&L Builders, followed by a motion to approve the September 2009 expenses made by Director Gansebom and seconded by Director Silhacek.

The following roll call vote was taken upon the motion:

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

All directors present voting yes, the chairman declared the motion carried 8-0.

Director Loberg arrived at 7:51 p.m

Financial Reports for September 2009: Mark Shults noted that the financial outlook remains positive for the district in 2009. There was a discussion on various items, including the District's schedule for retiring long-term debt, and that the cost of wholesale power is up approximately \$700,000 from last year. There was then a motion to approve the financials made by Director Birkley and seconded by Director Bodlak and approved 8-0 on a voice vote.

Management Reports:

1. Jan Kristjanson: Jan gave a follow up report about the new billing software. Two billing cycles have been completed and overall things seem to be going well. It was noted that now customers' statements will provide itemized list of charges on the bill. There was also a discussion about customers who are on the standby rate, a customer complaint issue, and the fact that the current economy has not caused an increase in the number of uncollected bills for this year compared to prior years.
2. Dean Bruggeman: Dean gave updates on various projects including the fact that two District employees had attended a seminar about Polychlorinated biphenyls (PCBs) in transformers. Dean also gave a report about the ongoing maintenance of the District's vehicles, as well as the progress that is being made on the Osmond facility.
3. Mark Shults: Mark Shults provided reports on various items. He reported that the Nebraska Rural Electric Association's Annual meeting will be held in Kearney in December. He announced a new program where the District will be providing compact fluorescent bulbs (CFLs) to approved non-profit community organizations for their own use or for use in fund-raising activities. He also provided copies of a print ad that is running regarding the "Cap and Trade" proposals being debated in Congress. Shults informed the Board that the District's application for economic stimulus funds, made jointly with Nebraska Public Power District, was recently declined.

Old Business: None.

New Business:

1. Select a commercial banking partner based upon competitive bids from area banks: Mark Shults and Jan Kristjanson provided information regarding the bids, and a brief discussion followed. Then a motion was made by Director Gansebom and seconded by Director Birkley for the District to continue banking with State National Bank & Trust Co., in Wayne.

The following roll call vote was taken upon the motion:

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

Director Larsen abstained from the vote due to the fact that he also serves on the Board of Directors of the one of the banks involved in the bid process.

All directors present voting yes, the motion carried 8-0 with the one abstention.

2. Resolution 2009-10-01: Approve amendment to District’s Net Metering Policy #11-16 to waive the insurance requirement on units sized less than 4 kW. There was a brief discussion about the fact that generators of 4 kW or less were not likely to present a liability risk to the District and that the cost of the insurance would make the customer’s investment in the wind generator uneconomical. A motion to approve this resolution was made by Director Gustafson, seconded by Director Kneifl, and the motion was passed 9-0 on a voice vote.
3. Resolution 2009-10-02: Approve amendment to Work Practice #5 to increase the number of bill extensions within a 12-month period to 3. There was a brief discussion on how the new billing system can assist with the bill extensions. Director Kneifl made a motion to approve the Resoultion, seconded by Director Bodlak. The motion was passed on a 9-0 voice vote.
4. Resolution 2009-10-03: Approve increase short-term credit limit with the Cooperative Finance Corporation from \$2.0 million to \$3.75 million. The purpose of the line of credit is to provide cash for emergency storm repair work. The increase is necessary to cover the rising cost of materials. It was noted that this amount of credit is in addition to the \$4.0 million the District maintains in cash reserves. Director Lebsock made a motion to approve the Resoultion, seconded by Director Bodlak. The motion was passed on a 9-0 voice vote.

A break was taken at 9:59 p.m.

The meeting reconvened at 10:12 p.m.

5. Resolution 2009-10-04: Approve establishment of a Hazard Mitigation Plan for the Federal Emergency Management Administration. Mark Shults provided information on the need for a Hazard Mitigation Plan. Then there was a motion by Director Bodlak, seconded by Director Lebsock to approve the resolution. The motion was passed on a 9-0 voice vote.
6. Resolution 2009-10-05: Approve Collective Bargaining Agreement as negotiated between management and Local #1536 of IBEW. Director Larsen thanked the management team for their work on this year’s agreement, and then there was a motion by Director Kneifl, seconded by Director Gansebom.

The following roll call vote was taken upon the motion:

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

7. Resolution 2009-10-06: Approve the General Manager’s personal work goals for 2010. There was a brief discussion about the General Manager’s work goals for 2010, and then

there was a motion to approve the goals by Director Silhacek and seconded by Director Gustafson. The motion was passed on a 9-0 voice vote.

8. Management Discussion in Consideration of Starting a Direct Load Control Program for Irrigation. Mark Shults provided information on four potential programs and a brief discussion was had around the costs and benefits to customers from having a direct load control program. No official action was taken at this time.
9. Authorization of Board Members to attend the NREA Annual Meeting in Kearney, NE in December 2009. A brief discussion was had around which Directors would be attending the NREA Annual Meeting in Kearney, NE. Directors Kneifl, Gansebom and Larsen will be attending along with General Manager Mark Shults.

Board Member Reports: None.

Executive Session: The President asked those in attendance if there was a need to conduct an executive session. There was not a call for one and none was conducted.

There was then a motion to adjourn the meeting made by Director Kneifl and seconded by Director Bodlak and was approved 9-0 on a voice vote. The meeting was adjourned at 11:50 p.m.

I, the undersigned, secretary of the Northeast Nebraska Public Power District, Wayne, Nebraska, hereby 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.

Secretary

Attest: _____

President