

**Minutes of the 151<sup>st</sup> Regular Meeting of the Board of Directors  
Northeast Nebraska Public Power District**

The 151<sup>st</sup> regular meeting of the Northeast Nebraska Public Power District was called to order at 7:36 p.m., on June 29th, 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 Birkley    Director Kneifl    Director Lebsock**

Directors Absent: Loberg, Gustafson

Others present: Mark Shults, Kyle Dahl, Jan Kristjanson, Randy Belt, Dean Bruggeman, Mr. and Mrs. Cliff Burbach customers from Carroll, NE.

Review and approve minutes of the May 25, 2010 regular board of directors meeting: Director Gansebom made a motion to approve the minutes of the May 25, 2010 Regular Board Meeting, which was seconded by Director Birkley and was approved 7-0 on a voice vote.

Director Gustafson arrived at 7:37 p.m.

Director Loberg arrived at 7:42 p.m.

Old Business: None.

New Business:

1. Claim by Mr. Cliff Burbach regarding damage to personal property due to a broken pole. Mr. and Mrs. Cliff Burbach of Carroll, NE presented information regarding a pole that broke and damaged some of his personal property and the ensuing cost of repairs. A discussion then ensued between the Board, Mr. and Mrs. Burbach and management. No official action was taken at this time.
2. Presentation by Jay Holmquist, Manager of the Nebraska Rural Electric Association. Mr. Holmquist gave a presentation and answered questions from the Board on various topics including legislative updates, job training and safety program, and the Rural Electric Safety accreditation program. The Board thanked Mr. Holmquist for his time.

Public Comment Period: None.

Authorization of May 2010 Expenses: There was a brief discussion of various expenses

including refunds for the budget-billing customers, followed by a motion to approve the May 2010 expenses made by Director Gustafson and seconded by Director Bodlak.

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    | Director Lebsock - yes |

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

Financial Statements for May 2010: Mark Shults presented some information of the financial reports for May 2010, noting that the district remains financially strong. Then there was a brief discussion followed by a motion to approve the May 2010 Financial Statements by Director Gustafson and seconded by Director Bodlak. The motion carried on a 9-0 voice vote.

#### Management Reports:

1. Jan Kristjanson: Jan provided the Board with an example and explanation of the new unbundled statements and discussed the fact that in the future the District will no longer be providing DirectTV service.
2. Dean Bruggeman: Dean discussed the fact that Unit #40 is back in service, with a new chasis and bucket, and gave updates on various other projects.
3. Randy Belt: Randy provided information on various projects including the fact that they are still finishing up repair work from the winter storms, continuing testing poles, and adding some additional three-phase line near the town of Foster.
4. Mark Shults: Mark reported on various items including the upcoming company picnic as well as the work being done on the Winside substation, and a discussion about rate charges.

Executive Session: The President asked those in attendance if there was a need to conduct an executive session. Director Bodlak made a motion to conduct an executive session to discuss a personnel matter and to prevent the needless injury to the reputation of someone who had not otherwise requested a public hearing. Director Kneifl seconded the motion.

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    | Director Lebsock - yes |

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

The board entered executive session at 10:16 p.m.

Then a motion was made by Director Gansebom, seconded by Director Birkley to come out of executive session. The motion carried 9-0 on a voice vote. The board came out of executive session at 10:26 p.m.

Directly Birkley left the meeting at 10:28 p.m.

New Business (cont'd from above):

3. Discussion by management regarding an agreement between Cedar Knox PPD and the District on Sub-transmission line ownership tariffs and costs: Mark Shults provided some information regarding a draft agreement between the power districts concerning some lines owned and operated by the two districts and which “establishes a basis for ongoing charges, maintenance, and use of the power lines. The agreement has not yet been finalized by the parties and no official action was taken by the Board.
4. Discussion by management regarding establishing program details and by-laws for an Operation Roundup program: A brief discussion was had around some of the details regarding the establishment of a charitable foundation for the district. Under this program which has been successfully implemented by other electric cooperatives across the country, customers could elect to “round-up” their bill to the nearest whole dollar and those additional funds would be transferred to the charity for disbursement. The details of the plan, the structure of the foundation, and the by-laws are still being drafted, so no official action was taken by the Board at this time.
5. Discussion by management regarding grain bins that are billed through irrigation matters. Mark Shults provided some information regarding the fact that certain customers have had their grain bins served through irrigation meters. And while historically this hasn’t been a problem, with the District’s new time of use irrigation rate, it may provide a benefit to those customers that others aren’t receiving. A brief discussion was had around possible solutions. No official Board action was taken at this time, but management indicated it would continue the practice of requiring irrigation services to be on separate meters without other loads.
6. Discussion by management regarding the Power Review Board ruling in favor of the District preventing the City of Pierce from encroaching on the District’s territory. Mark Shults and District legal counsel Kyle Dahl presented information regarding a recent hearing involving an application by the City of Pierce to add nearly 1.5 miles of three-phase line through the District’s territory. The Power Review Board denied the application, and now the parties are having discussions service areas, customers, and establishing some parameters for adding new customers and/or building new lines when those customers are in the District’s service area. No official action was taken by the Board at this time and current practice will continue.
7. Discussion by management regarding practices related to billing customers for damage to District’s property. Mark Shults provided some information regarding the fact that the currently policy is that when a customer breaks a pole, they are charged for the price of a new pole, regardless of the age of the pole, and provided some alternatives for the Board to consider. A brief discussion ensued, but no official action was taken at this time.

Board Member Reports: Director Gustafson and Director Silhacek gave reports on various items, including the fact that NNPPD is projecting an increased cost of wholesale power of 7.5% in 2011 and 12.0% in 2012.

There was then a motion to adjourn the meeting made by Director Lebsock and seconded by Director Gustafson and was approved 8-0 on a voice vote. The meeting was adjourned at 11:27 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.

\_\_\_\_\_  
Secretary

Attest: \_\_\_\_\_  
President