

**Minutes of the 146th Regular Meeting of the Board of Directors
Northeast Nebraska Public Power District**

The 146th regular meeting of the Northeast Nebraska Public Power District was called to order at 10:12 a.m., on January 27, 2010, 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 Gansebom Director Silhacek Director Larsen Director Bodlak
Director Lebsock Director Gustafson Director Birkley**

Directors Absent: Kneifl, Loberg

Others present: Mark Shults, Kyle Dahl, Jan Kristjanson, Randy Belt, Marty Blake of the Prime Group, LLC.

Director Loberg arrived at 10:15 A.M.

Public Comment: None

Minutes of the December 22, 2009 Regular Meeting: There was a motion to approve the minutes of the December 22, 2009 Regular Meeting by Director Gansebom and seconded by Director Lebsock and was approved 8-0 on a voice vote.

Presentation by Marty Blake, Rate Consultant, on the District's 2009 Cost of Service Study: Marty Blake, of the Prime Group, LLC, gave a presentation and facilitated a discussion with the Board about the results of the 2009 Cost of Service Study and the different options for determining rates to more fairly recover costs. During the presentation a break was taken at 12:06 p.m. for lunch. No official business was discussed and no official action was taken. The Board reconvened at 12:55 p.m. and the presentation continued.

At 2:26 p.m. another break was taken. The Board reconvened the meeting at 2:32 p.m.

Authorization of December 2009 Expenses: There was then a brief discussion of various expenses followed by a motion to approve the December 2009 expenses made by Director Gansebom and seconded by Director Birkley.

The following roll call vote was taken upon the motion:

Director Larsen – yes	Director Gustafson – yes	Director Loberg – yes
Director Silhacek – yes	Director Kneifl – (absent)	Director Birkley – yes
Director Ganseboom – yes	Director Bodlak – yes	Director Lebsock - yes

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

Financial Reports for December 2009: There was a discussion of the financial reports for December 2009. At the time of the meeting, the reports were not finalized, so a discussion was had around the preliminary reports. Then there was a motion to approve the December 2009 Preliminary Financial Reports by Director Gustafson and seconded by Director Bodlak. The motion carried on an 8-0 voice vote.

Management Reports:

1. Randy Belt: Randy gave updates on various items including planned improvements to the Wayne substation; a meeting with representatives of the new call center; as well as the work that was done in response to the recent ice storm. Randy estimated that 75 to 100 poles were lost as a result of the storms and one point approximately 4500 customers were without power. At the time of the meeting, however, power had been restored to all customers.
2. Jan Kristjanson: Jan gave a report on various items, including upcoming training with the new call center.
3. Mark Shults: Mark Shults provided reports on various items, including an update on the hard work provided by the lineman of the district as well as employees of the other districts who provided assistance. It was also noted that Jerry Wehrer's retirement breakfast was coming up on January 29, 2009, and that the NREA meetings will be taking place in Lincoln during the week of February 1.

Old Business:

1. Management discussion of outages in the area around Sholes, Nebraska. Mark reported that all outages in the area are known events and the causes have been indentified. However, blinks can be caused by any number of random events, such as animals, weather, etc., whose cause may never be known. Shults provided a detailed list of the outages and blinks in the area to the Board for review and comment. No action was taken on this issue.

New Business:

1. Resolution 2010-01-01: Approve Kyle Dahl as the District's Legal Counsel. After a brief discussion, Director Silhacek made a motion to approve the resolution, seconded by Director Ganseboom. The motion carried on an 8-0 voice vote.
2. Resolution 2010-01-02: Review and make housekeeping changes to Board Policy 11-06 governing the process for Application of Service and Collections. After a brief discussion, Director Silhacek made a motion to approve the resolution, seconded by Director Ganseboom. The motion carried on an 8-0 voice vote.
3. Discussion by the Manager of Implementing power factor penalties. The discussion of power factor penalties was discussed during the presentation and discussion by Marty Blake on setting the rates of service.

Board Member Reports:

1. G & T: None.
2. NREA: NREA meetings in Lincoln Feb. 1-3.

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 motion to adjourn the meeting made by Director Gustafson and seconded by Director Birkley and was approved 8-0 on a voice vote. The meeting was adjourned at 4:52 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