

**Minutes of the 124th Regular Meeting of the Board of Directors
Northeast Nebraska Public Power District**

The 124th regular meeting of the Northeast Nebraska Public Power District was called to order at 10:00 a.m., on March 25, 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 Kneifl Director Gustafson Director Loberg
Director Bodlak**

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.

Public Comment: Terry Gilliland talked to the Board about stray voltage problems. He believes the district did not handle his problem well. He purchased a neutral blocker, but believes the district should pay for it. He wants to see a change in the way these matters are handled. He feels the district should not run and ride. This incident has cost him tens of thousands of dollars. He feels the district should help more. He then went on to explain the particulars of his case. The neutral blocker seems to be working.

Mark Shults responded that he talked with Jack Caulfield, the NPPD engineer, and he said it could take years to find the source of the stray voltage. Terry said that neighbors also have problems and he wants some simple checks done. He feels that people at the power district have been running and hiding from this issue. He had Mark Klein check his farm for problems with the wiring.

After Terry left, Rick Robins talked about the problems in detecting the source of these stray voltage issues. This is only the second time that a neutral blocker has been used.

Minutes of the February 19, 2008 Meeting: Dan Loberg wanted it noted that he had voted yes on issues in the minutes where it appeared that he did not vote. There then was a motion to approve the minutes as corrected made by Director Gustafson and seconded by Director Lebsock and was approved 9-0 on a voice vote.

There was then a presentation by Jack Jackson and Mike Eckmann of Jackson & Jackson Architects regarding the design for the new office. Various options were reviewed. The projected cost is in the range of \$1,350,000 to \$1,450,000. Three exterior options were reviewed and two floor plans were reviewed. There was then a motion to approve Resolution 2008-03-01 with option 2 on the floor plans and option 1 for the building exterior with the umbrella in the patio area as an alternative. There was a motion to approve the resolution made by Director Gansebom and seconded by Director Kneifl.

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 Kneifl – yes
Director Gansebom – yes	Director Loberg – yes	Director Bodlak – yes

All directors present voting yes, the chairman declared the motion carried 9-0.

The Board then recessed for lunch at 12:04 p.m. and reconvened at 12:42 p.m.

The Board then had a presentation from Jim Hirchenbach with RVW Engineering. They are preparing a construction work plan. This includes analyzing substation loads. He visited with the Board about some of the substations. Starting with Sub 14 (Sholes), the projected load for this year is 82% of capacity. Adding the current requests for irrigation would put the substation at 91% of capacity. Adding fans would increase the capacity. At this time, only two services cannot be handled for Sub 14. Perhaps they could be handled with the upgrades as discussed. This would include use of T-2, 0 or 00 for the distribution lines.

With regard to the Sub 15 (McLean), the District can add approximately 900 horsepower on the North circuit. There is currently 190 horsepower on the Southeast circuit and 600 horsepower can be added. There is 175 horsepower on the West circuit and 600 horsepower can be added. The capacity for the substation is approximately 75%. It is in good shape. There are two services for the West circuit that cannot be connected. The West circuit has double the load of the other two circuits.

For Sub 17 (Osmond), the Southeast circuit is heavily loaded. The North circuit can add 700 horsepower. The Southwest circuit can add 2,000 horsepower.

At Sub 18 (Pierce), the North circuit can add 600 horsepower and the Southeast circuit can add 1,000 horsepower. With these additional loads, the capacity for this substation will be approximately 90%. Adding fans would help. Fans are inexpensive.

There was then a motion to approve Resolution 2008-03-02 to accept management's recommendation on adding new irrigation. This motion was made by Director Silhacek and seconded by Director Lebsock and was approved 9-0 on voice vote.

There was then a general discussion of unbalanced voltages and electric motors. Single phase motors can cause phase imbalances. Phase imbalances can cause excessive heat on existing customer's 3 phase motors. Single phase motors reduce the life of other 3 phase motors. Motors at 40 horsepower and below cause much less imbalance on the system. Single phase motors seriously restrict the capacity of the circuits.

Resolution 2008-03-03 adopts Board Policy 11-25 limiting the size of new single phase loads. There was a motion by Director Lebsock and seconded by Director Bodlak to approve the Resolution and the motion was approved 7-2 on a voice vote with Directors Loberg and Ganseboom voting no.

Management Reports:

1. Jan Kristjanson: Maria Tello is resigning. She'll be leaving in mid-April. New rate charts are needed for approximately for 3,000 customers. Switch to AMR continues. Auditors will be here in early April.
2. Randy Belt: New digger derrick truck is in Emerson. New pickup for Scott has arrived. Some new meters are not working. Repeaters are being installed. Tree trimming continues in towns mostly. Breaker change-outs are done.
3. Rick Robins: Tree trimming continues. He has been waiting for Jim's substation report before doing additional work. He will contact farmers about irrigation. Some new single phase lines will be built soon. Bin requests continue. Underground projects will start soon. There will be a summer co-op student interviewed and hired for this summer. The replacement for truck 31 is behind due to a lack of engines. May be 6-8 weeks delay.
4. Dean Bruggeman: He and Randy went to forklift certification school. Fuel shut-offs for the above ground tanks have been installed.
5. Mark Shults: The District is in good financial shape. Ratios are good. There is a G&T meeting tomorrow. There are now 3,500 customers on AMR. Another 350 are ready to convert. Scott is working on blinks and outages reports. Mark and Scott visited another mailing house in Sioux Falls, SD. May be able to do some test billing. The name of the outfit is QPS Mailing.

The Board then took a short recess at 2:33 p.m. and reconvened at 2:45 p.m.

Authorization of February, 2008 Expenses: There was discussion of various bills including credit balance refunds. There was then a motion to approve the February, 2008 bills 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 Birkley – yes
Director Lebsock – yes	Director Silhacek – yes	Director Kneifl – yes
Director Gansebom – yes	Director Loberg – yes	Director Bodlak – yes

All directors present voting yes, the chairman declared the motion carried 9-0.

Review of the Financial Statements: There was a discussion of TIER and the money market account with State National Bank & Trust. There was also discussion of renting the Emerson building. Mark will talk to HunTel about renting if they show genuine interest in buying the Wayne building. We will look to sell the Wayne building after the new office is done. He then visited with the Board about the District Disaster Reassessment and Recovery plans. This is a plan that Mark has put together.

There was then a discussion of the Gilliland issue. The manager denied stating that the District would ever pay for a neutral blocker. He has compared this with the MPM issues years ago. There was a review of the steps taken by the District. There was a discussion of legal issues. There was a review of requests from Gilliland. Mark will contact Terry and advise that we have no staff capable of further investigation. The customer needs to pay for future investigations. The District position has not changed on this matter.

Resolution 2008-03-04: Customer Communication Committee formation. This motion was made by Director Gustafson and seconded by Director Bodlak and that was approved 9-0 on a voice vote.

There was then a motion to go into Executive Session for the purpose of discussing a personnel issue when such employee has not requested the matter be held in public session. In addition to the Board, the manager and the attorney for the Board are to be present. This motion was made by Director Birkley and seconded by Director Kneifl.

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 Kneifl – yes
Director Gansebom – yes	Director Loberg – yes	Director Bodlak – yes

All directors present voting yes, the chairman declared the motion carried 9-0.

The Board then went into Executive Session at 4:15 p.m. There was then a motion to come out of Executive Session made by Director Gustafson and seconded by Director Birkley and was approved 9-0 on voice vote and the Board came out of Executive Session at 5:44 p.m.

There was then a motion to approve the Personnel Proposal. This motion was made by Director Bodlak and seconded by Director Gansebom.

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 Kneifl – yes
Director Gansebom – yes	Director Loberg – yes	Director Bodlak – yes

All directors present voting yes, the chairman declared the motion carried 9-0.

There was then a motion to adjourn the meeting made by Director Birkley and seconded by Director Silhacek and was approved 9-0 on a voice vote. The meeting was adjourned at 5:50 p.m.