

**Minutes of the 163rd Regular Meeting of the Board of Directors
Northeast Nebraska Public Power District**

The 163rd regular meeting of the Northeast Nebraska Public Power District was called to order at 7:35 p.m., on June 28th, 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: Lebsock (excused)

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

Review and approve minutes of the May 24, 2011 regular board of directors meeting: Director Kneifl made a motion to approve the minutes of the May 24, 2011 Regular Board Meeting, which was seconded by Director Bodlak and was approved on an 7-0 on a voice vote.

Review and approve minutes of the June 10, 2011 safety meeting: Director Birkley made a motion to approve the minutes of the May 24, 2011 Regular Board Meeting, which was seconded by Director Gustafson and was approved on an 7-0 on a voice vote.

Public Comment Period: None.

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

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 – (absent)
Director Kneifl – yes	Director Bodlak - yes	

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

Financial Statements for May 2011: Mark Shults presented some information about the May 2011 financial statements. The financial statements are looking good so far in 2011 and are relatively on par with the budget estimates. After a brief discussion Director Gansebom made a motion to

approve the financial statements for May 2011, which was seconded by Director Silhacek, which was approved on an 8-0 voice vote.

Management Reports:

1. Mandy Backer: Mandy gave a report on various items including the fact that there was inquiry on some of the land adjacent to the Ponca office as well as some questions about the transformer capacity needed for the new Ponca school addition.
2. Jan Kristjanson: Jan stated that there have been a few phone calls regarding Operation Roundup and also gave a report on the SEDC user's conference.
3. Randy Belt: Randy provided reports on various items including a report about a farmer that ran into a transmission line recently, work being completed at the Homer substation, AMR metering, and tree trimming.
4. Mark Shults: Mark updated the board on the fact that Mrs. Stork's refund question from last month has been resolved, that he has been confirmed to the Board of Directors of SEDC and that there is a board meeting for NPPD on 6/10/11.

Old Business:

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. A hearing was held before the Power Review Board on April 22, 2011. Mark Shults testified on behalf of the District. The District's Attorney, Kyle Dahl, reviewed the decision of the Nebraska Power Review Board issued on June 24, 2011. The findings were that Pierce Utilities violated the service area agreement when it provided service to a number of customers in the District's service area. The decision will be final after 30 days if neither party files an appeal.

New Business:

1. Resolution 2011-06-01. Resolution to modify policy 11-07 increasing the amounts of security deposits. Mark Shults discussed the rationale behind the increased amounts of security deposits for each class of customer, and after a brief discussion Director Silhacek made a motion to approve the resolution, which was seconded by Director Bodlak. The resolution passed on a 7-0 voice vote.
2. Resolution 2011-06-02. Resolution to file a districting plan with the Nebraska Power Review Board based upon 2010 census data. Mark Shults provided a map outlining the proposed changes to the districts based upon the 2010 census data and which provided for the number of constituents per district as close as was feasible. Following a brief discussion Director Bodlak made a motion to approve the resolution, which was seconded by Director Birkley. The resolution passed on a 7-0 voice vote.
3. Resolution 2011-06-03. Resolution to provide tuition reimbursement to employees. Mark Shults provided some background on the new personnel policy to provide tuition reimbursement to employees if they follow certain conditions and requirements. Director Gustafson then made a motion to approve the resolution, which was seconded by Director Ganseboom. The resolution passed on a 7-0 voice vote.
4. Resolution 2011-06-04. Resolution to waive monthly charges to customer whose service has been disconnected by the District due to flooding. Mark Shults provided some information on the contacts he has had with customers who have been displaced by the flooding along the Missouri river and the rationale for why the Board may or may not want to waive the basic monthly charges to these customers. A discussion followed about the rationale for waiving these charges, for what period of time, and how this event is and is not

different from other natural disasters. Following a brief discussion Director Bodlak made a motion to approve the resolution, which was seconded by Director Birkley. The resolution passed on a 7-0 voice vote.

5. Discussion by management on procedures for outages due to house moves and further discussion regarding next month's Board training on power purchases from markets established by Regional Transmission Organizations (RTOs). Mark Shults provided some information regarding the process by which the district disconnects power to allow for house moves and whether or not the District should make any changes to its practices. Mark Shults also discussed the importance of the issues that will begin to be addressed at next month's training session. No official action was taken by the Board.

Director Birkley left the meeting at 10:58 p.m.

Board Member Reports: Director Gustafson gave a report from the NREA, and Director Gansebom and Director Silhacek gave reports from the G&T and NPPD meetings, respectively.

Executive Session: Director Larsen asked if there was any need for an executive session, and no stated any need for an executive session, so none was had.

There was then a motion to adjourn the meeting made by Director Gustafson and seconded by Director Kneifl and was approved 6-0 on a voice vote. The meeting was adjourned at 11:56 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