

**Minutes of the 167th Regular Meeting of the Board of Directors
Northeast Nebraska Public Power District**

The 167th regular meeting of the Northeast Nebraska Public Power District was called to order at 7:35 p.m., on October 25th, 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, and Mandy Backer.

Review and approve minutes of the September 27, 2011 regular board of directors meeting: Following review of the minutes, a motion by Director Lebsock to approve the minutes of the September 27, 2011 Regular Board Meeting with corrections was made, which was seconded by Director Birkley and was approved on an 8-0 on a voice vote.

Review and approve minutes of the October 14, 2011 safety meeting: Director Birkley made a motion to approve the minutes of the October 14, 2011 Safety Meeting, which was seconded by Director Lebsock and was approved on an 8-0 on a voice vote.

Public Comment Period: Joe Reklaitis appeared to discuss his concerns with the opt-out provisions of the District's upcoming charitable program, known as Operation Roundup. A brief discussion was had about these issues, but the Board did not take any official action and no vote was taken.

Presentation by Kiann Stutzmann and Kirby Roth. Kirby Roth and Kiann Stutzmann of Kirby Roth Insurance Agency presented some information on the District's new health insurance program through Blue Cross/Blue Shield. A brief discussion was had, but the Board did not take any official action and no vote was taken.

Annual discussion with Bruce Pontow, General Manager, Nebraska Generation and Transmission Cooperative. Mr. Pontow came and gave a presentation and discussed considerations for future power contracts with the Board and the Management. The Board did not take any official action on this issue and no vote was taken.

Authorization of September 2011 Expenses: There was a brief discussion of various expenses, followed by a motion to approve the June 2011 expenses made by Director Gansebom 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.

August 2011 Financial Statements. Mark Shults reported that controllable expenses were under budget, and that the District was roughly on track overall with the Budget through September 2011. Director Lebsock then made a motion to approve the financial statements, which was seconded by Director Bodlak.

Management Reports:

1. Mandy Backer: Mandy gave a report on various items including the fact that the District may receive some financial assistance from FEMA for a transformer that was buried during the flooding this summer. She reported repairs on a boom for one of the bucket trucks, and that so far this year the District has set approximately 350 poles this year and retired approximately 600 poles.
2. Jan Kristjanson: Jan reported on the fact that the District’s DirectTV business is finally closed, that so far 810 accounts have opted out of the Operation Roundup program, and that they have recently hired two part-time billing clerks to replace the vacancy of a position.
3. Randy Belt: Randy provided updates on District projects, including the fact that substation #3 is to come back online soon. He said there are still quite a few customers that have not come back online yet from the flood, and that the Nebraska State Electrical Inspector is still working on doing inspections on residences that were impacted by the flood.
4. Mark Shults: Mark reported on the progress being made with the landowners of property next to the Winside substation, and that he is still negotiating with them, but hopes to have a purchase agreement soon.

Old Business: None.

New Business:

1. Discuss and review of the preliminary budget and work plan for 2012. Mark Shults presented some information on the preliminary budget and work plan for 2012. A brief discussion was had between management and the Board, but since this was only a preliminary budget, no official vote was taken at this time.
2. Resolution 2011-10-01. Resolution to approve Board Policy 10-20 regarding wage and hour provisions of the Fair Labor Standards Practices Act. This was just an update to the District’s policy to make sure that it is in compliance with the Act, and that employees understand the correct procedures regarding overtime. Director Gustafson made a motion to approve the resolution, which was seconded by Director Bodlak. The resolution passed on an 8-0 voice vote.
3. Resolution 2011-10-02. Resolution to modify the District’s 401k retirement plan to create “safe harbor” provisions under the tax code for highly compensated employee. Mark Shults presented some information on this, and after a brief discussion, Director Bodlak made a motion to approve

the resolution, which was seconded by Director Kneifl. The resolution passed on an 8-0 voice vote.

4. Resolution 2011-10-03. Resolution to contract with Blue Cross/Blue Shield of Nebraska for Health Insurance for employees. Mark Shults presented some information on this, and after a brief discussion, Director Silhacek made a motion to approve the resolution, which was seconded by Director Kneifl.
5. 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.

Board Member Reports: Director Lebsock gave a report on the NRECA meeting in Denver, CO

Executive Session: President Larsen asked if there was any need for an executive session. No motions were made and no executive session was had.

There was then a motion to adjourn the meeting made by Director Gustafson and seconded by Director Kneifl and was approved 8-0 on a voice vote. The meeting was adjourned at 11:45 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