

**Minutes of the 135th Regular Meeting of the Board of Directors
Northeast Nebraska Public Power District**

The 135th regular meeting of the Northeast Nebraska Public Power District was called to order at 10:07 a.m., on February 24, 2009, 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 Loberg Director Bodlak
Director Silhacek Director Kneifl Director Gustafson

Directors absent: Director Lebsack and Director Birkley

Mark Shults, Manager

Christopher J. Connolly, Attorney

Others present: Jan Kristjanson, Dean Bruggeman and Randy Belt

Minutes of the January 27, 2009 Meeting: Corrections were noted. There was a motion for approval of the minutes, as corrected, of the last meeting by Director Kneifl and seconded by Director Bodlak and was approved 7-0 on a voice vote.

Director Birkley arrives at 10:15 a.m.

Safety Meeting Minutes: There was a discussion of Arc Flash Protection. There was also a discussion of foreman training for tailgate meetings. There was then a motion to approve the Safety Meeting Minutes made by Director Gansebom and seconded by Director Gustafson and was approved 8-0 on a voice vote.

Authorization of January, 2009 Expenses: There was then a discussion of various invoices, including the status of the Bessmer lawsuit. There was also a discussion of AMR installation. There was then a motion to approve the January, 2009 expenses made by Director Bodlak and seconded by Director Gustafson.

The following roll call vote was taken upon the motion:

Director Larsen – yes Director Gustafson - yes Director Loberg – yes
Director Silhacek – yes Director Kneifl – yes Director Birkley – yes
Director Gansebom – yes Director Bodlak – yes

All directors present voting yes, the chairman declared the motion carried 8-0.

Financial Reports for 2008: The Board had a discussion on the final 2008 payroll figures. Also discussed other parts of the final RUS reports, including director expenses. There was then a motion to approve the final reports for 2008 made by Director Silhacek and seconded by Director Kneifl and approved 8-0 on a voice vote.

January, 2009 Financial Reports: There was a discussion of tree cutting expenses, impact of the rate increase, bids on certificates of deposit, and line loss. The high line loss at the end of 2008 is most likely from accounting adjustments made due to lengthening the grace period required to move to mailed electric bills versus self billing. There was also a discussion of a customer bill complaint. There was then a motion to approve the January, 2009 Financial Reports made by Director Gansebom and seconded by Director Birkley and was approved 8-0 on a voice vote.

Public Comment: None.

There was then a discussion of a line clearance issue in Hoskins. Mark Shults then passed out ACRE pins to Directors Gansebom, Kneifl, Larsen and Silhacek.

Old Business: Nothing.

New Business:

1. Line Extension Policy 11-29: Mark Beauchamp, the rate consultant for the District, told Mark Shults that he (Beauchamp) was overly conservative in 2003 in calculating the line extension policy because he was not confident that the District's cost data justifies a large credit for the customer. Now he is more confident and the customer is getting a bigger credit. There was then a comparison done with the old policy and the proposed policy. After further discussion, the Board decided to table the matter until Mark Shults can get additional information from different power districts.

The President then recessed the meeting for lunch at 12:10 p.m. and was reconvened at 12:59 p.m.

2. Resolution 2009-02-01: The Board then took up review and approval of new irrigation loads. Randy Belt believes that about 25 systems will be built this year. Not all customers will want to follow through. There was a discussion of how to deal with irrigators who can not or will not install this year. Those who won't convert or install this year will need to come in and sign a new agreement. There was then a motion to approve this resolution made by Director Gustafson and seconded by Director Birkley and was approved 8-0 on a voice vote.

3. Resolution 2009-02-02: This resolution is regarding meter tampering. There was a motion to approve this resolution made by Director Silhacek and seconded by Director Kneifl and was approved 8-0 on a voice vote.

4. Resolution 2009-02-03: This resolution is regarding approving rate scheduled I-TOU (for

irrigation service). Mark Shults explained that there are slight changes in the language regarding monthly billing for time of use customers. After further discussion, there was a motion to approve this resolution made by Director Gansebom and seconded by Director Birkley and was approved 8-0 on a voice vote.

5. Billing Software: Mark Shults then gave a presentation on consideration given to selecting a new billing software vendor. He and Jan Kristjanson reduced the vendors down to two – SEDC and NISC. Mark and Jan both advised the Board that they didn't see much difference between the two in services provided or quality of the product. They did note that SEDC is less expensive. Since this is a budgeted matter, no vote of the Board is necessary and Management expects to implement the SEDC system later this year.

Management Reports:

- a. Jan Kristjanson: Horsepower charges will be billed shortly. Husker Ag now has \$170,000.00 in deposit funds available. Jan also visited with the Board about using “Kill a Watt”, electrical appliance used for monitoring electric usage on other appliances.
- b. Randy Belt: Randy noted that there is a lot of tree trimming going on. A representative from Federated Insurance noted improvements over last year on safety issues. There is a house move scheduled for today from Jackson to Homer. Work continues on joint lines with ERPPD. Hoskins had to be refed. Randy is still calling irrigators concerning their intentions for this year. More meter changes are being done. There are 130 more on the way. He is ready to start installing irrigation meters soon. About 200-300 are left. RVW will be in for work order inspections. The Sholes transformer swap-out has been rescheduled to April 10, 2009. Trenching for underground will start as soon as the ground thaws. One underground fault was found near Hubbard. NPPD's Twin Church substation will soon be expanded. The Willis substation had some problems over last weekend.
- c. Dean Bruggeman: White Dog Lawn Service is the low bidder for mowing substations. Dean is also looking to remove underground tanks at the Osmond Shop.
- d. Mark Shults: Mark met with the Northeast Nebraska Economic Development Board in Norfolk. He is working on real time price signals to be sent to irrigation meters. This will improve the efficiency of time of use rates. Coop Connection cards will be going out in the March bills. The new office plaque is now ready. CFC is requesting a new capital infusion from its members. After discussion, the consensus is to decline to invest more money at this time. The Union is looking to put together a new array for negotiating later this year. Management will be working with a new business agent from the Union. There is a net metering bill in the legislature right now. This would allow customers to collect credit and redeem when they want. This means that a customer could generate in the winter and redeem in the summer when the rates are higher. There was also a discussion of issues at the irrigators meeting held in Wayne recently.

Board Reports:

1. G & T: Nothing to report; there will be meeting coming up in March.

2. NREA: Committees and the Board met in Lincoln. A board communications policy is being considered.
3. Audit Committee: Nothing.
4. NRECA: There were reports from Directors Loberg, Kneifl, Gansebom and Mark Shults about the annual convention held recently in New Orleans. Mark Shults added that the power district added 15 miles of overhead line and retired 7 miles of line in connection with this discussion.
5. NPA Meeting: A meeting was held on February 20, 2009 with Directors Larsen and Silhacek present and they both gave reports.

There was then a motion to adjourn the meeting made by Director Kneifl and seconded by Director Gansebom and was approved 7-0 on a voice vote, with Director Silhacek not present, and the meeting was adjourned at 3:40 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