

**Minutes of the 155th Regular Meeting of the Board of Directors
Northeast Nebraska Public Power District**

The 155th regular meeting of the Northeast Nebraska Public Power District was called to order at 7:30 p.m., on October 26th, 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, Barry Dekay and Jay Holmquist of NREA, Garry Poutre, Lowell Johnson, Gene Hansen, City of Wayne.

Review and approve minutes of the September 28, 2010 regular board of directors meeting: Director Lebsock made a motion to approve the minutes of the September 28, 2010 Regular Board Meeting, which was seconded by Director Gansebom and was approved 8-0 on a voice vote.

Review and approve minutes of the October 8, 2010 safety meeting: Director Lebsock made a motion to approve the minutes of the September 28, 2010 Regular Board Meeting, which was seconded by Director Birkley and was approved 8-0 on a voice vote.

Public Comment Period: No one from the public was present at the meeting.

Authorization of September 2010 Expenses: There was a brief discussion of various expenses, followed by a motion to approve the August 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 – yes
Director Gansebom – yes	Director Bodlak – yes	Director Lebsock - yes

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

Financial Statements for September 2010: Mark Shults presented some information of the financial reports for September 2010, noting that the district remains financially strong, and that cash reserves have grown slightly. Then there was a brief discussion followed by a motion to approve the September 2010 Financial Statements by Director Birkley and seconded by Director Bodlak. The motion carried on an 8-0 voice vote.

Management Reports:

1. Jan Kristjanson: Jan reported on various items including an update on employee training with the after-hours call service located in Austin, MN, an update to the billing software to allow customers to add nicknames to accounts to help better identify the location of the service point if they have multiple accounts, and a report on allowing customers to make additional pay arrangements when they are seeking assistance from agencies like HHS or Goldenrod Hills.
2. Randy Belt: Randy provided information on various projects including pole testing on distribution lines, a transmission line outage near Belden, tree spraying, and maintenance of lines based upon blink count reports.
3. Dean Bruggeman: Dean discussed various items including work being conducted on the Osmond pole yard, that 600 new poles have been installed this year, and the vehicle fleet is in good shape.
4. Mark Shults: Mark reported on various items including that he and Randy Belt are meeting with an instructor at NECC on a “hot line” school, the wind turbine projects in Wayne, and the location of the Newcastle substation.

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 regarding 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 was approved by the Power Review Board and Mark is working with Pierce on the amount of compensation owed for the customers.

New Business:

1. Discussion about maintaining the District’s membership in the Nebraska Rural Electric Association. President Larsen stated that the Board felt it was necessary to examine the benefits for the District to continue its membership in the NREA. Barry Dekay and Jay Holmquist of NREA presented their reasons why the District would benefit from continuing its membership in the NREA and a discussion ensued between the Board, Management and Mr. Dekay and Mr. Holmquist about some of the Board’s concerns about training programs, goals and accountability of the executive staff, and the NREA’s results in terms of public relations and education of the public on issues. No official action was taken by the Board, and at the end of the discussion, the Board thanked Mr. Dekay and Mr. Holmquist for their time.

A break was taken at 10:05 p.m.

The board reconvened at 10:12 p.m.

2. Discussion by Management on budget items to support 2011 work plan. Mark Shults presented information on various items related to the 2011 budget, including an itemization of large capital projects and purchases, and a brief discussion ensued. No official action was taken by the Board.
3. Discussion by management asking guidance on funding power quality studies at the request of customers. Mark Shults provided information on the District's procedures when customers complain about the quality of the power and it is not clear where the source of the problem is located. A brief discussion ensued, although no official action was taken by the Board.
4. Discussion and review of District's By-Laws. This item was tabled by the Board for further discussion at a later meeting.
5. Resolution 2010-10-01. Resolution to approve rate for use in purchasing power produced by dispersed generators like small wind turbines. Mark Shults provided some information on the rate the District is proposing to purchase power from generators like small wind turbines. He discussed some of the basic assumptions of the rate, including the fact the percentage of time the District will be at peak, as well as the percentage of time the turbines will actually be producing power. After a brief discussion, Director Ganseboom made a motion to accept the resolution, which was seconded by Director Lebsock. The motion passed on an 8-0 voice vote.
6. Resolution 2010-10-02. Resolution to approve 2011 goals for the General Manager. Mark Shults provided information on his proposed goals for 2011, based upon the Board's prior direction and discussions. Director Kneifl then made a motion to accept the resolution, which was seconded by Director Bodlak. The motion passed on an 8-0 voice vote.

Board Member Reports: Director Lebsock provided an update from the District 7 conference on some of the upcoming legislative challenges for rural electric companies.

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 Birkley and was approved 8-0 on a voice vote. The meeting was adjourned at 11:52 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