

BOARD OF DIRECTORS MEETING, JULY 26, 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, July 26, 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, Gregory W. Walmer, Mary Ketelsen and Terry Strobe. Also attending were Jack Henderson, NPPD Representative; Bruce Pontow, General Manager of Nebraska Electric G & T, Art Hickman, Staking Engineer / Safety Manager; Todd Zimmerer, Assistant Operations Manager; Chad Waldow, Operations Manager; Doyle Hazen, Manager of Finance and Administration; and Keith E. Harvey, General Manager. Jeffrey M. Doerr, District Attorney and Curt Zimmerer were absent.

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 June 28, 2010 Regular Board meeting minutes.

A motion was made by Mary Ketelsen and seconded by Gordon W. Fulton to dispense with the reading of the June 28, 2010 regular board meeting minutes and approve as mailed. By roll call vote, Fulton, yes; Jedlicka, yes; Stagemeyer, yes; Ketelsen, yes; Zimmerer, absent; Walmer, yes; and Strobe, yes. Motion carried.

Public Comment.

There were no public comments.

Presentation by Jack Henderson on behalf of Nebraska Public Power District.

Jack Henderson discussed NPPD's past and future rate increases. Henderson reported the rate increases that took place from 2006-2010 were necessary because of 1.) investment in facilities 2.) fuel costs and 3) purchased power costs were up 70%. The 2011 rates are projected to increase as a result of 1) fuel costs, 2) plant maintenance and 3) lack of non-firm power sales (off system sales).

Presentation and discussion by Bruce Pontow, General Manager, Nebraska Electric Generation and Transmission Cooperative.

Bruce Pontow, General Manager of Nebraska Electric G & T discussed the upcoming NPPD rate increase and gave year-to-date data on the power supply.

Staff Reports.

Doyle Hazen, Manager of Finance and Administration reported on the status of the implementation of the Imaging software and procedures. Hazen also reported he will be attending the NRECA Benefit's update conference as there are a number of changes taking place.

Chad Waldow, Operation Managers reported on the operation department's monthly operations. Waldow reported the pole yard expansion project and service entrance for roof has

been completed. He also discussed the line extension costs and the need to adjust the amount charged per foot for line extensions. There have been no increases for several years with the costs at \$5.50 per foot. The average cost of line builds are increasing to \$7.69 per foot (this includes heavy wire and poles) and the cheapest three phase construction project in 2010 cost \$5.73 (using some used materials). Waldow recommended adjusting the line extension cost for three phase to \$5.75 per foot and from charge actual cost for 1000 feet and under and leave the single phase rate at \$3.50 per foot. The board agreed with this recommendation. Waldow next updated the board on the status of the purchase of the property for the 85-15 substation. The land purchase will take place after August 4, 2010.

Approval of Loss Control and Safety Report (June 16, 2010 – In-House).

The board of directors reviewed and discussed the June 16, 2010 – In-House 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 June 16, 2010 In-House 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, absent; Walmer, yes; and Strobe, 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 Gordon W. Fulton and seconded by Gregory W. 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,

absent; Walmer, yes; and Strobe, yes. Motion carried.

Discussion and possible action on approving Addendum No. 1 to the Village of Page

Professional Retail Operations Agreement.

General Manager, Harvey discussed the Addendum No. 1 to the Village of Page Professional Retail Operations Agreement. The addendum will replace the entire second paragraph of Article IV. 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 the Addendum No. 1 to the Village of Page Professional Retail Operations Agreement 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, absent, Walmer, yes, 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.

New Business

1. None.

Old Business:

1. None.

Discussion and approval of the June 2010 monthly financials.

General Manager, Harvey reviewed the June 2010 financials with the Board of Directors.

On a motion by Brent Stagemeyer and seconded by Gregory W. Walmer be it:

RESOLVED THAT the Board of Directors of North Central Public Power District approve the June 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, absent, Walmer, yes, and Strope, yes. Motion carried.

Approval of expenditures covering all monetary encumbrances of the District for the month of June, 2010 with the exception of Check #77239 written to Hardware Hank in the amount of \$26.61.

The board of directors reviewed the expenditures covering the month of June 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 June 2010 as presented with the exception of check #77239 written to Hardware Hank in the amount of \$26.61. 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, absent, Walmer, yes, and Strope, yes. Motion carried.

Approval of check #77239 written to Hardware Hank in the amount of \$26.61.

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 check #77239 written to Hardware Hank in the amount of \$26.61.

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

RESOLVED THAT the Board of Directors of North Central Public Power District approve enter into executive session at 8:41 p.m.

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

On a motion by Gregory W. Walmer and seconded by Brent Stagemeyer be it:

RESOLVED THAT the Board of Directors of North Central Public Power District approve leave executive session at 9:16 p.m.

By roll call vote, Fulton, yes, Jedlicka, yes, Stagemeyer, yes, Ketelsen, yes, Zimmerer, absent, Walmer, yes, 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, July 26, 2010.

Gregory W. Walmer, Secretary

APPROVED:

Terry Strope, President

Attachments: (To the original minutes)

- Acknowledgment of Notice
- Publishers Affidavit
- Safety meeting minutes – June 16, 2010 Safety meeting
- Records Disposition Report
- Addendum No. 1 to the Village of Page Professional Retail Operations Agreement
- Manager's Report

- June 2010 financials
- June 2010 Check Register