

BOARD OF DIRECTORS MEETING, OCTOBER 25, 2010

The regular meeting of the Board of Directors of North Central Public Power District was held at the Drover's Steakhouse Meeting Room, Creighton, Nebraska, on Monday, October 25, 2010 at 6:30 P.M.

Call to Order; notice of meeting and proof of mailing.

The meeting was called to order and conducted by Terry Strobe, President and Secretary, Gregory W. Walmer, recorded the minutes.

Directors in attendance were Brent Stagemeyer, Gordon W. Fulton, William L. Jedlicka, Mary Ketelsen, Curt Zimmerer, Gregory W. Walmer and Terry Strobe. Also attending were Art Hickman, Staking Engineer / Safety Manager; Chad Waldow, Operations Manager; Doyle Hazen, Manager of Finance and Administration; and Keith E. Harvey, General Manager. Absent was Todd Zimmerer, Assistant Operations Manager and Jeffrey M. Doerr, District Attorney.

Notice of the meeting was given in advance thereof by publication in the Creighton News, Niobrara Tribune, Plainview News, Orchard News, Holt County Independent and the Verdigre Eagle as shown by the affidavit of publication attached to the minutes of the meeting. Notice of the meeting was given simultaneously to all the members and a copy of their acknowledgment and receipt of notice and agenda is attached to the minutes of the meeting. Availability of the agenda was communicated in the notice mailed to all the members of the meeting. All proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public.

Approval of the September 20, 2010 Regular Board meeting minutes.

A motion was made by Brent Stagemeyer and seconded by Curt Zimmerer to dispense

with the reading of the September 25 30, 2010 regular board meeting minutes as presented. By roll call vote, Fulton, yes; Jedlicka, yes; Stagemeyer, yes; Ketelsen, yes; Zimmerer, yes; Walmer, yes; and Strobe, yes. Motion carried.

Public Comment.

There were no public comments.

Discussion and possible action on amending Policy Bulletin 2020: Board of Directors Compensation.

General Manager, Harvey reviewed the current policy with the board of directors. On a motion by Gordon W. Fulton and seconded by Mary Ketelsen be it:

RESOLVED THAT the Board of Directors of North Central Public Power District approve Policy Bulletin 2020: Board of Directors Compensation as presented with no changes and a copy is to be attached to the minutes of the meeting.

By roll call vote: Fulton, yes; Jedlicka, yes; Stagemeyer, yes; Ketelsen, yes; Zimmerer, yes; Walmer, yes; and Strobe, yes. Motion carried.

Staff Reports.

Chad Waldow, Operation Managers reported on the operation department's monthly operations. The first topic discussed with the board was the district's policies on removal of trees or other vegetation located in transmission line easements and trimming of trees and other vegetation located under or near distribution primary or secondary lines or structures. These policies are in place to preserve the integrity and reliability of the district electric system, plus to maintain a safe working environment for the operations department personnel and to keep the public safe. In addition it also prevents property damage. During the district's annual line patrol, line crews identify and record any trees that required attention. Customers are notified prior to any tree work being completed to discuss their options. It is our objective to remove trees first and trim

second. Arrangements are also made with the customer for the removal of the brush. Waldow recommended these policies should reflect our operational procedures similar to what is stated on the ROW easements and requested the board's support in the event a customer challenges the policies. Waldow next update the board on the Hoffman 85-15 substation progress. A verbal permission to construct the west circuit of 85-15 was obtained. The initial grading for the substation has been completed and the tree removal for the west circuit is going to start the first week of November. Pole testing was conducted with a 6.5% failure rate (66 of 1020 poles tested failed). Customers were notified in advance by an automated phone message and we have not received any customer complaints. Waldow also reminded the board an informational meeting will be held November 9 at 7:00 p.m. at the Winnetoon Community Center to discuss the FEMA project.

Discussion and possible action to approve a contract with Schmader Electric for the construction of Substation 85-15 (Hoffman Substation) for the amount of \$505,068.

The board reviewed Schmader Electric's contract for the construction of Substation 85-15 (Hoffman Substation. On a motion by Gordon W. Fulton and seconded by Gregory W. Walmer be it:

RESOLVED THAT the Board of Directors of North Central Public Power District approve contract with Schmader Electric for the construction of Hoffman Substation 85-15 for the amount of \$505,068, including owner furnished materials.

By roll call vote, Fulton, yes; Jedlicka, yes; Stagemeyer, yes; Ketelsen, yes; Zimmerer, yes; Walmer, yes; and Strobe, yes. Motion carried.

Approval of Loss Control and Safety Report (September 2, 2010, Statewide Conducted).

The board of directors reviewed and discussed the September 2, 2010 Statewide Conducted Safety meeting minutes. On a motion by Wm. L. Jedlicka and seconded by Mary

Ketelsen be it:

RESOLVED THAT the Board of Directors of North Central Public Power District accept the September 2, 2010 Statewide conducted Safety meeting minutes as presented and a copy be attached to the minutes of the meeting.

By roll call vote, Fulton, yes; Jedlicka, yes; Stagemeyer, yes; Ketelsen, yes; Zimmerer, yes; Walmer, yes; and Strope, yes. Motion carried.

Discussion and possible action to approve destruction of records listed on the Records

Disposition Report per Nebraska Statue.

The board of directors reviewed the destruction of records list presented and on a motion by Curt Zimmerer and seconded by Gregory Walmer be it:

RESOLVED THAT the Board of Directors of North Central Public Power District approve the destruction of records list as presented and a copy be attached to the minutes of the meeting.

By roll call vote, Fulton, yes; Jedlicka, yes; Stagemeyer, yes; Ketelsen, yes; Zimmerer, yes; Walmer, yes; and Strope, yes. Motion carried.

Manager's report including old business/new business/meetings attended and upcoming meetings.

Meetings attended:

The meetings attended are listed on the attached Manager's report.

Upcoming Meetings:

The upcoming meetings are listed on the attached Manager's report. North Central Public Power District's November regular board meeting will be conducted on November 22, 2010.

New Business

1. "No Control" as an offered control schedule.
2. Vegetation control under sub-transmission lines

Old Business:

1. None

Director, Gregory W. Walmer left the meeting at 7:20 p.m. Mary Ketelsen, acting secretary recorded the remainder of the board meeting minutes.

Discussion and approval of the September 2010 monthly financials.

General Manager, Harvey reviewed the September 2010 financials with the Board of Directors. On a motion by Curt Zimmerer and seconded by Wm. L. Jedlicka be it:

RESOLVED THAT the Board of Directors of North Central Public Power District approve the September 2010 financials as presented and a copy be attached to the minutes of the meeting.

By roll call vote, Fulton, yes, Jedlicka, yes, Stagemeyer, yes, Ketelsen, yes, Zimmerer, yes, Walmer, absent, and Strobe, yes. Motion carried.

Discussion and approval of the purchase of a Certificate of Deposit with GE Capital

Financial Inc. for \$100,000 at 2.00%.

On a motion by Gordon W. Fulton and seconded by Curt Zimmerer be it:

RESOLVED THAT the Board of Directors of North Central Public Power District approve the purchase of a Certificate of Deposit with GE Capital Financial Inc. for \$100,000 at 2.00%.

By roll call vote, Fulton, yes, Jedlicka, yes, Stagemeyer, yes, Ketelsen, yes, Zimmerer, yes, Walmer, absent, and Strobe, yes. Motion carried.

Approval of expenditures covering all monetary encumbrances of the District for the month of September, 2010.

The board of directors reviewed the expenditures covering the month of September 2010.

On a motion by Wm. L. Jedlicka and seconded by Mary Ketelsen be it:

RESOLVED THAT the Board of Directors of North Central Public Power District approve the expenditures for the month of September 2010 as presented.

A copy is to be attached to the minutes of the meeting.

By roll call vote, Fulton, yes, Jedlicka, yes, Stagemeyer, yes, Ketelsen, yes, Zimmerer, yes, Walmer, absent, and Strope, yes. Motion carried.

Board will adjourn into executive session for the purposes of discussing matters related to personnel to, among other things, avoid needless injury to individuals.

On a motion by Gordon W. Fulton and seconded by Wm. L. Jedlicka be it:

RESOLVED THAT the Board of Directors of North Central Public Power District enter into executive session at 8:13 P.M. for the purpose of discussing matters related to personnel to, among other things, avoid needless injury to individuals.

By roll call vote, Fulton, yes, Jedlicka, yes, Stagemeyer, yes, Ketelsen, yes, Zimmerer, yes, Walmer, absent, and Strope, yes. Motion carried.

On a motion by Curt Zimmerer and seconded by Gordon W. Fulton be it:

RESOLVED THAT the Board of Directors of North Central Public Power District leave executive session at 8:34 P.M.

By roll call vote, Fulton, yes, Jedlicka, yes, Stagemeyer, yes, Ketelsen, yes, Zimmerer, yes, Walmer, absent, and Strope, yes. Motion carried.

Adjournment.

I, Gregory W. Walmer, do hereby certify that I am the Secretary of North Central Public Power District and that the foregoing is a full, true and correct copy of the minutes of the Board of Directors, meeting in regular session, October 25, 2010.

Gregory W. Walmer, Secretary

I, Mary Ketelsen, do hereby certify that I am the Acting Secretary of North Central Public Power District and that the foregoing is a full, true and correct copy of the minutes of the Board

of Directors, meeting in regular session, October 25, 2010.

Mary Ketelsen, Acting Secretary

APPROVED:

Terry Strobe, President

Attachments: (To the original minutes)

- Acknowledgment of Notice
- Publishers Affidavit
- Safety meeting minutes – September 2, 2010 Safety meeting
- Records Disposition Report
- Manager's Report
- September 2010 financials
- September 2010 Check Register