

Minutes of the 140th Regular Meeting of the Board of Directors Northeast Nebraska Public Power District

The 140th regular meeting of the Northeast Nebraska Public Power District was called to order at 1:39 p.m., on July 28, 2009, by President Don Larsen. 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 Larsen Director Gansebom Director Silhacek
Director Kneifl Director Gustafson Director Lebsock**

Mark Shults, Manager

Kyle C. Dahl, Attorney

Others present: Jan Kristjanson, Randy Belt, Dean Bruggeman, Elwood More, Cuming Country Public Power District, Dennis Weiler, Cuming County Public Power District.

Annual Planning Session: The Board and Management met to discuss issues of long-term consequence and explore possible courses of action. This was not a formal session, no Board Actions or votes were taken. The following topics were discussed:

- 1) Possible shared services arrangement with Cuming County Public Power District – An initial exploratory discussion was had between representatives of the Cuming County Public Power District and Northeast Nebraska Public Power District. Discussions were had about whether the District had any initial interest in discussing possible benefits and cost savings of any such arrangement; whether there were any significant issues that would prevent looking at joint services and savings, and whether any future legislative action would drive combining activities like smart grid coordination, etc.

Director Loberg arrived at 2:31 p.m.

A break was taken at 3:11 p.m.

The meeting reconvened at 3:21 p.m.

- 2) Consideration of a written Financial Policy – A discussion was had around the possible benefits and limitations of a written Financial Policy. Mark Shults presented several reasons why various organizations, including public power districts, may or may not have a formal

written policy, and possible options if the District were to adopt such a policy. Mr. Shults also reviewed the financial information that is provided to the Board members at the monthly meetings and discussed a brief financial history of the Power District. He stated the financial condition of the District, when compared to other state and national public power districts is extremely good.

- 3) Status of District's application for Federal Stimulus money for the purchase of direct load control equipment – Mark Shults gave an update on the status of the District's joint application with NPPD to request federal stimulus funds for the purchase of direct load control equipment. He stated that there would likely be additional federal requirements that would be tied to the receipt of the funds, if awarded. Also, even though the District requested such funds, the District is not required to accept funds if they were to be awarded.
- 4) Progress of Peak Shaving through District's Time of Use Rate in the Summer of 2009. – Mark Shults gave a presentation, and a discussion was had around the District's time of use rate, peak time warnings, and the impact it has on costs to the consumer and the number of days and hours where the customers were exposed to peak rates.

At 5:17 p.m a meal break was taken. No official business was discussed and no official action was taken.

The meeting reconvened at 5:55 p.m.

Public Comment: None

Minutes of the June 23, 2009 Meeting: There was a motion to approve the minutes of the June 23, 2009 meeting made by Director Kneifl and seconded by Director Gustafson and was approved 7-0 on a voice vote.

Authorization of June 2009 Expenses: There was then a brief discussion of various bills including payments made to a customer who was overbilled, followed by a motion to approve the June 2009 expenses made by Director Gustafson and seconded by Director Gansebom. 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 – (absent)
Director Gansebom – yes	Director Bodlak – (absent)	Director Lebsock - yes

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

Financial Reports for June 2009: Mark Shults noted that the financial outlook was positive so far for 2009 and that maintenance costs were still high for the year due to extensive tree trimming in the winter. There was then a motion to approve the financials made by Director Lebsock and seconded by Director Silhacek and approved 7-0 on a voice vote.

Old Business:

1. Resolution 2009-07-01: Resolution to Sell District owned property in Emerson, NE to Emerson Grain, LLC. There was a motion to approve this resolution made by Director Silhacek and seconded by Director Kneifl and was approved 7-0 on a voice vote.

New Business:

1. Presentation by Bruce Pontow: Bruce Pontow of Nebraska Electric Generation & Transmission Cooperative provided a brief presentation and answered questions from the directors. Mr. Pontow provided information on the current “Cap & Trade” legislation before the Congress and the impacts of such legislation, renewable energy efforts and wind power, and the key drivers of potential wholesale power rate increases between 2010 and 2015.
2. Discussion by Management about line item billing to show the relative cost of wholesale power on customer bills: Mark Shults provided an update on the new look of customer billing statements once the new software system is implemented. The new bills will show customers the amount of their total bill that is attributable to wholesale power, district expenses and taxes.
3. Discussion by Management about non-payment of standby charges by customers. Jan Kristjanson and Mark Shults provided information, and a brief discussion was had, about customers who have accumulated significant amounts of standby charges and the possible actions the District could take. Possible options include removing the service, sending the bill to a collection agency; or taking legal action against the property owners.
4. Resolution 2009-07-02. Resolution to approve a new policy regarding the use of tobacco on District property and in District-owned vehicles. There was a motion to approve this resolution made by Director Gustafson and seconded by Director Gansebom and was approved 6-1 on a voice vote.
5. Resolution 2009-07-03. Resolution to affirm after review existing Policy 01-01 establishing a procedure for the public to review District records and Policy 01-03 governing the depreciation and expense of general property. There was a motion to approve this resolution made by Director Gansebom and seconded by Director Gustafson and was approved 7-0 on a voice vote.

Management Reports:

- a. Randy Belt: Randy gave updates on the progress of various projects, including the work the District has done in response the construction of the Keystone pipeline project and the use of a new pole testing device that can measure the percent life left in a specific pole.
- b. Jan Kristjanson: Jan gave updates on interest payments made to the District from State National Bank & Trust Co., and the progress in converting to the new billing system software.
- c. Dean Bruggeman: Dean gave updates concerning some repairs to the District’s fleet of vehicles, the progress on cleaning up the property that is being sold to Emerson Grain, LLC, and the installation of some new LED (light emitting diodes), energy efficient lights at the District’s Operations Center.
- d. Mark Shults: Mark noted that the Company picnic is scheduled for August 23, 2009. Mark also attended a rate conference recently and is planning to invite a rate consultant to give a presentation to the Board a later time. He provided information on the current status of the litigation involving the Estate of John Bessmer, former District employee. He also gave updates regarding the options for customers to view and pay their bill online with the new billing system. Shults provided maps showing the voting precincts for each Director located in the District.

Board Reports:

Director Gustafson provided a report from the Nebraska G&T meeting held on June 26, 2009.

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.

The topic was raised about whether the District would be interested in spending \$500 to be a sponsor for the Missouri River Outdoor Expo held in Ponca, NE on September 19 and 20, 2009. A motion was then made by Director Gustafson and seconded by Director Gansebom for the District to spend \$500 to be a sponsor of the 2009 Missouri River Outdoor Expo to be held in Ponca, NE on September 19 and 20, and was approved 7-0 on a voice vote

The President then asked for a motion to adjourn. There was a motion made by Director Gustafson and seconded by Director Gansebom and was approved 7-0 on a voice vote. The President declared the meeting adjourned at 9:13 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