

**Minutes of the 159th Regular Meeting of the Board of Directors
Northeast Nebraska Public Power District**

The 159th regular meeting of the Northeast Nebraska Public Power District was called to order at 10:01 a.m., on March 2nd, 2011, by Director Paul Bodlak, who chaired the meeting the absence of 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 Bodlak Director Birkley
Director Lebsock Director Gustafson**

Directors Absent: Director Larsen, Director Kneifl

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

Review and approve minutes of the January 25, 2011 regular board of directors meeting: Director Silhacek made a motion to approve the minutes of the January 25, 2011 Regular Board Meeting, which was seconded by Director Gustafson and was approved 6-0 on a voice vote.

Review and approve minutes of the February 11, 2011 Safety meeting: Director Gustafson made a motion to approve the minutes of the February 11, 2011 Safety Meeting, which was seconded by Director Silhacek and was approved 6-0 on a voice vote.

Authorization of January 2011 Expenses: There was a brief discussion of various expenses, followed by a motion to approve the October 2010 expenses made by Director Gansebom and seconded by Director Gustafson.

The following roll call vote was taken upon the motion:

Director Larsen – (absent) Director Gustafson – yes Director Silhacek – yes
Director Birkley – yes Director Gansebom – yes Director Lebsock – yes
Director Kneifl – (absent) Director Bodlak – yes

All directors present voting yes, the motion carried 6-0.

Financial Statements for Year-End 2010: Director Birkley made a motion to approve the year-end financial statements for 2010, which was seconded by Director Silhacek, which was approved on a 6-0 voice vote

Public Comment Period: Bob Logue, NNPPD customer was present and had some questions regarding increases in his bill from this year versus the same period last year. Mark Shults

provided some information on the rate increases that have implemented over the last year, and noted that the rate increases are almost entirely attributable to increases in wholesale power cost from NPPD, and that the District has managed to keep its costs relatively flat. He also noted that NNPPD's electric rates have actually increased a slower rate than the national average.

A brief discussion was also had regarding collection practices and landlord-tenant relationships. Mark Shults discussed a recent example where a former customer of NNPPD, who owed on their past bill was discovered to be a tenant at another residence within NNPPD's district. The district contacted the landlord and added the customers past due bill to the account.

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 parties are attempting to negotiate a settlement, and a hearing on the issue is set for March 18, 2011 in Lincoln.
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.

Management Reports:

1. Jan Kristjanson: Jan gave a report on the positive comments that have received for the "nickname" convention that they have added for account holders with multiple points of service, and also noted that the District's workers' compensation rating was upgraded recently.
2. Dean Bruggeman: Dean reported that the District has purchased a new truck which should be in service soon. He also noted that there will be a consignment sale on April 6 and that they are waiting on purchasing a new wood chipper until at least next fall.
3. Mandy Backer: Mandy gave a report on estimates for new services as well as provided information about line extensions.
4. Randy Belt: Randy provided reports on forklift training, mapping of towns, transformers and meters to better track outages, blink count reports, tree trimming, and breaker change-outs.

A break was taken at 12:01 p.m. for lunch. The Board reconvened at 12:37 p.m.

New Business:

1. Resolution 2011-02-01. A resolution to approve projects on the waiting list for irrigation construction to be built this spring and summer. A motion was made by Director Silhacek to approve the resolution, which was seconded by Director Lebsock. The motion carried on a 6-0 voice vote.
2. Resolution 2011-02-02. Vote to allocate the Village of Emerson some or all of the District's purchase exemption from NPPD to permit the Village to install a local wind turbine. A motion was made by Director Gustafson to approve the resolution, which was seconded by Director Gansebom. The motion carried on a 6-0 voice vote.
3. Resolution 2011-02-03. Routine review and modification of Policy 10-19 governing

employee use of electronic communications. A motion was made by Director Silhacek to approve the resolution, which was seconded by Director Lebsock. The motion carried on a 6-0 voice vote.

4. Discussion about applying trip charge fees to irrigation services without disconnect switches at the meter. Mark Shults provided some information and a discussion was about applying trip charges for irrigators that are currently being charged for residential customers, but not to irrigators. The Board expressed its opinion that the in order to be fair to all customers, it was probably appropriate for the District to begin assessing these charges. No official vote or action was taken.

Board Member Reports: Director Gansebom, Gustafson, and Silhacek provide brief reports.

There was then a motion to adjourn the meeting made by Director Gustafson and seconded by Director Birkley and was approved 6-0 on a voice vote. The meeting was adjourned at 1:57 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