

**Minutes of the 161st Regular Meeting of the Board of Directors
Northeast Nebraska Public Power District**

The 161st regular meeting of the Northeast Nebraska Public Power District was called to order at 7:56 p.m., on April 26th, 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	Director Lebsock

Directors Absent: None

Others present: Mark Shults, Kyle Dahl, Jan Kristjanson, Randy Belt, Mandy Backer, Cody Wickham of D.A. Davidson & Co.

Review and approve minutes of the March 22, 2011 regular board of directors meeting: Director Kneifl made a motion to approve the minutes of the March 22, 2011 Regular Board Meeting, which was seconded by Director Gansebom and was approved 8-0 on a voice vote.

Review and approve minutes of the April 8, 2011 safety meeting: Director Kneifl made a motion to approve the minutes of the April 8, 2011 safety meeting, which was seconded by Director Gansebom and was approved 8-0 on a voice vote.

New Business:

1. Resolution 2011-04-01. Approve a resolution amending the board resolution passed on March 22, 2011 to authorize the use of a portion of the proceeds of the such bonds for the purpose of refunding in whole or part the District's outstanding Series 2007 Bonds, and to take certain related actions, all upon such terms as may be determined by the officers of the District as provided in the resolution. After a brief discussion, Director Lebsock made a motion to approve the resolution, which was seconded by Director Bodlak. 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

Directly Birkley became ill and had to excuse himself from the meeting at 8:30 p.m.

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

The following roll call vote was taken upon the motion:

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

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

Financial Statements for March 2011: Mark Shults presented information about the March 2011 financial statements, and said that everything seemed to be good so far, but that it is going to be a tight year, and also noted that wholesale power costs are up 17%, and usage is down. Director Kneifl made a motion to approve the year-end financial statements for 2010, which was seconded by Director Gustafson, which was approved on a 7-0 voice vote.

Public Comment Period: Mark Shults provided some information on behalf of a Mrs. Stork regarding overcharges she incurred and the district's policy on refunds. A brief discussion was had, but no official action or vote was taken by the Board.

Management Reports:

1. Mandy Backer: Mandy gave a report on Dan Coughlin's medical leave, that the Village of Obert lease payments have increased, and that Lydell is visiting all the substations and towers.
2. Jan Kristjanson: Jan stated that bills for horsepower charges to irrigation accounts were going out this week and that they were due back to the District by May 25. She also provided a brief report on the insurance quote that is coming from Blue Cross/Blue Shield.
3. Randy Belt: Randy provided reports on work related to retirement of some services, some new three-phase lines that are being constructed near Carroll, and generally that the men are working well together.
4. Mark Shults: Mark noted that the District is once again providing sponsorship for the outdoor show in Ponca, that the District will have enhanced automated capabilities at 4 substations this summer. He also discussed with the Board the schedule for their annual planning session, as well as an update on the new staking software.

New Business (cont'd):

2. Resolution 2011-04-02. Approve 2010 Financial Audit by Schmidt & Co. The members of the Audit committee presented some information on the audit and stated that the audit went well and that the staff is to be complimented on their work. They specifically mentioned that the inventory control was within industry standards and the credit card monitoring process was good. After the discussion, a motion was made by Director Gustafson to approve the resolution, which was seconded by Director Kneifl. The resolution passed on a 7-0 voice vote.
3. Discussion about content for the 2011 Board strategic planning meeting in July 2011. A brief discussion was had about the content and timing of the Board's annual strategic planning session. No official action was taken.

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 issues to 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. A hearing was held before the Power Review Board on April 22, 2011. Mark Shults testified on behalf of the District. At the conclusion of the hearing, the Power Review Board took the matter under advisement.

Board Member Reports: Director Gansebom noted that the minutes from the G&T meeting were included in the Director's packets, and Director Gustafson and Director Silhacek gave updates on the NREA and APPA meetings.

Executive Session: Director Larsen asked if there was any need for an executive session, and there was none.

There was then a motion to adjourn the meeting made by Director Lebsock and seconded by Director Kneifl and was approved 7-0 on a voice vote. The meeting was adjourned at 11:34 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