

**Minutes of the 139th Regular Meeting of the Board of Directors
Northeast Nebraska Public Power District**

The 139th regular meeting of the Northeast Nebraska Public Power District was called to order at 7:32 p.m., on June 23, 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 Bodlak Director Silhacek
Director Kneifl Director Gustafson Director Lebsock Director Birkley

Mark Shults, Manager

Kyle C. Dahl, Attorney

Others present: Jan Kristjanson, Randy Belt, and Louis Pofahl, District Representative from Congressman Jeff Fortenberry's Office.

Minutes of the May 26, 2009 Meeting: Corrections were noted. There was a motion to approve the minutes of the May 26, 2009 meeting made by Director Gansebom and seconded by Director Kneifl and was approved 8-0 on a voice vote.

Minutes of the June 12, 2009 Safety Meeting: A brief discussion was held about the Safety Meeting held on June 12, 2009. A motion was made by Director Kneifl and seconded by Director Birkley and approved 8-0 on a voice vote.

Presentation by Louis W. Pofahl: There was a brief presentation by Louis Pofahl, District Representative for Congressman Jeff Fortenberry. Mr. Pofahl encouraged the Directors to provide input to Mr. Fortenberry's office on Energy issues and suggested that if the best way to communicate with the office was to send a written letter, and make sure to state their position on the Board. He also distributed copies of a recent press release from Mr. Fortenberry's office on the cap-and-trade energy proposal currently before the U.S. Congress, answered questions from the Directors, and discussed Congressman's concerns with some of the proposed legislation.

Public Comment: None

Authorization of May, 2009 Expenses: There was then a discussion of various bills, including a discussion about the procedures regarding the deposits required for persons moving houses/barns, repairs made to the McLean substation, and legal fees. There was then a motion to approve the May 2009 expenses made by Director Lebsock and seconded by Director Bodlak.

The following roll call vote was taken upon the motion:

Director Larsen – yes

Director Gustafson - yes

Director Silhacek – yes
Director Gansebom – yes

Director Kneifl – yes
Director Bodlak – yes

Director Birkley – yes
Director Lebsock - yes

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

Financial Reports for 2009: Mark Shults noted that the financial outlook was positive so far for 2009, but that during the summer expenses typically increase especially wholesale power costs. He also noted the need for discussion about the long-term financial strategy of the Power District, and noted that the cost of wholesale power has been projected to increase by 7.5% for next year. There was then a motion to approve the financials made by Director Gustafson and seconded by Director Birkley and approved 8-0 on a voice vote.

Management Reports:

- a. Randy Belt: About 30 AMR meter change-outs are left. Installation of lines regarding the Keystone pipeline is continuing. Also reported on an outage involving a transmission line that was lost between Newcastle and Emerson, and stated that due to some extraordinary issues, it took longer than normal but that the customers were generally understanding during the outage.
- b. Jan Kristjanson: The SEDC Team will be here this week to work through the new accounting software. Have not started with the new billing software yet. Eighty-three (83) irrigation customers will be receiving a credit on their bill following a rainy month of June. Actual meter reads will then take place to provide actual usage data. Five accounts are past due and will be receiving disconnection notices soon.
- c. Mark Shults: Noted a newspaper thanking a Power District employee, Randy Belt, for his care and work in responding to a vehicle accident involving downed power lines and a broken pole. Mark thanked the Randy for not only responding in the way that he did, but also for securing the area to protect emergency responders. Mark also has met with the City of Pierce concerning the territorial agreement between the City and the Power District. This may require further investigation by legal counsel. NPPD refunded the Power District \$68,000 following the discovery of an inadvertent overcharge. The mistake was caught by NPPD and brought to the District's attention. The Power District is also working with NPPD on a proposal for stimulus/smart grid funds. The general feeling is that a single application from the Nebraska will be more effective than individual parties submitting requests. The deadline for the applications is July 15, 2009, so the work is underway. Mark is also recommending that the Power District issue detailed billing statements once the new system is in place so that customers have more information about how their bill is calculated.

Old Business:

1. Resolution 2009-06-01: Resolution to Accept Financial Audit of Schmidt and Co. There was a motion to approve this resolution made by Director Gansebom and seconded by Director Silhacek and was approved 9-0 on a voice vote.

New Business:

1. Resolution 2009-06-02: Review of Policy 11-27 governing the process of providing cost estimates to customers for line extension work done by the District at the request of customers. There was a discussion about the policy and it was stated by Mark Shults that upon review of this policy it was felt that the current process provides some protection to the District to ensure

that estimates are as accurate as possible, and did not need to be changed. There was a motion to approve this resolution by Director Kneifl and seconded by Director Bodlak and was approved 8-0 on a voice vote.

Director Loberg (arrived at 9:02 p.m.)

2. Resolution 2009-06-03: Board approval for management to seek stimulus funding from the Federal government for system improvements relating to smart grid technologies. There was a motion to approve this resolution made by Director Silhacek and seconded by Director Gustafson and was approved 9-0 on a voice vote.
3. Selection of Voting Delegates to the NRECA Region VII Meeting in Cheyenne, WY on October 14-15, 2009: President Larsen asked if any Directors wished to attend to the NRECA Regional meeting in Cheyenne, Wyoming on October 14-15, 2009. Director Gustafson and Director Lebsock expressed interest in attending the meeting. There was a motion by Director Kneifl to appoint Director Tom Gustafson as voting delegate and Director Dave Lebsock as alternate delegate at the NRECA Region VII Meeting in Cheyenne, Wyoming on October 14-15, 2009 and seconded by Director Gansebom and was approved on a 9-0 voice vote.
4. Resolution 2009-06-04: Review of Policy 10-02 relating to the provision and use of sick leave by employees and Policy 10-05 relating to return to work policy following extended injury or illness. There was a motion to approve this resolution made by Director Lebsock and seconded by Director Birkley and was approved 9-0 on a voice vote.

Board Reports:

Director Silhacek gave a report from the 2009 CoBank Energy Directors Conference.

Executive Session: The President asked those in attendance if there was a need to conduct an executive session. There was not a call for one and none was conducted.

There was then a discussion of a customer complaint issue.

The President then asked for a motion to adjourn. There was a motion made by Director Lebsock and seconded by Director Birkley and was approved 9-0 on a voice vote. The President declared the meeting adjourned at 10:27 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.

Attest: _____

Secretary

President