

**Minutes of the 154<sup>th</sup> Regular Meeting of the Board of Directors  
Northeast Nebraska Public Power District**

The 154<sup>th</sup> regular meeting of the Northeast Nebraska Public Power District was called to order at 7:37 p.m., on September 28th, 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 Gustafson    Director Larsen  
Director Birkley    Director Kneifl    Director Lebsock    Director Bodlak**

Directors Absent: Loberg

Others present: Mark Shults, Kyle Dahl, Jan Kristjanson, Randy Belt, Dean Bruggeman, Mandy Backer.

President Larsen expressed his condolences on behalf of the Board to Director Birkley on the recent loss of his father and to David Dredge on the loss of his mother, congratulations to Director Loberg's family, and well wishes to Diane Bruggeman who is recovering from surgery.

Review and approve minutes of the September 1, 2010 regular board of directors meeting: Director Lebsock made a motion to approve the minutes of the September 1, 2010 Regular Board Meeting, which was seconded by Director Kneifl and was approved 8-0 on a voice vote.

Public Comment Period: None

New Business:

1. Presentation by Jack Henderson of Nebraska Public Power District: Mr. Henderson gave a presentation and a brief discussion ensued about the proposed rate increases for 2011. Mr. Henderson presented some of the factors that are driving the increase, including fuel costs, plant maintenance outages, and non-firm energy costs.

Authorization of August 2010 Expenses: There was a brief discussion of various expenses including fluke testers, pole purchases, irrigation rebate, and a Power Review Board Assessment, followed by a motion to approve the August 2010 expenses made by Director Gustafson and seconded by Director Gansebom.

The following roll call vote was taken upon the motion:

Director Larsen – yes          Director Gustafson – yes          Director Loberg – (absent)

Director Silhacek – yes  
Director Gansebom – yes

Director Kneifl – yes  
Director Bodlak – yes

Director Birkley – yes  
Director Lebsack - yes

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

Financial Statements for July 2010: Mark Shults presented some information of the financial reports for August 2010, noting that the district remains financially strong, and that the rate design changes seem to be working effectively. Then there was a brief discussion followed by a motion to approve the August 2010 Financial Statements by Director Bodlak and seconded by Director Kneifl. The motion carried on an 8-0 voice vote.

#### Management Reports:

1. Jan Kristjanson: Jan reported on various items including the fact that Mandy Backer will be added as a signatory on the bank accounts, that there is a portal for new customers online, and that there will be flu shots and health screenings available for employees and directors at the safety meeting on October 8<sup>th</sup>, 2010.
2. Randy Belt: Randy provided information on various projects including an update on the Osmond/Foster tie line, testing of poles, and an upcoming visit from the District's engineering consulting firm, RVW, Inc.
3. Dean Bruggeman: Dean discussed various items including some information regarding transformer disposals and hazardous materials. He expects that the Environmental Protection Agency will be stepping up enforcement in this area, but that the District is in good shape in this regard because they have already transitioned out a majority their transformers. He also noted that sourcing of materials continues to be difficult as suppliers are not keeping much inventory on hand due to the current economic situation.
4. Mark Shults: Mark reported on various items including the slight decrease by the District in union pension contributions. Shults reported that blink counts are being reported every Monday; he described a customer issue; stated there have been some discussions with parties interested in developing wind energy in the area.

#### Old Business:

1. Update from the Board's Attorney regarding negotiations with the City of Pierce to redefine the City's service area and re-affirming the District's rights to serve loads within the District's area. Attorney Kyle Dahl gave a brief update to the board about negotiations with the City of Pierce regarding the service area issues and service to Todd Kumm and other customers in the area. An agreement has been reached regarding Mr. Kumm's property and several other customers immediately north of Pierce's service area. The agreement will submitted to the Power Review Board for their approval at their next meeting on October 15, 2010.

#### New Business

1. Resolution 2010-09-01. Resolution to approve high deductible health care plan for non-union employees for 2011. Jan Kristjanson presented some information on the high deductible health care plans, and following a brief discussion, Director Bodlak made a motion to approve the resolution, which was seconded by Director Gustafson. The motion passed on an 8-0 voice vote.
2. Resolution 2010-09-02. Resolution to approve wage rates and annual pay scales for 2011. Mark Shults provided some information on the wage and pay scale rates, and following a brief discussion a motion was made by Director Bodlak, which was seconded by Director Kneifl. The motion passed on an 8-0 voice vote.

3. Resolution 2010-09-03. Resolution to affirm existing policy 11-27 regarding written estimates for line extensions. After brief discussion between management and the board about the policy, Director Kneifl made a motion to approve the resolution, which was seconded by Director Gansebom. The motion passed on an 8-0 voice vote.
4. Resolution 2010-09-04. Resolution to review Board self-assessment. President Larsen presented the information compiled from the self-assessment and a brief discussion was had. Director Bodlak then made a motion to accept the resolution, which was seconded by Director Gustafson. The motion passed on an 8-0 voice vote.

Board Member Reports: None.

A break was taken at 10:32 p.m.

The meeting reconvened at 10:38 p.m.

Executive Session: A motion was made by Director Birkley to go into executive session to discuss the performance evaluation of general manager Mark Shults. 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

The board entered executive session at 10:39 p.m. The board then came out of executive session at 11:46 p.m., at which time there was a motion to approve the 2011 salary and benefits of the general manager by Director Gansebom, seconded by Director Gustafson. The motion passed on a 8-0 voice vote.

There was then a motion to adjourn the meeting made by Director Gustafson and seconded by Director Lebsock and was approved 8-0 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.

\_\_\_\_\_

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

Secretary

President