

**Minutes of the 153rd Regular Meeting of the Board of Directors
Northeast Nebraska Public Power District**

The 153rd regular meeting of the Northeast Nebraska Public Power District was called to order at 1:05 p.m., on September 1st, 2010, by Director Sy Kneifl, presiding in the absence of President Don Larsen. This meeting was held in the power district's General Office in Wayne, NE. Director Kneifl 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 Gustafson
Director Birkley Director Kneifl Director Lebsock**

Directors Absent: Loberg, Larsen, Bodlak

Others present: Mark Shults, Kyle Dahl, Jan Kristjanson, Randy Belt, Dean Bruggeman.

Review and approve minutes of the July 27, 2010 regular board of directors meeting: Director Gansebom made a motion to approve the minutes of the July 27, 2010 regular board meeting, which was seconded by Director Birkley and was approved 6-0 on a voice vote.

Review and approve minutes of the June 23, 2010 and August 13, 2010 safety meetings: Director Gansebom made a motion to approve the minutes of the June 23, 2010 Safety Meeting, which was seconded by Director Silhacek and was approved 6-0 on a voice vote. Director Birkley made a motion to approve the minutes of the August 13, 2010 Safety Meeting, which was seconded by Director Gansebom, and approved 6-0 on a voice vote.

Public Comment Period: None

Authorization of July 2010 Expenses: There was a brief discussion of various expenses including a deductible insurance payment, charges for boring by Klein Electric, and Rural TV, followed by a motion to approve the July 2010 expenses made by Director Birkley and seconded by Director Silhacek.

The following roll call vote was taken upon the motion:

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

All directors present voting yes, the chairman declared the motion carried 6-0.

Financial Statements for July 2010: Mark Shults presented some information of the financial reports for July 2010, noting that the district remains financially strong. Specifically he noted that the amounts for total operation and maintenance expenses were very close to budget as was the cost of total electric service, and that sales revenues have increased while costs have held steady. Then there was a brief discussion followed by a motion to approve the July 2010 Financial Statements by Director Lebsock and seconded by Director Gustafson. The motion carried on a 6-0 voice vote.

Director Loberg arrived at 1:40 p.m.

Management Reports:

1. Jan Kristjanson: Jan reported her findings regarding the percentage of total benefits that are attributable to health insurance. According to her analysis, health insurance costs make up forty percent of the total cost of benefits for employees.
2. Randy Belt: Randy provided information on various projects including an NPPD analysis of the Districts' system, bin upgrades, spraying and tree-trimming activities as well as discussion about a power outage in Ponca.
3. Dean Bruggeman: Dean provided information on the District's vehicle fleet as well as some information on estimates from contractors to enclose the generators located at the District's main office.
4. Mark Shults: Mark reported on various items including the fact a 9.5% increase in wholesale power costs is coming from NPPD, that he will be attending the village council meeting in Hubbard on September 2, and a grant from FEMA has been awarded the District to conduct a hazard mitigation study.

Old Business:

1. Update from the Board's Attorney regarding negotiations with the City of Pierce to redefine the City's service area and re-affirming the District's rights to serve loads within the District's area. Attorney Kyle Dahl gave a brief update to the board regarding negotiations with the City of Pierce regarding the service area issues and service to Todd Kumm and other customers in the area. Negotiations are continuing and the parties have exchanged proposals, but to date no agreement has been reached.

New Business:

1. Resolution 2010-08-01. Create the position of Purchasing Agent and approve the job description. Mark Shults provided some information on the reasoning for the new position in order to facilitate a transition of some of the duties that will need to be filled upon the retirement of Dean Bruggeman. Following a brief discussion, Director Gustafson made a motion to approve the resolution, which was seconded by Director Ganseboom. The motion passed on a 7-0 voice vote.
2. Resolution 2010-08-02. Establish for employees a Roth 401K retirement savings option to be voluntarily funded by employees. Following a brief description of the program by Mark Shults, Director Silhacek made a motion to approve the resolution, which was seconded by Director Lebsock. The motion passed on a 7-0 voice vote.
3. Resolution 2010-08-03. Resolution to accept the engineer's annual field audit of random work orders. Mark Shults gave a brief report on the audit that was conducted by RVW, Inc. with regard to the quality and integrity of the work that was performed. Following a brief discussion, Director Birkley made a motion to approve the resolution, which was seconded by

Director Gansebom. The motion passed on a 7-0 voice vote.

4. Resolution 2010-08-04. Resolution to affirm existing policies 11-01 and 11-13 governing charges and practices for disconnection and reconnection of electric service. Following a brief discussion, Director Silhacek made a motion to approve the resolution, which was seconded by Director Lebsock. The motion passed on a 7-0 voice vote.
5. Discussion by management about possible changes to the health insurance plan offered to non-union employees and retirees. Jan Kristjanson presented information on the District's options for consumer-driven health care plans that will be offered to employees in the coming year. A discussion was had about the potential benefits to employees from such a plan, but no official action was taken by the Board.
6. Discussion by management about plans to update safety training. Mark Shults gave a brief update on the safety training plans, but no official action was taken the Board.
7. Discussion by the Board regarding the evaluation form used to annually evaluate the General Manager's job performance. A brief discussion was had about the form used to evaluate the general manager, but the board did not take any official action.

Board Member Reports: Director Gansebom gave a report on the recently held NREA meeting in Scottsbluff, Nebraska.

Executive Session: Director Kneifl 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 7-0 on a voice vote. The meeting was adjourned at 4:27 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