

**Minutes of the 150th Regular Meeting of the Board of Directors
Northeast Nebraska Public Power District**

The 150th regular meeting of the Northeast Nebraska Public Power District was called to order at 8:00 p.m., on May 25th, 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 Birkley Director Gustafson Director Kneifl Director Lebsock

Directors Absent: Loberg

Others present: Mark Shults, Kyle Dahl, Jan Kristjanson, Randy Belt, Dean Bruggeman, Cody Wickham, Craig Jones.

At the beginning of the meeting President Larsen, on behalf of the Board stated his condolences to Director Bodlak who recently lost his father, and expressed his concern and wishes for a speedy recover to Director Loberg, who was currently in the hospital in Sioux City, Iowa.

Director Gustafson was then appointed to serve as Board Secretary for this meeting in Director Loberg's absence.

Review and approve minutes of the April 27, 2010 regular board of directors meeting: A few corrections were made to the minutes followed by a motion to approve the minutes (as corrected) of the April 27, 2010 Regular Meeting by Director Kneifl and seconded by Director Gustafson and was approved 8-0 on a voice vote.

Old Business:

1. Resolutions 2010-05-01: Resolution to authorize the issuance of Revenue Refunding Bonds and to approve the final Bond Purchase Agreement and approve the Designation of Final Rates and Maturity Schedules relating to issuance named 2010 Bonds. The purpose of the Bond Issue was to refinance existing debt at a lower interest rate. After a brief presentation by Cody Wickham and Craig Jones of D.A. Davidson & Co., a brief discussion was had by the Board followed by a motion by Director Bodlak, and seconded by Director Birkley.

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.

2. Resolutions 2010-05-01 B: Resolution to authorize the issuance of Revenue Refunding Bonds and to approve the final Bond Purchase Agreement and approve the Designation of Final Rates and Maturity Schedules relating to two separate issuances named 2010 Bond and 2010B Bonds. The purpose of these two Bond Issues was to refinance existing debt at a lower interest rate. After a brief presentation by Cody Wickham and Craig Jones of D.A. Davidson & Co., a brief discussion was had by the Board followed by a motion by Director Ganesbom, and seconded by Director Lebsock.

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.

New Business:

1. Teleconference with financial auditor regarding 2009 financial auditor. A financial audit was conducted by Schmidt & Company, LLC of the balance sheet of the Northeast Nebraska Public Power District as of December 31, 2009, and the related statement of revenue and retained earnings and cash flows for the year then ended. Schmidt & Co. LLC, issued a report on April 12, 2010. A teleconference was held with the auditor to go over the report and address any questions from Board or staff present at the meeting. The auditor commended the management and staff of the Power District for the cooperation and assistance with the audit.

Authorization of April 2010 Expenses: There was a brief discussion of various expenses including an expense for new heat pump, payments to the rate consultant, and the new billing software, followed by a motion to approve the April 2010 expenses made by Director Gustafson 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.

Public Comment Period: None.

Financial Statements for April 2010: Mark Shults presented some information of the financial reports for April 2010. The district is in good shape financially and is keeping reasonably on budget. The total costs for this winter's storms were approximately \$800,000, although some of that money can be capitalized as a part of new construction projects. Then there was a discussion followed by a motion to approve the April 2010 Financial Statements by Director Gansebom and seconded by

Director Bodlak. The motion carried on an 8-0 voice vote.

Management Reports:

1. Jan Kristjanson: Jan gave a report on investment portfolio-pledged securities and the fact that she is hiring a temporary, part-time employee to assist with some filing needs.
2. Dean Bruggeman: Dean gave updates on various items including the fact that there are a few items remaining to be sold, some materials are getting difficult to obtain as manufacturers are only keeping enough inventory on hand to fill their current orders, and that they are working on a lawn irrigation system for the operations center.
3. Randy Belt: Randy provided information on various projects including the work on the Wayne substation, repair work that is still continuing from the storms, and the fact that they have two interns working with the linemen for the summer months.
4. Mark Shults: Mark reported that NPPD has invited the NeNPPD Board to attend their next board meeting in Columbus, Nebraska on June 11, 2010 and that Jay Holmquist and Bruce Pontow are planning to attend the June and July NeNPPD board meetings, respectively.

New Business (cont'd):

Resolution 2010-05-03: Resolution stating the Board's appreciation to management and staff for its continued diligence with the financial audit. On behalf of the Board, President Larsen reiterated the complimentary remarks of the auditors and presented gift certificates to staff in appreciation. A motion was then made by Director Silhacek and seconded by Director Birkley. The motion carried on an 8-0 voice vote.

Resolution 2010-05-04: Resolution to apply for funds from the Cooperative Finance Corporation (CFC) as reimbursement for expenses spent to protect the District's territory from encroachment by the City of Pierce, Nebraska. Following brief remarks by Mark Shults, there was a motion made by Director Silhacek and seconded by Director Birkley. The motion carried on an 8-0 voice vote.

Resolution 2010-05-05: Resolution to amend personnel policy #20 outlining expense reimbursement to directors for travel and meetings. After a brief explanation about the purpose of the of the policy amendments by Mark Shults, a motion was made by Director Gustafson, which was seconded by Director Lebsock. The motion carried on an 8-0 voice vote.

Board Member Reports:

1. G & T: None.
2. NREA: Director Gansebom gave a report on various issues, including water, wind development, and migratory bird protection.
3. NRECA: Director Lebsock and Director Silhacek gave a report on and NRECA conference they attended recently in Washington, DC.

Executive Session: The President asked those in attendance if there was a need to conduct an executive session. Director Gansebom made a motion to conduct an executive session to discuss potential litigation issues with Mark Shults and Kyle Dahl. Director Bodlak seconded the motion.

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.

The board entered executive session at 11:11 p.m.

Then a motion was made by Director Gansebom, seconded by Director Birkley to come out of executive session.

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. The board came out of executive session at 11:26 p.m.

There was then a motion to adjourn the meeting made by Director Gustafson and seconded by Director Kneifl and was approved 8-0 on a voice vote. The meeting was adjourned at 11:27 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