

**Minutes of the 152nd Regular Meeting of the Board of Directors
Northeast Nebraska Public Power District**

The 152nd regular meeting of the Northeast Nebraska Public Power District was called to order at 1:07 p.m., on July 27th, 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 Gustafson Director Kneifl Director Lebsock

Directors Absent: Loberg, Birkley

Others present: Mark Shults, Kyle Dahl, Louis Pofahl representing Congressman Jeff Fortenberry, Bruce Pontow, CEO of the Nebraska Generation and Transmission Cooperative, and Chuck Hassebrook with the Center for Rural Affairs.

Review and approve minutes of the May 25, 2010 regular board of directors meeting: Two typographical errors were noted in the minutes and then Director Silhacek made a motion to approve which was seconded by Director Gansebom. The motion carried on a 7-0 voice vote.

Public Comment Period:

Mr. Chuck Hassebrook addressed the Board about his belief that a 'Renewable Energy Standard' should be enacted by the US Congress and that while this law would increase electric rates modestly, it potentially has huge benefits for Nebraska. Hassebrook quoted a study that up to 3500 jobs would be created in Nebraska if the nation required 20% of all electricity to be produced from wind, solar and hydro power. The Board and management of NeNPPD questioned Mr. Hassebrook on his understanding of the magnitude of the cost to ratepayers of a 20% requirement and the difficulty of adding intermittent supply like wind in a large scale way to an electric grid from which customers expect 24/7/365 availability on demand. The District's people mentioned that while the wind is free that the machinery and wires required to make and distribute electricity was not free and that only 13% of a customer's electric bill was required to pay for fuel that wind may could replace.

Mr. Louis Pofahl with the Congressman's office in Norfolk and Fremont made himself available to take questions about legislation that might affect the District and its customers. He touched upon the progress in legislation for energy issues like Cap and Trade; EPA regulation of carbon and coal ash; Renewable fuels mandates; and comprehensive energy legislation. The Board requested Pofahl to ask the Congressman to be cautious in adding cost or taxes to people's electric bills and to give people and utilities time to adjust to any new legislative mandates.

Bruce Pontow addressed the Board with issues about NPPD's proposed 9.5% rate increase for 2011 and why it was required. He stated that the decrease in the volume of energy sales, both to customers like NeNPPD and out of state sales combined with the softening of prices for out of state sales has given NPPD a revenue deficit that they can't avoid or control.

The Board took a 10 minute recess at 3:40 pm.

Upon reconvening the Board began its annual Planning Session with the Manager. Discussion was had on:

- Future staffing, budgets, cost of wages and benefits. There was a brief discussion regarding the cost and delivery of safety meeting programs from NREA and the Board offered their support to explore for alternatives.
- Future construction projects, equipment needs and service improvements
- The District's Mission Statement as a guide to making decisions anchored in the fundamental purposes of the District
- A discussion was conducted by the President regarding the process and forms used to evaluate the General Manager's performance and the Board was charged with making suggestions for any changes by next meeting.
- The General Manager facilitated a discussion with the Board regarding their annual self-appraisal and suggested that this be documented in writing. A form suggested by the National Association of Rural Electric Cooperatives was reviewed with the Board and it was decided that each Board member would complete and submit to the General Manager for summary.

The Board recessed for supper at 5:10 pm and reconvened the meeting at 5:55 pm. In the absence of the Board's Secretary the President asked Director Gustafson if he would act as the Secretary for the meeting.

Authorization of June 2010 Expenses: There was a brief discussion of various expenses including refunds for the budget-billing customers, followed by a motion to approve the June 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 – absent
Director Silhacek – yes	Director Kneifl – yes	Director Birkley -- absent
Director Gansebom – yes	Director Bodlak – yes	Director Lebsock - yes

All directors present voting yes, the President declared the motion carried 7-0.

Financial Statements for May 2010: Mark Shults presented some information of the financial reports for June 2010, noting that the District remains financially strong. Then there was a brief discussion followed by a motion to approve the May 2010 Financial Statements by Director Silhacek and seconded by Director Bodlak. The motion carried on a 7-0 voice vote.

Management Reports:

1. Jan Kristjanson: Jan reviewed changes to the customer database whereby service addresses will become the 911 street address; new programming to permit landowners to nickname their accounts for their convenience and streamlined processing procedure for e-checks.
2. Dean Bruggeman: Updated the Board of various maintenance issues with trucks and buildings. Quotations to construct a snow shed for the generator were discussed and further information requested from the contractors.
3. Randy Belt: Updated the Board on a variety of line maintenance and construction projects, some still as a result of the ice storm, which rain and mud have prevented completion.
4. Mark Shults: Reported that the District personnel were making progress in installing software for use in forming databases from which all employees could inquire about a wide range of records that when tabulated will give facts about our operations. Things like: what are the locations where customers have the most blinks, what is the actual phasing and which customers are controlled by which breakers, where are likely locations of loose hardware. Shults said reports with this information will help us become proactive with finding service problems before customers actually complain. Comments from customers that had been offered to Shults were shared with the Board.

With these reports the management staff, except the General Manager was excused and left the room.

Old Business:

The General Manager provided the Board with an update of talks between the City of Pierce and the District about providing service along 855 Rd. and 551 Ave. for Todd Kumm and others. The Board generally agreed that the District's position with Pierce was supported by policy and the precedence of past rulings by the Nebraska Power Review Board and that the District should continue to press its case with Pierce Utilities. It was noted the next meeting with Pierce was on August 12, 2010. Paul Bodlak and Larry Silhacek, who have sat in on these meetings provided comments and observations.

New Business:

Resolution 2010-07-01: Resolution to enact Work Practice #12 which bans texting while driving company vehicles and covers the use of other devices that may be a distraction when driving. This Work Practice also addresses the District's employee responsibilities under the Federal Motor Carrier Safety Regulations regarding texting and driving. A motion to enact the work practice was made by Director Gustafson and seconded by Director Lebsock.

All directors present voting yes, the President declared the motion carried 7-0.

Resolution 2010-07-02: Resolution to award the General Manager one additional week of vacation in 2010 to assist his personal plans and commend him for his continued good performance. A motion to make the award was made by Director Kneifl and seconded by Director Lebsock.

All directors present voting yes, the President declared the motion carried 7-0.

Board Member Reports: It was noted that NREA quarterly meeting was in Scotts Bluff on August 18 and 19, 2010 and that Director Gansebom would attend. There was a discussion about the NRECA Region VII meeting in Denver and Directors Gustafson and Lebsock expressed interest in representing the District. There was also mention of the NRECA annual meeting in March, but no further discussion regarding attendance.

There was then a motion to adjourn the meeting made by Director Gustafson and seconded by Director Gansebom and was approved 7-0 on a voice vote. The meeting was adjourned at 8:10 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