

**Minutes of the 164th Regular Meeting of the Board of Directors
Northeast Nebraska Public Power District**

The 164th regular meeting of the Northeast Nebraska Public Power District was called to order at 10:00 a.m., on July 19th, 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

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

Review and approve minutes of the June 28, 2011 regular board of directors meeting: Following review of the minutes, a few corrections were noted, and a motion by Director Kneifl to approve the minutes of the June 28, 2011 Regular Board Meeting with corrections was made, which was seconded by Director Bodlak and was approved on an 8-0 on a voice vote.

Review and approve minutes of the July 8, 2011 safety meeting: Director Lebsock made a motion to approve the minutes of the July 8, 2011 Regular Board Meeting, which was seconded by Director Birkley and was approved on an 8-0 on a voice vote.

Public Comment Period: Bill VanLent addressed the board regarding damages he incurred to household items corresponding with a transformer change on this property. A brief discussion was had, but the Board did not take any official action and no vote was taken.

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

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

Preliminary Financial Statements for June 2011: Mark Shults presented some preliminary

information about the June 2011 financial statements, as the final statements were not ready at the time of the meeting. The financial statements are looking good so far in 2011 and the income statement is fairly on track. Since the reports were only the preliminary reports, the Board did not take any official action to approve the reports.

Management Reports:

1. Mandy Backer: Mandy gave a report on various items including an explanation of some of the budget variances that are appearing between the current and previous years. A couple items that are contributing to that are that the District has more capitalized labor last year, and the District is doing more tree-trimming this year than last year. She also reported that she has been working with FEMA on recovering some of the District's costs for storm and flood damage.
2. Jan Kristjanson: Jan gave a report on employee Dan Coughlin's status with long-term disability and the fact that some of the sick leave he used was reimbursed to the District. She also discussed the new service application and that she will have 2012 health insurance information at next month's meeting.
3. Randy Belt: Randy provided reports on various items including the fact that in recent weeks we have had three severe storms that has resulted in approximately 45-50 broken poles. He also gave updates on projects, vehicle fleet maintenance, and the crew's work schedules due to the hot weather.
4. Mark Shults: Mark reported that the Annual Employee picnic will be held August 28, 2011 at the District, as well as the fact that the District has approached a landowner about purchasing additional land for a new substation and rescheduling the presentation and strategy session on power supply that we supposed to be at today's meeting. He also briefly discussed some of the complaints that he has received due to power outages from all the recent storms.

Old Business: None.

New Business:

1. Resolution 2011-07-01. Resolution to modify policy 11-08 to permit payment extensions over the telephone rather than in person. Mark Shults discussed the rationale behind the change, and after a brief discussion Director Gustafson made a motion to approve the resolution, which was seconded by Director Kneifl. The resolution passed on an 8-0 voice vote.
2. Resolution 2011-07-02. Routine review of Policy 11-17 regarding the District's Identity Theft Prevention Programs. After a brief explanation by Mark Shults, Director Lebsock made a motion to approve the resolution, which was seconded by Director Bodlak. The resolution passed on an 8-0 voice vote.
3. Resolution 2011-07-03. Resolution to apply for funds from the Cooperative Finance Corporation (CFC) as reimbursement for expenses to protect the District's territory from encroachment by the City of Pierce, NE. Mark Shults provided some information about how the District could receive reimbursement for attorney fees paid for the litigation with the City of Pierce over territorial disputes. A motion was then made by Director Gansebom which was seconded by Director Birkley. The resolution passed on an 8-0 voice vote.

A break was taken at 12:01 p.m. for lunch. The Board reconvened at 12:49 p.m.

4. Discussion by management regarding financial ratios as prepared by the District's lender the Cooperative Finance Corporation (CFC). Mark Shults provided some information regarding

financial ratios. Mark emphasized that financial ratios can provide information about the District's financial condition, but that anytime you make changes to one ratio, you are probably going to impact another ratio somewhere else, so you have to be sure to evaluate the whole financial picture, and not get too focused on any single indicator. This discussion item was only for the Board's information, and no official action was taken by the Board.

Board Member Reports: Director Gustafson gave a report from the Nebraska Generation and Transmission Cooperative.

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 Lebsack and seconded by Director Gustafson and was approved 8-0 on a voice vote. The meeting was adjourned at 3:15 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