

**Minutes of the 160th Regular Meeting of the Board of Directors
Northeast Nebraska Public Power District**

The 160th regular meeting of the Northeast Nebraska Public Power District was called to order at 10:04 a.m., on March 22nd, 2011, by President Don Larsen, who chaired the meeting. 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 Bodlak	Director Birkley	Director Gansebom	Director Gustafson
Director Silhacek	Director Larsen	Director Kneifl	

Directors Absent: Director Lebsock

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

Review and approve minutes of the March 2, 2011 regular board of directors meeting: Director Gansebom made a motion to approve the minutes of the March 2, 2011 Regular Board Meeting, which was seconded by Director Gustafson and was approved 7-0 on a voice vote.

Public Comment Period: Eric Peevy, District customer, attended the meeting and asked some questions about his bill. There was a discussion between the Board, Management, and Mr. Peevy, but no official action was taken by the Board.

Director Lebsock arrived at 10:18 A.M.

Management Reports:

1. Dean Bruggeman: Dean reported that this was his last Board of Directors meeting before retirement. Director Larsen, on behalf of the Board and the District, thanked Dean for his years of service and hard work and wished him and his family well in the future.
2. Mandy Backer: Mandy gave a report on the fact that Dan Coughlin has returned to work, that they are evaluating some staking software, and that the auditors will be at the District during the week of March 31, 2011.
3. Randy Belt: Randy provided reports on work related to retirement of some services, an outage from the previous weekend, upcoming work projects, as well some information related to a couple hairline cracks on the booms, and how they are dealing with that issue.
4. Mark Shults: Mark also thanked Dean for his years of service, and said that Dean has been a tremendous asset over the last 8 years. Mark noted that the Power Review Board recently approved the District's request to reduce the number of Directors to 8 and provided some dates

of interest for the Board: March 31 – retirement breakfast for Dean, April 15 – Andy Anderson’s last day; April 22 – Open House for to display additional photos that have been restored by WSC students, and Power Review Board hearing in Lincoln; and May 6 – Wayne Chamber Coffee at the District.

New Business:

1. Approve \$2 Million Bond Issue with D.A. Davidson Cody Wickham of D.A. Davidson & Co., presented some information about the opportunity for the District to issue additional bonds and to take advantage of the current opportunities. After a discussion between the Board, management and Mr. Wickham, Director Bodlak made a motion, which was seconded by Director Kneifl to authorize Bonds in an amount not to exceed \$4 million over 10 years, and designated Mark Shults as the rate designator.

The following roll call vote was taken upon the motion:

Director Larsen – yes	Director Gustafson – yes	Director Silhacek – yes
Director Birkley – yes	Director Gansebom – yes	Director Lebsock – yes
Director Kneifl – yes	Director Bodlak - yes	

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

A break was taken at 11:55 p.m. for lunch. The Board reconvened at 12:45 p.m.

Authorization of February 2011 Expenses: There was a brief discussion of various expenses, followed by a motion to approve the February 2011 expenses made by Director Gansebom and seconded by Director Birkley.

The following roll call vote was taken upon the motion:

Director Larsen – yes	Director Gustafson – yes	Director Silhacek – yes
Director Birkley – yes	Director Gansebom – yes	Director Lebsock – yes
Director Kneifl – yes	Director Bodlak - yes	

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

Financial Statements for February 2011: Mark Shults presented some information about the February 2011 financial statements, and said that everything seemed to be good so far. Director Gustafson made a motion to approve the year-end financial statements for 2010, which was seconded by Director Birkley, which was approved on an 8-0 voice vote.

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. The District has filed a formal Complaint with the Power Review Board regarding the dispute between the District and Pierce over customers located in the District’s service area which are being served by Pierce Utilities. The hearing on these issues was partially heard on March 18, 2011 in Lincoln, but was limited due to time constraints with the Board. The hearing will be

continued until April 22, 2011.

2. Monthly review of services purchased through Nebraska Rural Electric Association. Mark provided information and discussion ensued about the District's progress with evaluating the services provided by NREA. Following a discussion, Director Bodlak made a motion to change the Board's representative to NREA and the G&T, which was seconded by Director Lebsack. The motion carried on an 8-0 voice vote. Director Gustafson will be the new NREA representative. A motion was also made by Director Bodlak, and seconded by Director Kneifl to continue the Board's evaluation of its membership in NREA until the August 2011 regular board meeting at which time a formal decision regarding membership will be made. The motion carried on an 8-0 voice vote.

New Business (cont'd):

2. Resolution 2011-03-03. Resolution to affirm policies 11-10 correcting past billing errors and 10-04 employee family medical leave. After a brief discussion on both of these issues, a motion was made by Director Kneifl, and seconded by Director Silhacek to approve the resolution. The motion carried on an 8-0 voice vote.
3. Management discussion with the Board regarding 'conjunctive billing' of electric accounts of municipal governments. Mark Shults presented some information to the Board regarding this issue, and a brief discussion was had, but no official action was taken by the Board.

Board Member Reports: Director Silhacek provided a brief report on the NRECA.

Director Birkley left the meeting at 2:33 p.m.

Executive Session: A motion was made by Director Gansebom and seconded by Director Gustafson to go into executive session to discuss a personnel issue and to protect needless injury to someone who had not otherwise requested a public hearing. The motion carried on a 7-0 voice vote and the Board went into executive session at 2:52 p.m.

The Board came out of executive session at 3:03 p.m.

There was then a motion to adjourn the meeting made by Director Kneifl and seconded by Director Bodlak and was approved 7-0 on a voice vote. The meeting was adjourned at 3:05 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