

BOARD OF DIRECTORS MEETING, FEBRUARY 8, 2010

The regular meeting of the Board of Directors of North Central Public Power District was held at the District Office, Creighton, Nebraska, on Monday, February 8, 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 Gordon W. Fulton, William L. Jedlicka, Curt Zimmerer, Gregory W. Walmer, Mary Ketelsen and Terry Strobe. Also attending were Art Hickman, Staking Engineer / Safety Manager; Todd Zimmerer, Assistant Operations Manager; Chad Waldow, Operations Manager; Doyle Hazen, Manager of Finance and Administration; Keith E. Harvey, General Manager and Jeffrey M. Doerr, District Attorney. Absent was Brent M. Stagemeyer.

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 January 18, 2010 Annual Board meeting minutes and the January 21, 2010 Special Board Meeting minutes.

A motion was made by Wm. L. Jedlicka and seconded by Gordon W. Fulton to dispense with the

reading of the January 18, 2010 annual board meeting minutes and the January 21, 2010 Special board meeting the minutes and approve as mailed. By roll call vote, Fulton, yes, Jedlicka, yes, Stagemeyer, absent, 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 2060: Authorized Individuals to Sign Corporate Financial Instruments and Exhibit 1.

Revisions to Policy Bulletin 2060 Exhibit 1 were necessary as Mary Ketelsen was appointed District Treasurer at the January 18, 2010 annual meeting.

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 revisions to Policy Bulletin 2060: Authorized Individuals to Sign Corporate Financial Instruments Exhibit 1.

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

Staff Reports.

Doyle Hazen, Manager of Finance and Administration reported he is in the process of working with US Cellular as they have inquired about installing a microwave dish on the District's tower. Hazen will keep the board updated as this project progresses. Hazen also reported that representatives from Telescada will be on site the middle of February to update the Telescada software for the new RTUs that are being installed in all the District's substations.

Chad Waldow, Operation Managers reported on the operations department's monthly operations. Tom Blain has turned in his resignation as he is moving to Arkansas. Matt Fritz will be taking over Blain's job responsibilities. This will leave an opening for a lineman's position

that will be determined at a later time. Waldow also reported the line extension costs per foot will remain the same for the spring of 2010. These costs will be monitored closely and will be re-evaluated as the line extension costs per foot increase for future builds.

Loss control and safety report (January 29, 2010 – Statewide Conducted).

The board of directors reviewed and discussed the January 29, 2010 – 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 January 29, 2010 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, absent, Ketelsen, yes, Zimmerer, yes, Walmer, yes, and Strope, yes. Motion carried.

Discussion and possible action to approve 2010 Operating & Capital Budgets.

Manager Harvey presented and reviewed the proposed 2010 Operating and Capital Budgets to the Board of Directors. On a motion by Mary Ketelsen and seconded by Gregory W. Walmer be it:

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

By roll call vote, Fulton, yes, Jedlicka, yes, Stagemeyer, absent, 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. The next board meeting has been scheduled for March 29, 2010.

New Business:

1. "Thank You" notes
2. Substation 85-15. Operation Manager, Waldow reported Meuret Grain in Brunswick is adding 1000 horsepower of drying and grain handling load. This is new load that will create new revenue stream that will benefit the District. The effects of this load on our system is overloading, spacing requirements and physical size of the sub. The infrastructure serving this load is adequate on distribution side. Waldow discussed the temporary and permanent solutions for this new load. The temporary solution would last for approximately one to two years and involve modifications to the existing sub. The permanent solution is the construction of a new 7.5 megawatt substation for approximately \$750,000. The substation capacity would support Meuret's new load, the town of Brunswick, and up to 100 new potential irrigation services.

Old Business:

There was no business to discuss.

Discussion and approval of the December 2009 Year-End financials.

General Manager, Harvey reviewed the December 2009 year-end financials with the Board of Directors. On a motion by Gregory W. Walmer and seconded by Wm. L. Jedlicka be it:

RESOLVED THAT the Board of Directors of North Central Public Power District approve the December 2009 year-end financial as presented and a copy be attached to the minutes of the meeting.

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

Approval of expenditures covering all monetary encumbrances of the District for the month of January 2010 with the exception of check # 76664 written to Hardware Hank in the amount of \$89.97.

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

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 the expenditures for the month of January 2010 with the exception of check #76664 written to Hardware Hank as presented and a copy be attached to the minutes of the meeting.

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

Approval of Check #76664 written to Hardware Hank.

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 check #76664 written to Hardware Hank as presented and a copy be attached to the minutes of the meeting.

By roll call vote, Fulton, yes, Jedlicka, abstain, Stagemeyer, absent, Ketelsen, yes, Zimmerer, yes, Walmer, yes, and Strobe, 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 Gregory Walmer and seconded by Curt Zimmerer be it:

RESOLVED THAT the Board of Directors of North Central Public Power District enter executive session at 8:21 p.m.

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

On a motion by Gregory Walmer and seconded by Gordon W. Fulton be it:

RESOLVED THAT the Board of Directors of North Central Public Power District leave executive session at 9:08 p.m.

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

Discussion and possible action on General Manager Compensation for 2010.

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 set the General Manger's salary at \$113,000, plus benefits beginning with the pay period of February 16, 2010.

By roll call vote, Fulton, yes, Jedlicka, yes, Stagemeyer, absent, Ketelsen, yes, Zimmerer, no, Walmer, yes, and Strobe, 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, February 8, 2010.

Gregory W. Walmer, Secretary

APPROVED:

Terry Strobe, President

Attachments: (To the original minutes)

- Acknowledgment of Notice
- Publishers Affidavit
- Policy Bulletin 2060: Authorized Individuals to Sign Corporate Financial Instruments and Exhibit 1.
- Safety meeting minutes – January 29, 2010 Safety meeting
- 2010 Operating & Capital Budget
- Manager's Report
- December 2009 Year-End financials
- January 2010 Check Register