

**Minutes of the 122nd Regular Meeting of the Board of Directors
Northeast Nebraska Public Power District**

The 122nd regular meeting of the Northeast Nebraska Public Power District was called to order at 10:04 a.m., on January 22, 2008, by President Don Larsen. This meeting was held in the power district's Operations Center 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 Larsen Director Gansebom Director Lebsock Director Birkley
Director Silhacek Director Bodlak Director Gustafson**

Directors Absent: Director Kneifl and Director Loberg (Both excused from the meeting)

Mark Shults, Manager

Christopher J. Connolly, Attorney

Others present: Jan Kristjanson, Dean Bruggeman, Randy Belt, and Rick Robins

The Open Meetings Act advisement was also given.

Minutes: Minutes of the December 18, 2007 Regular Board Meeting were reviewed. There was a motion to approve the minutes with a change in the Board Member Reports to reflect training for "linemen" instead of "directors". This motion was made by Director Gansebom and seconded by Director Bodlak and was approved 7-0 on a voice vote.

Approval of December, 2007 Expenses: There was discussion of rat poison for underground cabinets, newspaper advertising costs, bib overalls, and generator inspections. There was then a motion to approve the December, 2007 bills made by Director Birkley and seconded by Director Gustafson.

The following roll call vote was taken upon the motion:

Director Larsen – yes	Director Gustafson – yes	Director Birkley- yes
Director Lebsock – yes	Director Silhacek – yes	Director Bodlak - yes
Director Gansebom – yes		

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

Review of the Financial Statements: Preliminary numbers have been reported, but are not yet ready for final approval. No action was taken on approving the financial statements. There was a discussion of the reduction in line loss. The manager then gave a presentation on how the power district monies are divided. Thirteen percent retained earnings are needed to maintain the higher equity level the district has. There was also a discussion of financial ratios. Margins for 2007 were \$1,986,751.00. There was then a review of CD's and investments. Interest rates are dropping. May need to keep more assets liquid. No action was taken on the investments report.

Management Reports:

1. Jan Kristjanson: Getting accounts corrected with AMR and year-end accounting. The auditors will be here March 12 – 14.
2. Dean Bruggeman: Transformer lead times are dropping. Copper prices are down, but fluctuate. The mud pit in the Operations Center is working correctly. Water pressure is still bad. Trucks are ok running in the cold weather.
3. Randy Belt: Tree trimming continues. Sub installs for AMR continues. Trucks were tested for

conductivity last week. New digger-derrick truck is being painted. This rig should be here by the end of January.

4. Rick Robins: AMR work continues. Hoskins and Carroll are now finished. The Winside and Sholes subs are done for meter change-outs. Tree trimming continues. Down to 250 new meters for AMR. Irrigation requests continue to come in. About 12 so far from the western side of the district. RVW will review to see which wells can be connected. About 25% are conversions from diesel and 75% are new wells. RVW will let us know which circuits have sufficient capacity left.
5. Mark Shults: There was a review of the AMR situation including a number of customers. There are 4,755 out of about 6,500 single-phase meters have been connected and installed. Irrigation meters won't be available for this year. Rubber gloving school to occur soon. Two day safety meeting will occur next week. Curt scheduled to attend distribution school. An International truck will be purchased as a test. Boom unit from one of the Ford trucks will be transferred to the new chassis. The transition to AMR is going well.

Rick then advised the Board that the dielectric testing went well on the trucks.

New Business:

1. Resolution 2008-01-01: Approval of Account Write-Offs. There was a motion to approve made by Director Gustafson and seconded by Director Bodlak and was approved 7-0 on a voice vote.
2. Resolution 2008-01-02: Aid to Construction Policy. There was a discussion of differing philosophies on aid to construction formulas. There was then a motion to approve this resolution made by Director Bodlak and seconded by Director Silhacek and was approved 7-0 on a voice vote.
3. Resolution 2008-01-03: Policy on unsafe building clearances. There was a discussion of clearances and patrolling lines. There was also a discussion of how to resolve old problems. Anything built prior to February 15, 2008 will be corrected by the district and the customer may or may not receive a bill. Anything after February 15, 2008, the district will refuse to connect any new account to a building or other structure that is too close to the power lines. There was then a motion to approve this resolution made by Director Gustafson and seconded by Director Birkley and was approved 7-0 on a voice vote.

The President then adjourned the meeting for lunch at 12:12 p.m. The meeting then reconvened at 12:54 p.m.

There was then a discussion of how to notify the public, including construction companies and implement dealers about the line clearance problem.

4. Resolution 2008-01-05: Letter of Inspection from RVW on work orders. RVW conducted an audit of the work orders and brought some issues to the attention of management. There was then a motion to approve this resolution approving the letter from RVW made by Director Silhacek and seconded by Director Bodlak and was approved 7-0 on a voice vote.

There was then a further discussion concerning AMR transition.

5. Resolution 2008-01-08: Changes to the Restated Charter that would reflect that the Village of Homer does not have the right to vote in district elections, the City of Emerson does have the right to vote in district elections and Director Kneifl's term ending date needed to be changed from 2011 to 2009. There was a motion to approve this resolution made by Director Silhacek and seconded by Director Bodlak and was approved 7-0 on a voice vote.
6. Resolution 2008-01-04: The Manager's personal goals for 2008. After a brief discussion of additions to the list, there was a motion to approve this resolution made by Director Silhacek and seconded by Director Lebsock and was approved 7-0 on a voice vote. The manager's personal goals for 2008 are as follows:
 - a. Meet with Village of Winside to convert to 'pass through' rate for wholesale power like Village of Emerson
 - b. Make a complete round of visits with all Village Councils to evaluate service
 - c. Implement 2008 rate increase on April 1, 2008 including:
 - d. Continued movement in rates up and down by class per COS

- e. Continued consolidation of town and rural rates, in some cases the final consolidation.
 - f. Use of information to meet revenue requirements
 - g. Commence five year workplan study and develop:
 - h. Stated limits on new irrigation loads by Circuit
 - i. Written future plan for replacement/improvements required to the Sub-T system
 - j. Five year construction workplan for distribution facilities
 - k. Provide the Board an organizational review and recommendations at the July Retreat
 - l. Build new office building and if possible sell or develop plans for the old Wayne and Emerson offices
 - m. Implement AMR and billing for all single phase accounts while reviewing for Board all billing processes and communications
 - n. Provide recommendation and proposal on Touchstone Energy
 - o. Work with G&T as part of committee to review NPPD's Integrated Resource Plan (IRP)
 - p. Conduct with the Board an annual retreat at which time is spent looking ahead and readjusting course including an assessment of technology in future District operations.
7. Resolution 2008-01-06: Membership in Touchstone Energy. The cost will be \$5,000.00 per year. There was also a discussion of the value of the co-op connections card. After further discussion, there was a motion to approve the resolution made by Director Lebsock and seconded by Director Gustafson and was approved 7-0 on a voice vote.
 8. Resolution 2008-01-07: A resolution necessary for Ameritas to allow us to borrow in the future if necessary. However, this does not commit the power district to borrowing any additional funds. There was a motion to approve this resolution made by Director Gansebom and seconded by Director Birkley and was approved 7-0 on a voice vote.
 9. Next there was a motion to appoint Dan Gansebom as the voting delegate for NRECA, NRTC and CFC for this year with Sy Kneifl as the alternate. This motion was made by Director Bodlak and seconded by Director Birkley and was approved 7-0 on a voice vote.
 10. There was then a motion to appoint Tom Gustafson as temporary secretary in the absence of Dan Loberg. This motion was made by Director Bodlak and seconded by Director Birkley and was approved 7-0 on a voice vote.

Board Member Reports:

1. G&T: Nothing.
2. NREA: The annual meeting will be held next week. There was then a discussion of directors going to the NREA meeting.

There was then a motion to go into Executive Session for purposes of discussing real estate, litigation, personnel evaluations when such person has not requested an open hearing. The manager and attorney are to be present. This motion was made by Director Bodlak and seconded by Director Silhacek.

The following roll call vote was taken upon the motion:

Director Larsen – yes	Director Gustafson – yes	Director Birkley - yes
Director Lebsock - yes	Director Silhacek – yes	
Director Gansebom – yes	Director Bodlak - yes	

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

The meeting then went into Executive Session at 2:17 p.m. There was then a motion to come out of Executive Session made by Director Birkley and seconded by Director Silhacek and was approved 7-0 on a voice vote. The Board then came out of Executive Session at 3:25 p.m.

There was then a motion to adjourn the meeting made by Director Gustafson and seconded by Director Bodlak and was approved 7-0 on a voice vote. The meeting was adjourned at 3:25 p.m.