

BOARD OF DIRECTORS MEETING, NOVEMBER 22, 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, November 22, 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 Strope, President and Acting Secretary, Mary Ketelsen, recorded the minutes.

Directors in attendance were Brent Stagemeyer, Gordon W. Fulton, William L. Jedlicka, Mary Ketelsen, and Terry Strope. 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 were Gregory W. Walmer, and Todd Zimmerer, Assistant Operations Manager. Jeffrey M. Doerr, District Attorney arrived at 6:35 p.m. and Curt Zimmerer arrived at 7:00 p.m.

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 October 25, 2010 Regular Board meeting minutes.

A motion was made by Brent Stagemeyer and seconded by Gordon W. Fulton to dispense with the reading of the October 25, 2010 regular board meeting minutes as presented. By roll call vote, Fulton, yes; Jedlicka, yes; Stagemeyer, yes; Ketelsen, yes; Zimmerer, absent; Walmer,

absent; and Strobe, yes. Motion carried.

Public Comment.

There were no public comments.

Presentation of possible rate adjustments for 2011 by Mark Beauchamp of Utility Financial Solutions.

Mark Beauchamp of Utility Financial Solutions distributed and reviewed the long term financial projection prepared for the District. Beauchamp recommended rates be designed to provide an overall rate adjustment of 6.9% in 2011, with a plus or minus 2% bandwidth for each customer class. No customer class would be impacted greater than 8.9% and no class would be impacted by less than 4.9%. The two exclusions that would be outside of the 4.9% to 6.9% increase were the Street Lighting and Large Power: Multiple Meters. Beauchamp also recommended the District consider developing a cash reserve policy in the next two years as this is important for bond ratings.

Discussion and possible action on recommended rate adjustments for 2011.

On a motion by Wm. L. Jedlicka and seconded by Brent Stagemeyer be it:

RESOLVED THAT the Board of Directors of North Central Public Power District approve rates be designed to provide an overall rate adjustment of 6.9% in 2011, with a plus or minus 2% bandwidth for each customer class except for street lights and Large Power Multi-Meters.

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

Staff Reports.

Doyle Hazen, Manager of Finance and Administration reported on the monthly operations.

Connie McGee will be retiring in January and Trudy Bearer has been hired to fill the receptionist/payroll clerk position. She began her duties on November 15. Nebraska Rural TV business hours have changed. Their hours will be Monday through Friday 8:00 a.m. to 10:00

p.m., Saturday 12:00 a.m. to 10:00 p.m. and closed on Sundays.

Chad Waldow, Operation Managers reported on the operation department's monthly operations. Waldow reported on the public hearing for the proposed 69 kV line project held on November 9 at the Winnetoon Community Center. Landowners who have land along the proposed route were invited to this hearing to learn about the line project and discuss any concerns. The meeting was well attended and went well. We will continue to move forward on this project. Waldow also reported to District roof project is nearing completion.

Approval of Loss Control and Safety Report (October 29, 2010, In-House Conducted).

The board of directors reviewed and discussed the October 29, 2010 In House Conducted Safety meeting minutes. 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 accept the October 29, 2010 In House 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, absent; 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 Mary Ketelsen and seconded by Brent Stagemeyer 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, absent; and Strope, yes. Motion carried.

Discussion and possible action on amending the History and Purpose section of the Full-Time Employee Handbook and the Temporary and Part-Time Employee Handbook.

The board of directors reviewed the destruction of records list presented and on a motion by Brent Stagemeyer and seconded by Wm. L. Jedlicka 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, absent; and Strope, yes. Motion carried.

Discussion and possible action on amending the Wage and Hour Schedules section of the Full-Time Employee Handbook.

The board of directors reviewed the proposed changes to the Wage and Hour Schedules section of the Full-Time Employee Handbook. 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 Wage and Hours Schedule section of the Full-Time Employee Handbook 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 Strope, yes. Motion carried.

Discussion and possible action on amending the Policy Bulletin 2181: Removal of trees or other vegetation located in sub-transmission line easements.

The board of directors reviewed the proposed changes to Policy Bulletin 2181: Removal of trees or other vegetation located in sub-transmission line easements. On a motion by Brent Stagemeyer and seconded by Wm. L. Jedlicka be it:

RESOLVED THAT the Board of Directors of North Central Public Power District approve Policy Bulletin 2181: Removal of trees or other vegetation located in sub-transmission line easements 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 Strope, yes. Motion carried.

Discussion and possible action on amending the Transmission Right-Of-Way Easement.

The board of directors reviewed the proposed changes to Transmission Right-Of-Way Easement. District Attorney, Jeffrey M. Doerr recommended making some additional revisions to the easement. 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 proposed Transmission Right-Of-Way-Easements with District Attorney's revisions 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 possible action on amending Distribution Generation Policies/Procedures/Rates Exhibit D Avoided Cost Rate Schedule(s) – Small Non-Dispatchable AC-1 Rate Schedule for effective date of January 1, 2011.

The board of directors reviewed the proposed rates for the Distribution Generation Policies/Procedures/ Rates Exhibit D Avoided Cost Rate Schedule(s) – Small Non-Dispatchable AC-1 Rate Schedule. 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 amending the Distribution Generation Policies/Procedures/Rates Exhibit D Avoided Cost Rate Schedule(s) – Small Non-Dispatchable AC-1 Rate Schedule as presented and will go into effect January 1, 2011. 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 Strobe, 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 December regular board meeting will be conducted on December 20, 2010.

New Business

1. December meeting on the 20 or 27?
2. January meeting will be the third Monday as per By-Laws (January 17, 2011)

Old Business:

1. "No Control" as load schedule

Discussion and approval of the October 2010 monthly financials.

General Manager, Harvey reviewed the October 2010 financials with the Board of Directors. On a motion by Mary Ketelsen and seconded by Curt Zimmerer be it:

RESOLVED THAT the Board of Directors of North Central Public Power District approve the October 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 Strope, yes. Motion carried.

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

The board of directors reviewed the expenditures covering the month of October 2010. 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 expenditures for the month of October 2010 as presented 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, absent, and Strope, yes. Motion carried.

Adjournment.

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, November 22, 2010.

Mary Ketelsen, Acting Secretary

APPROVED:

Terry Strobe, President

Attachments: (To the original minutes)

- Acknowledgment of Notice
- Publishers Affidavit
- Utility Financial Solutions - Long Term Financial Projection
- Safety meeting minutes – October 29, 2010 Safety meeting
- Records Disposition Report
- History and Purpose section of the Full-Time Employee Handbook and the Temporary and Part-Time Employee Handbook
- Wage and Hour Schedules section of the Full-Time Employee Handbook
- Policy Bulletin 2181: Removal of trees or other vegetation located in sub-transmission line easements
- Transmission Right-Of-Way Easement
- Distribution Generation Policies/Procedures/Rates Exhibit D Avoided Cost Rate Schedule(s) – Small Non-Dispatchable AC-1 Rate Schedule
- Manager's Report
- October 2010 financials
- October 2010 Check Register