

## **BOARD OF DIRECTORS MEETING, MAY 24, 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, May 24, 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 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 Strope. Also attending were Wayne Rasmuss, representative of Ameritas, Fritz; Art Hickman, Staking Engineer / Safety Manager; Chad Waldow, Operations Manager; Doyle Hazen, Manager of Finance and Administration; Keith E. Harvey, General Manager and Jeffrey M. Doerr, District Attorney. Brent Stagemeyer arrived at 6:52 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 April 26, 2010 Regular Board meeting minutes.**

A motion was made by Wm. L. Jedlicka and seconded by Mary Ketelsen to dispense with the reading of the April 26, 2010 regular board meeting 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 of possible new 2010-B Bond Issue in the amount of \$1,900,000 for new substation and 14.5 miles of new line.**

Wayne Rasmuss of Ameritas presented a bond amortization schedule with explanation of bond reserve fund and underwriting fees. He then answered all questions from management and the Board of directors.

**Approval of Resolution No. 2010-B to issue new Revenue Bonds in the amount of \$1,900,000.**

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 Resolution No. 2010-B to issue new Revenue Bonds in the Amount of \$1,900,000.

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

**Staff Reports.**

Art Hickman, Staking Engineer / Safety Manager reported that the District was awarded Safety Accreditation. On April 29 the District went through Safety Accreditation. This process involved an on-line application which received a score of 97%, a walkthrough which received a 98% and documentation which received a 100%.

Doyle Hazen, Manager of Finance and Administration discussed the need for a digital process for storing all of the paperwork that is generated by the company. The Board requested

additional information including talking with Cedar-Knox to get their opinion of this software since they have used it for a few years.

Chad Waldow, Operation Managers reported on the operation department's monthly operations. Waldow reported that the irrigation builds for 2010 are nearly complete and then when all are finished North Central will have added 62 new electric wells to our load. He then reported that the Brunswick Town Substation temporary upgrade is finished except for the addition of an electronic recloser that will be installed as soon as it arrives from the vendor. Lastly Mr. Waldow discussed the bids for the two new 3 phase, 7,500 KVA transformers as collected by the District's engineering firm, RVW. The seven bids ranged from \$309,750 (loss evaluated) to \$476,425 (loss evaluated). The two lowest bids were from Virginia Transformer at \$309,750 and Moehn Electrical Sales (formerly Pauwels Transformers) at \$314,481.50. The engineering firm RVW did not make a recommendation since in their estimation the lowest two bids were, for all practical purposes, identical. Manager Keith Harvey read Nebraska State Statute 70-639: **Letting of contracts: considerations** to the North Central PPD Board of Directors. Chad Waldow then stated that it was management's recommendation that North Central accept the bid from Moehn Electrical Sales and reject the low bid from Virginia Transformer based on questions regarding this vendor being a "responsible bidder" as defined by Nebraska Statute 70-639. The first question regards the "skill" of this vendor as evidenced by our lack of history regarding the reliability of the finished product (we understand that other utilities in the state have removed this bidder from their transformer bidder lists); and the second major issue is "the ability to furnish repairs and maintenance services in a timely fashion" because of our lack of experience with this vendor regarding such a critical aspect of any substation transformer purchase. Then the Operations Manager discussed the importance of

“uniformity” within the District and this bid from Moehn would be a much better fit for our distribution system at this time. Mr. Waldow added that based on his research and experience that “the relative quality” of the transformers in this bid also makes him believe that the District would be better served in the short and long terms by awarding the contract to Moehn Electrical Sales. The board was in total agreement and when Mr. Waldow stated that he was going to call RVW and have them award the bid to Moehn Electrical Sales unless any board member had a different view point – all seven directors indicated that he should go ahead with the management’s recommendation.

**Loss control and safety report (April 26, 2010 – In-House Conducted).**

The board of directors reviewed and discussed the April 26, 2010 – In-House Safety meeting minutes. On a motion by Curt Zimmerer and seconded by Brent Stagemeyer be it:

RESOLVED THAT the Board of Directors of North Central Public Power District accept the April 26, 2010 In-House Safety meeting minutes as presented and a copy be attached to the minutes of the meeting.

By roll call vote, all directors voted, yes. Motion carried.

**Discussion and possible action concerning the revision of Policy Bulletin 2160: Anti-Nepotism.**

Manager Harvey presented and reviewed the revision to Policy Bulletin 2160: Anti-Nepotism. On a motion by Curt Zimmerer and seconded by Gregory W. Walmer be it:

RESOLVED THAT the Board of Directors of North Central Public Power District approve the revisions to Policy Bulletin 2160: Anti-Nepotism as presented and a copy to be attached to the minutes of the meeting.

By roll call vote, each director voted, yes. Motion carried.

**Discussion and possible action concerning the revision of Policy Bulletin 4000: Net Metering.**

Manager Harvey presented and reviewed the revision to Policy Bulletin 4000: Net Metering. 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 revisions to Policy Bulletin 4000: Net Metering as presented and a copy to be attached to the minutes of the meeting.

By roll call vote, each director voted, yes. Motion carried.

**Discussion and possible action concerning the revision of Distribution Generation (DG) Policies / Procedures / Rate – Exhibit D – Avoided Cost Rate Schedule(s) – Small Non-Dispatchable AC-1 Rate Schedule.**

Manager Harvey presented and reviewed the revision to the rates in the Distribution Generation (DG) Policies / Procedures / Rate – Exhibit D – Avoided Cost Rate Schedule(s) – Small Non-Dispatchable AC-1 Rate Schedule. On a motion by Wm. L. Jedlicka and seconded by Gordon W. Fulton be it:

RESOLVED THAT the Board of Directors of North Central Public Power District approve the revisions to the Distribution Generation (DG) Policies / Procedures / Rate – Exhibit D – Avoided Cost Rate Schedule(s) – Small Non-Dispatchable AC-1 Rate Schedule as presented and a copy to be attached to the minutes of the meeting.

By roll call vote, each director voted, yes. Motion carried.

**Discussion and possible action concerning the revision of the Incident Management section of the Full Time Employee Handbook and the Temporary and Part-Time Employee Handbook.**

Manager Harvey presented and reviewed the revision to the Incident Management section of both employee handbooks. On a motion by Gregory W. Walmer and seconded by Gordon W. Fulton be it:

RESOLVED THAT the Board of Directors of North Central Public Power District approve the revisions to the Incident Management section of the Full

Time Employee Handbook and the Temporary and Part-Time Employee Handbook as presented and a copy to be attached to the minutes of the meeting.

By roll call vote, each director voted, 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 documents listed for destruction on the Records Disposition Reports. On a motion by Curt Zimmerer and seconded by Mary Ketelsen be it:

RESOLVED THAT the Board of Directors of North Central Public Power District approve the Records Disposition Reports as presented and a copy to be attached to the minutes of the meeting.

By roll call vote, each director voted, 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 June 28, 2010.

#### **New Business**

1. Record archival.
2. Letter from Center for Rural Development.

#### **Old Business:**

There was no business to discuss.

### **Discussion and approval of the April 2010 monthly financials.**

General Manager, Harvey reviewed the April 2010 financials with the Board of Directors. 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 April 2010 financials as presented and a copy be attached to the minutes of the meeting.

By roll call vote, each director voted, yes. Motion carried.

**Approval of expenditures covering all monetary encumbrances of the District for the month of April 2010.**

The board of directors reviewed the expenditures covering the month of April 2010. On a motion by Brent Stagemeyer 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 April 2010 and a copy be attached to the minutes of the meeting.

By roll call vote, each director voted, 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, May 24, 2010.

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Gregory W. Walmer, Secretary

APPROVED:

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Terry Strobe, President

Attachments: (To the original minutes)

- Acknowledgment of Notice
- Publishers Affidavit
- Safety meeting minutes – April 26, 2010 Safety meeting
- Policy Bulletin 2160: Anti-Nepotism
- Policy Bulletin 4000: Net Metering
- Distribution Generation (DG) Policies / Procedures / Rates – Exhibit D – Avoided Cost Rate Schedules (s) – Small Non-Dispatchable AC-1 Rate Schedule.
- Incident Management section of the Full Time Employee Handbook and the Temporary and Part-Time Employee Handbook
- Record Disposition Records
- Manager's Report
- April 2010 financials
- April 2010 Check Register