

**Minutes of the 148<sup>th</sup> Regular Meeting of the Board of Directors  
Northeast Nebraska Public Power District**

The 148<sup>th</sup> regular meeting of the Northeast Nebraska Public Power District was called to order at 10:12 a.m., on March 23rd, 2010, 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 Gansebom    Director Silhacek    Director Larsen    Director Bodlak  
Director Loberg    Director Gustafson    Director Kneifl**

Directors Absent: Lebsock, Birkley

Others present: Mark Shults, Kyle Dahl, Jan Kristjanson, Randy Belt, Dean Bruggeman, Cody Wickham, Reggie Yates, Ken Marra.

Review and approve minutes of the March 3, 2010 regular meeting: A few corrections were made to the minutes followed by a motion to approve the minutes (as corrected) of the March 3, 2010 Regular Meeting by Director Gustafson and seconded by Director Loberg and was approved 7-0 on a voice vote.

Director Lebsock arrived at 10:23 A.M.

Authorization of February 2010 Expenses: There was a brief discussion of various expenses including rebates to customers and other expenses followed by a motion to approve the February 2010 expenses made by Director Gansebom and seconded by Director Gustafson.

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 – (absent)
Director Gansebom – yes	Director Bodlak – yes	Director Lebsock - yes

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

Public Comment Period: Patrick Dorcey came before the board to discuss his request for additional capacity for his farming operation near Hubbard. Mr. Dorcey would like to have a three-phase line to provide additional capacity for some new equipment he would like to install. Mark Shults commented that he was glad that Mr. Dorcey was present because these types of requests are becoming more and more common as farming operations get bigger and require increased capacity to power irrigation pivots, driers, bins, etc. He also noted that when many of the rural areas in the Midwest were originally electrified, the capacity required was relatively small; typically farms just needed enough capacity to keep the lights and other appliances on at the house. So, most of the rural areas only have single-phase lines. But with the changes in farming operations, the need for additional capacity on the electric lines is also changing. There was a discussion by the Board and

Mr. Dorcey about the options for constructing a new three-phase line to his property as well as a discussion about how Mr. Dorcey could save on the cost of a three-phase line if the construction benefits other customers in the area, or if some of the lines already needed replacing. The Board and Mr. Shults thanked Mr. Dorcey for his time, but took no official action on the matter.

#### New Business:

1. Resolution 2010-03-01: Resolution to approve refinancing of bond issues 2003 and 2005 to take advantage of lower interest rates. Cody Wickham of D.A. Davidson & Co., provided information and a discussion ensued regarding options for refinancing the power district's 2003 and 2005 bond issues.

Director Birkley arrived at 11:25 A.M.

Following the presentation and discussion, Director Bodlak made a motion, seconded by Director Gansebom to approve the resolution.

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

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

A break was taken at 12:08 p.m. for lunch. No official business was discussed and no official action was taken. The Board reconvened at 12:45 p.m.

Financial Reports for February 2010: There was a discussion of the financial reports for February 2010, including questions about revenue, and that the district is still waiting for a bill from NPPD for their assistance during the January ice storm. Mark Shults reported that overall the finances are in good shape and stable. Then there was a motion to approve the February 2010 Financial Reports by Director Loberg and seconded by Director Bodlak. The motion carried on a 9-0 voice vote.

#### Management Reports:

1. Jan Kristjanson: Jan gave a report on various items including that financial auditors will be at the district during the week of April 5 through April 9 and will need to meet with audit committee on April 7. She also reported on the mid-year inventory report, and noted the improvements made over the past years to better control the district's inventory.
2. Randy Belt: Randy gave updates on various items including the fact that the weather is improving, so they are able to get more work done in some of the rural areas that were inaccessible during the winter. Randy also provided reports about catch up work that had to be pushed back due this winter's storms, and also discussed upcoming linemen training and certification.
3. Dean Bruggeman: Dean provided reports on various items, including the maintenance of the fleet vehicles, including the fact that vehicles came out of the winter in pretty good shape considering all the storms and poor road conditions.
4. Mark Shults: Mark provided updates on some consumer complaint issues, and the differences between cash accounting versus accrual accounting and how that impacts the financial statements.

#### Old Business:

1. Review and approval of rate design and suggested retail price increase for 2010. This item was tabled until next meeting. No official action was taken.
2. Resolution 2010-03-02: Approval of Operation Roundup Program whereby customers may elect to provide the “pocket change” from their bill payments to charity. A brief discussion was had around the operation of this program followed by a motion by Director Gansebom and seconded by Director Silhacek. The motion carried on a 9-0 voice vote.

New Business (cont’d):

2. Discussion by management of the recent safety attitude workshop by Federated Insurance Company: Mark Shults provided information about the District’s participation in a safety attitude survey with Federated Insurance Company. The Company surveyed a general manager, a supervisor, and a lineman from each power district and provided some insights on factors that can influence safety.
3. Resolution 2010-03-03: Modification of Policy 11-25 governing the connection of large motor loads to the District’s electric system. A discussion was had about modifying this policy to permit the District to absorb some of the costs of upgrading old electric lines and to limit the total load on single phase lines. Director Gustafson made a motion to approve the resolution, which was seconded by Director Kneifl. The motion carried on a 9-0 voice vote.
4. Resolution 2010-03-04: Routine review and modification of Policy 11-02 governing the procedure for metering electric service and modification of Policy 11-04 governing the procedure for removing idle services. There was a brief discussion about the changes to the policy followed by a motion to adopt resolution 2010-03-04 by Director Gansebom and seconded by Director Lebsock. The motion carried on an 9-0 voice vote.

Board Member Reports:

1. G & T: Annual meeting coming upon on March 30<sup>th</sup>.
2. NREA: 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 Gustafson and seconded by Director Gansebom and was approved 8-0 on a voice vote. The meeting was adjourned at 3:45 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