

MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF  
NEBRASKA PUBLIC POWER DISTRICT  
JANUARY 8-9, 2009

(Marginal Index for Informational Purposes Only)

A meeting of the Board of Directors of Nebraska Public Power District was held at the Columbus General Office, Columbus, Nebraska, beginning at 10:05 a.m. on Thursday, January 8, 2009.

In compliance with state law, legal notice announcing the date, hours, location and availability of Board agenda for the meeting was published in advance of the meeting in the following newspapers:

- (1) Columbus Telegram, Columbus, Nebraska;
- (2) Kearney Hub, Kearney, Nebraska;
- (3) Lincoln Journal Star, Lincoln, Nebraska;
- (4) Norfolk Daily News, Norfolk, Nebraska;
- (5) North Platte Telegraph, North Platte, Nebraska;
- (6) Omaha World-Herald, Omaha, Nebraska;
- (7) Scottsbluff Star-Herald, Scottsbluff, Nebraska;
- (8) York News-Times, York, Nebraska.

Chairman Rasmussen called the regular meeting to order at 10:05 a.m. and directed the roll be called:

Present: Jerry L. Chlopek, Virgil L. Froehlich, Mary A. Harding, Ken Kunze, Ronald W. Larsen, Larry E. Linstrom, Darrell J. Nelson, Dennis L. Rasmussen, Edward J. Schrock, Gary G. Thompson

Absent: Wayne E. Boyd

constituting a quorum of the Board of Directors.

Chairman Rasmussen announced that there was a posting of the Open Meetings Law and a copy of the Board Agenda at the entrance of the Board Room for anyone wishing to examine those documents.

Chairman Rasmussen welcomed guest Bruce Pontow of the Nebraska Electric G&T, and Adrian Sanchez of the Columbus Telegram.

The first order of business was election of officers.

Director Thompson nominated Dennis L. Rasmussen as Chairman of the Board for 2009; Director Harding seconded the nomination.

LEGAL NOTICE RUN  
PRIOR TO THE  
MEETING

ROLL CALL,  
10:05 A.M.,  
JANUARY 8, 2009

ANNOUNCEMENT OF  
POSTING OF OPEN  
MEETINGS LAW AND  
AGENDA

GUESTS  
WELCOMED TO  
MEETING

ELECTION OF  
OFFICERS

NOMINATION AND  
ELECTION OF

No other nominations were made and Chairman Rasmussen declared the nominations closed.

CHAIRMAN

Pursuant to By-Laws, Board Members vote by secret ballot for officer elections. Chairman Rasmussen requested that Vice-President of Governmental Affairs and General Counsel John C. McClure collect and tabulate the votes for the elections. Vote totals for Chairman were as follows:

Dennis L. Rasmussen	10 votes
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Chairman Rasmussen declared himself Chairman and continued chairmanship of the meeting.

Director Larsen nominated Larry E. Linstrom as First Vice-Chairman for 2009; Director Harding seconded the nomination. Director Nelson nominated Wayne E. Boyd as First Vice-Chairman for 2009; Director Thompson seconded the nomination. No other nominations were made and Chairman Rasmussen declared the nominations closed.

NOMINATION AND ELECTION OF FIRST VICE-CHAIRMAN

Vote totals were as follows:

Larry E. Linstrom	9 votes
Wayne E. Boyd	1 vote

Chairman Rasmussen declared Larry E. Linstrom elected First Vice-Chairman for 2009.

Director Harding nominated Gary G. Thompson as Second Vice-Chairman for 2009; Director Kunze seconded the nomination. Director Froehlich nominated Ronald W. Larsen as Second Vice-Chairman for 2009; Director Kunze seconded the nomination. No other nominations were made and Chairman Rasmussen declared the nominations closed.

NOMINATION AND ELECTION OF SECOND VICE-CHAIRMAN

Vote totals were as follows:

Ronald W. Larsen	6 votes
Gary G. Thompson	4 votes

Chairman Rasmussen declared Ronald W. Larsen elected Second Vice-Chairman for 2009.

Director Kunze nominated Mary A. Harding as Secretary for 2009; Director Thompson seconded the nomination. No other nominations were made, and Chairman Rasmussen declared the nominations closed.

NOMINATION AND ELECTION OF SECRETARY

Vote totals were as follows:

Mary A. Harding	10 votes
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Chairman Rasmussen declared Mary A. Harding elected Secretary for 2009.

Director Harding nominated Traci L. Bender as Treasurer for 2009; Director Linstrom seconded the nomination. No other nominations were made, and Chairman Rasmussen declared the nominations closed.

NOMINATION AND  
ELECTION OF  
TREASURER

Vote totals were as follows:

Traci L. Bender                      10 votes

Chairman Rasmussen declared Traci L. Bender elected Treasurer for 2009.

The following appointments of staff members were made by Treasurer Traci L. Bender, stating that these appointments are for the purpose of authorizing such persons to sign on behalf of the Treasurer for the disbursement of District funds:

Donna K. Starzec	Assistant Treasurer
Christine A. Pillen	Deputy Assistant Treasurer
Jeff C. Wadsworth	Authorized Signatory
Douglas D. Rieger	Authorized Signatory
Sheila Sommermeyer	Authorized Signatory
Joan G. Witt	Authorized Signatory
Al Beiermann	Authorized Signatory*
Ty Jarosz	Authorized Signatory*
Ross DeBower	Authorized Signatory*
Rex Davies	Authorized Signatory*
Dennis W. Ditloff	Authorized Signatory*
Neal J. Dreifurst**	Authorized Signatory*

\*For disbursements from the Land Management Account only.  
\*\*New authorized signatory in 2009.

**It was moved by Director Larsen and seconded by Director Linstrom that the Board ratify the appointments of Donna K. Starzec as Assistant Treasurer; Christine A. Pillen as Deputy Assistant Treasurer; Jeff C. Wadsworth, Douglas D. Rieger, Sheila Sommermeyer and Joan G. Witt as Authorized Signatories; and Al Beiermann, Ty Jarosz, Ross DeBower, Rex Davies, Dennis W. Ditloff, and Neal J. Dreifurst as Authorized Signatories for disbursement from the Land Management Account only. Votes were cast and recorded as follows:**

**MOTION (CARRIED):  
RATIFY  
APPOINTMENTS OF  
ASSISTANT  
TREASURER,  
DEPUTY ASSISTANT  
TREASURER, AND  
AUTHORIZED  
SIGNATORIES**

Voting Aye:	Chlopek, Froehlich, Harding, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	Boyd

Whereupon the Chairman declared the motion carried.

Secretary Harding appointed Janette Modelski as Assistant Secretary, and Sandra Keefover as Deputy Assistant Secretary.

**It was moved by Director Harding and seconded by Director Linstrom that the Board ratify the appointments of Janette Modelski as Assistant Secretary, and Sandra Keefover as Deputy Assistant Secretary. Votes were cast and recorded as follows:**

Voting Aye:	Chlopek, Froehlich, Harding, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	Boyd

Whereupon the Chairman declared the motion carried.

Chairman Rasmussen announced that Committee assignments would be addressed later in the day.

Carl Mycoff, Managing Director of Mycoff, Fry & Prouse LLC, shared a presentation entitled “Keeping Existing and Attracting New Employees”. Mr. Mycoff provided statistics on the current workforce and commented on the characteristics that a future workforce may embody, and also provided specific insights as these employment trends relate to public power.

Renewable Energy Development Manager David D. Rich provided an update on wind-powered generation efforts, including an overview of public meetings held in Broken Bow and Petersburg to discuss the recently-issued request for wind-powered generation proposals; a status update on the Elkhorn Ridge Project; and a status update on the Springview II Direct Drive Wind Turbine Project.

Renewable Energy Development Manager David D. Rich presented information on a potential Small Renewable Resource Development Plan. Mr. Rich explained that requests have been received from wholesale customers, specifically related to methane generation, in addition to unsolicited proposals received by the District. NPPD is considering issuing a Request for Proposal (RFP) for small renewable and high-efficiency generation facilities. The concept will be discussed with wholesale customers, and a process developed thereafter, with a goal to issue an RFP during the second quarter of 2009. After evaluation of the proposals received, it is anticipated that the selected projects would initially be on-line starting in 2010 or 2011.

President and CEO Ronald D. Asche updated the Board on efforts in the Energy Efficiency area, including the need for an Energy

**MOTION (CARRIED):  
RATIFY  
APPOINTMENT OF  
JANETTE MODELSKI  
AS ASSISTANT  
SECRETARY, AND  
SANDRA KEEFOVER  
AS DEPUTY  
ASSISTANT  
SECRETARY**

COMMITTEE  
ASSIGNMENTS TO  
BE ADDRESSED  
LATER IN THE DAY

ATTRACTION AND  
RETENTION OF  
EMPLOYEES

WIND GENERATION  
UPDATE

SMALL RENEWABLE  
RESOURCE  
DEVELOPMENT  
PLAN

ENERGY  
EFFICIENCY UPDATE

Efficiency Program; factors required to make the Program successful; the current Program design; an overview of the current EnergyWise™ Program offerings; feedback received from customers on the Program; and a review of the Program's next steps.

Vice-President of Customer Services Michael E. (Ed) Wagner provided an update on the TransCanada Pipeline Project, including a summary of the Keystone (Phase I) and Keystone XL (Phase II) projects; discussions with TransCanada regarding their specific service requirements and the possibility of controlling pumping stations with a Remedial Action Scheme; an update on the agreement and funding arrangements for TransCanada projects; and a review of the next steps to be taken by TransCanada, NPPD, and the wholesale customers involved to continue progress on the projects.

**It was moved by Director Harding and seconded by Director Larsen that the Board go into Executive Session at 12:01 p.m. to obtain legal advice on contract matters. Votes were cast and recorded as follows:**

Voting Aye:	Chlopek, Froehlich, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	Harding
Abstaining:	None
Present But Not Voting:	None
Absent:	Boyd

Whereupon the Chairman declared the motion carried to go into Executive Session to obtain legal advice on contract matters.

**It was moved by Director Harding and seconded by Director Kunze that the Board come out of Executive Session at 12:14 p.m. Votes were cast and recorded as follows:**

Voting Aye:	Chlopek, Froehlich, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	Harding
Abstaining:	None
Present But Not Voting:	None
Absent:	Boyd

Whereupon the Chairman declared the motion carried.

A lunch recess was taken from 12:14 to 1:02 p.m.

Director Boyd entered the meeting during the lunch recess.

Chairman Rasmussen recommended the following Committee appointments for 2009 (first person named is Chairman; second person named is First Vice-Chairman; third person named is Second Vice-Chairman):

TRANSCANADA  
PIPELINE PROJECT  
UPDATE

**MOTION (CARRIED):  
GO INTO EXECUTIVE  
SESSION AT  
12:01 P.M. TO  
OBTAIN LEGAL  
ADVICE ON  
CONTRACT  
MATTERS**

**MOTION (CARRIED):  
COME OUT OF  
EXECUTIVE  
SESSION AT  
12:14 P.M.**

LUNCH RECESS

**Energy Supply:**

Thompson  
Nelson  
Linstrom  
Schrock  
Kunze

**Customer and Support Services:**

Larsen  
Harding  
Boyd  
Froehlich  
Chlopek

**Nuclear (Committee of the Whole):**

Boyd  
Thompson  
Harding  
Chlopek  
Froehlich  
Kunze  
Larsen  
Linstrom  
Nelson  
Rasmussen  
Schrock

**Audit and Performance:**

Rasmussen  
Linstrom  
Larsen  
Harding

**Strategic Planning:**

Harding  
Rasmussen  
Larsen  
Linstrom

**Budget:**

Nelson  
Froehlich  
Schrock  
Larsen  
Thompson

**It was moved by Director Froehlich and seconded by Director Linstrom that the foregoing Committee appointments for 2009 be approved. Votes were cast and recorded as follows:**

Voting Aye: Boyd, Chlopek, Froehlich, Harding, Kunze,  
Larsen, Linstrom, Nelson, Rasmussen, Schrock,  
Thompson  
Voting Nay: None  
Abstaining: None  
Present But Not Voting: None  
Absent: None

Whereupon the Chairman declared the motion carried.

The meeting was recessed at 1:03 p.m., to reconvene at 8:00 a.m. on January 9, 2009.

MEETING  
RECESSED AT  
1:03 P.M.

**JANUARY 9, 2009 – 8:00 A.M.**

Chairman Rasmussen called the regular meeting to order at 8:00 a.m. and directed the roll be called:

ROLL CALL,  
8:00 A.M.,  
JANUARY 9, 2009

Present: Wayne E. Boyd, Jerry L. Chlopek, Virgil L. Froehlich, Mary A. Harding, Ken Kunze, Ronald W. Larsen, Larry E. Linstrom, Darrell J. Nelson, Dennis L. Rasmussen, Edward J. Schrock, Gary G. Thompson

Absent: None

constituting a quorum of the Board of Directors.

Chairman Rasmussen announced that there was a posting of the Open Meetings Law and a copy of the Board Agenda at the entrance of the Board Room for anyone wishing to examine those documents.

ANNOUNCEMENT OF  
POSTING OF OPEN  
MEETINGS LAW AND  
AGENDA

Chairman Rasmussen asked for discussion of any consent agenda items, which included the following:

CONSENT AGENDA

- Approval of Minutes of December 11-12, 2008, Regular Board Meeting
- March Regular Board Meeting Scheduled for March 12-13, 2009, in Columbus (February Regular Board Meeting Previously Scheduled for February 12-13, 2009, in Columbus)
- Ratification/Confirmation of Signatures of Staff Members
- Approval of November 2008 Summary of Disbursements

Chairman Rasmussen asked whether any Directors desired any items on the consent agenda to be placed on the regular agenda and voted on separately. There were none.

**It was moved by Director Larsen and seconded by Director Thompson that all items on the consent agenda be approved as listed above. Votes were cast and recorded as follows:**

Voting Aye:	Boyd, Chlopek, Froehlich, Harding, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	None

Whereupon the Chairman declared the motion carried.

Chairman Rasmussen welcomed guests Jerry Palmer of Burt County Public Power District; Clay Gibbs, Gayle Goering, Robert Gray, Jr., Ray Merrell, Mike Siefken, and Lawrence Sobota of Cornhusker Public Power District; and Dennis Kuchar, Mark Miller, Tom Rudloff, Greg Weidner, and Rod Zohner of Elkhorn Rural Public Power District. Special recognition was given to Mr. Rudloff as the new General Manager of Elkhorn Rural Public Power District.

President and CEO Ronald D. Asche provided the Board an update on safety and system operations.

President and CEO Ronald D. Asche presented the Report on Retirements and Former District Employee Rehires, which is on file with the Assistant Secretary and attached and made a part of these minutes.

Vice-President of Governmental Affairs and General Counsel John C. McClure discussed the draft 2009 Nebraska Energy Plan, which had recently been provided to all Directors. Mr. McClure requested input from the Board on the draft document.

Vice-President of Governmental Affairs and General Counsel John C. McClure provided a legislative update for items at the state and federal level.

During the time designated for Directors' comments and questions, Director Harding expressed her appreciation to NPPD Renewable Energy Development Manager David D. Rich and Environmental Manager Joseph L. Citta, Jr., for their involvement with a recent conference call to discuss wind generation development and environmental siting issues.

Director Boyd, Chairman of the Nuclear Committee, reported that the Committee met on January 8, 2009.

Director Boyd, Chairman of the Nuclear Committee, reported that the following Capital Projects Report for the Nuclear group was

**MOTION (CARRIED):  
APPROVE CONSENT  
AGENDA**

GUESTS  
WELCOMED TO  
MEETING

SAFETY AND  
SYSTEM UPDATE

RETIREMENTS AND  
REHIRE FOR  
JANUARY 2009

2009 NEBRASKA  
ENERGY PLAN  
DISCUSSION

LEGISLATIVE  
UPDATE

DIRECTORS'  
COMMENTS

discussed by the Committee and was presented to the Board for approval:

Report No. N-1      Capital Projects \$100,000 and above not specifically identified in the Budget that require approval by the Board for the period December 1, 2008, through December 31, 2008 – 2008 Capital Additions Budget.

**It was moved by Director Boyd and seconded by Director Larsen that Capital Projects Report No. N-1 be approved for the period December 1, 2008, through December 31, 2008 (2008 Capital Additions Budget), which included: 1) Capital Project C/5167, Cathodic Protection Upgrade Project (CNS); and 2) Capital Project C/5197, Reactor Feed Pump Turbine “B” Overhaul (CNS). Votes were cast and recorded as follows:**

Voting Aye:	Boyd, Chlopek, Froehlich, Harding, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	None

Whereupon the Chairman declared the motion carried.

Director Boyd, Chairman of the Nuclear Committee, reported that the following Capital Projects Report for the Nuclear group was discussed by the Committee and was presented to the Board for approval:

Report No. N-1A      Capital Projects \$100,000 and above not specifically identified in the Budget that require approval by the Board for the period December 1, 2008, through December 31, 2008 – 2009 Capital Additions Budget.

**It was moved by Director Boyd and seconded by Director Kunze that Capital Projects Report No. N-1A be approved for the period December 1, 2008, through December 31, 2008 (2009 Capital Additions Budget), which included Capital Project C/4947, Local Power Range Monitor Replacement Project (CNS). Votes were cast and recorded as follows:**

Voting Aye:	Boyd, Chlopek, Froehlich, Harding, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None

**MOTION (CARRIED):  
APPROVE CAPITAL  
PROJECTS REPORT  
NO. N-1 (2008  
BUDGET)**

Absent: None

Whereupon the Chairman declared the motion carried.

Director Boyd, Chairman of the Nuclear Committee, recommended the following resolution:

**RESOLUTION NO. 09-1**

WHEREAS, pursuant to and in accordance with law, bids on Contract No. 09-9, Electronic Dosimetry System for Cooper Nuclear Station, have been duly invited, received, opened, read, and tabulated; and

WHEREAS, only one bid was received; and

WHEREAS, management has studied and analyzed the bid and recommended acceptance of the bid as the lowest and best evaluated bid, as per data filed with the Board; and

WHEREAS, on the basis of evidence and information received, and after an analysis of the responsibility of the bidder, amounts and terms of the bid, delivery dates, and the needs of the District, this Board has determined and does hereby find that the bid of MGP Instruments, Smyrna, Georgia, is the lowest and best evaluated bid on Contract No. 09-9.

NOW, THEREFORE, BE IT RESOLVED that, subject to receipt and approval of a performance bond and certificate of insurance as herein provided, the following bid submitted on Contract No. 09-9 be accepted by the District:

MGP Instruments, Smyrna, Georgia, firm base bid price of \$702,183.

BE IT FURTHER RESOLVED that the President of the District is hereby authorized and instructed to execute for and on behalf of the District, a Contract with the aforementioned bidder in accordance with the plans and specifications and on the form of Contract submitted to bidders.

BE IT FURTHER RESOLVED that the award of the Contract is contingent upon receipt and approval by the District of a performance bond and certificate of insurance from MGP Instruments, as provided in the Contract.

**It was moved by Director Boyd and seconded by Director Froehlich that the foregoing resolution be adopted. Votes were cast and recorded as follows:**

Voting Aye: Boyd, Chlopek, Froehlich, Harding, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson  
Voting Nay: None

**RESOLUTION NO. 09-1 (ADOPTED):  
AWARD CONTRACT NO. 09-9, ELECTRONIC DOSIMETRY SYSTEM (CNS), TO MGP INSTRUMENTS, FIRM BASE BID PRICE OF \$702,183**

Abstaining: None  
 Present But Not Voting: None  
 Absent: None

Whereupon the Chairman declared Resolution No. 09-1 adopted.

Director Boyd, Chairman of the Nuclear Committee,  
 recommended the following resolution:

**RESOLUTION NO. 09-2**

WHEREAS, management has determined that it is in the best interest of the District to procure the design, materials, and installation services to replace or retrofit the high pressure turbine with new higher efficient components; and

WHEREAS, the District has determined, as certified by a competent engineer, that it would be impractical and not in the public interest to comply with Neb. Rev. Stat. Sections 70-637 through 70-639 with regard to the procurement of the above-mentioned materials and services.

NOW, THEREFORE, BE IT RESOLVED that this Board does hereby approve the attached engineer's certification, which is on file with the Assistant Secretary and which states that it would be impractical and not in the public interest to comply with said Neb. Rev. Stat. Sections 70-637 through 70-639.

BE IT FURTHER RESOLVED that management be and hereby is authorized and instructed to enter into competitive negotiations with various vendors, for and on behalf of the District, for the purpose of recommending to the Board an organization capable of providing the design, materials, and installation services necessary to replace or retrofit the Cooper Nuclear Station high pressure turbine with new higher efficient components, after first advertising notice pursuant to Nebraska law of its intention to enter into a contract for said procurement.

**It was moved by Director Boyd and seconded by Director Harding that the foregoing resolution be adopted. Votes were cast and recorded as follows:**

Voting Aye: Boyd, Chlopek, Froehlich, Harding, Kunze,  
 Larsen, Linstrom, Nelson, Rasmussen, Schrock  
 Voting Nay: None  
 Abstaining: Thompson  
 Present But Not Voting: None  
 Absent: None

Whereupon the Chairman declared Resolution No. 09-2 adopted.

Director Boyd, Chairman of the Nuclear Committee,  
 recommended the following resolution:

**RESOLUTION NO.  
 09-2 (ADOPTED):  
 APPROVE  
 ENGINEER'S  
 CERTIFICATE, HIGH  
 PRESSURE TURBINE  
 UPGRADE (CNS)**

**RESOLUTION NO. 09-3**

WHEREAS, management has determined that it is in the best interest of the District to procure four (4) collet piston assemblies and three (3) cylinder tube and flange assemblies from GE Hitachi Nuclear Energy in order to replace twelve (12) control rod drive mechanisms during the Fall 2009 refueling outage at Cooper Nuclear Station; and

WHEREAS, the District has determined, as certified by a competent engineer, that it would be impractical and not in the public interest to comply with Neb. Rev. Stat. Sections 70-637 through 70-639, with regard to the procurement of the above-mentioned GE Hitachi Nuclear Energy control rod drive replacement parts.

NOW, THEREFORE, BE IT RESOLVED that this Board does hereby approve the attached engineer's certification, which is on file with the Assistant Secretary and which states that it would be impractical and not in the public interest to comply with said Neb. Rev. Stat. Sections 70-637 through 70-639.

BE IT FURTHER RESOLVED that management be and hereby is authorized and instructed to enter into and execute, after review and approval of legal counsel, for and on behalf of the District, a contract with GE Hitachi Nuclear Energy, for the procurement of four (4) collet piston assemblies and three (3) cylinder tube and flange assemblies, after first advertising notice pursuant to Nebraska law of its intention to enter into said contract.

**It was moved by Director Boyd and seconded by Director Chlopek that the foregoing resolution be adopted. Votes were cast and recorded as follows:**

Voting Aye:	Boyd, Chlopek, Froehlich, Harding, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	None

Whereupon the Chairman declared Resolution No. 09-3 adopted.

Director Boyd, Chairman of the Nuclear Committee, recommended the following resolution:

**RESOLUTION NO. 09-4**

WHEREAS, management has determined that it is in the best interest of the District to procure scram valve plug guides, scram valve plugs and directional control valves in order to complete refurbishment activities on

**RESOLUTION NO. 09-3 (ADOPTED):  
APPROVE  
ENGINEER'S  
CERTIFICATE,  
CONTROL ROD  
DRIVE MECHANISM  
PARTS (CNS)**

**RESOLUTION NO. 09-4 (ADOPTED):  
APPROVE  
ENGINEER'S  
CERTIFICATE,**

the control rod drive hydraulic control units at CNS during the Fall 2009 refueling outage; and

WHEREAS, the District has determined, as certified by a competent engineer, that it would be impractical and not in the public interest to comply with Neb. Rev. Stat. Sections 70-637 through 70-639, with regard to the procurement of the above-mentioned scram valve plug guides, scram valve plugs and directional control valves.

NOW, THEREFORE, BE IT RESOLVED that this Board does hereby approve the attached engineer's certification, which is on file with the Assistant Secretary and which states that it would be impractical and not in the public interest to comply with said Neb. Rev. Stat. Sections 70-637 through 70-639.

BE IT FURTHER RESOLVED that management be and hereby is authorized and instructed to enter into and execute, after review and approval of legal counsel, for and on behalf of the District, a contract with GE Hitachi Nuclear Energy for the procurement of scram valve plug guides, scram valve plugs and directional control valves in order to complete refurbishment activities on the control rod drive hydraulic control units at CNS during the Fall 2009 refueling outage.

**It was moved by Director Boyd and seconded by Director Linstrom that the foregoing resolution be adopted. Votes were cast and recorded as follows:**

Voting Aye:	Boyd, Chlopek, Froehlich, Harding, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	None

Whereupon the Chairman declared Resolution No. 09-4 adopted.

Director Boyd, Chairman of the Nuclear Committee, recommended the following resolution:

**RESOLUTION NO. 09-5**

WHEREAS, management has determined that it is in the best interest of the District to procure all labor and equipment for valve maintenance services for the upcoming Fall 2009 and Spring 2011 Refueling Outages at Cooper Nuclear Station (CNS); and

WHEREAS, the District has determined, as certified by a competent engineer, that it would be impractical and not in the public interest to comply with Neb. Rev. Stat. Sections 70-637 through 70-639, with regard to the procurement of the above-mentioned valve maintenance services.

**CONTROL ROD  
DRIVE HYDRAULIC  
CONTROL UNIT  
PARTS (CNS)**

**RESOLUTION NO.  
09-5 (ADOPTED):  
APPROVE  
ENGINEER'S  
CERTIFICATE,  
REFUELING AND  
MAINTENANCE  
OUTAGE VALVE  
MAINTENANCE AND  
TESTING SERVICES  
(CNS)**

NOW, THEREFORE, BE IT RESOLVED that this Board does hereby approve the attached engineer's certification, which is on file with the Assistant Secretary and which states that it is not in the public interest to comply with said Neb. Rev. Stat. Sections 70-637 through 70-639.

BE IT FURTHER RESOLVED that management be and hereby is authorized and instructed to enter into and execute, after review and approval of legal counsel, for and on behalf of the District, a contract with Crane Nuclear, Inc., for the procurement of valve maintenance services for the upcoming Fall 2009 and Spring 2011 Refueling Outages at CNS.

**It was moved by Director Boyd and seconded by Director Thompson that the foregoing resolution be adopted. Votes were cast and recorded as follows:**

Voting Aye:	Boyd, Chlopek, Froehlich, Harding, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	None

Whereupon the Chairman declared Resolution No. 09-5 adopted.

Director Boyd, Chairman of the Nuclear Committee, recommended the following resolution:

**RESOLUTION NO. 09-6**

WHEREAS, Resolution No. 80-39, adopted March 27, 1980, authorized management to become a member of the Institute of Nuclear Power Operations (INPO); and

WHEREAS, after having appraised the benefits the District has received and will continue to receive from membership in INPO, management has determined the best interest of the District will be served by continuing to participate as a member of INPO; and

WHEREAS, INPO has assessed the District's membership dues for the year 2009 in the amount of \$1,116,200.

NOW, THEREFORE, BE IT RESOLVED that management be and hereby is authorized and instructed to continue to participate as a member of INPO and to make payment to INPO for membership dues in an amount not to exceed \$1,116,200 for the year 2009.

**It was moved by Director Boyd and seconded by Director Larsen that the foregoing resolution be adopted. Votes were cast and recorded as follows:**

**RESOLUTION NO.  
09-6 (ADOPTED):  
APPROVE  
INSTITUTE OF  
NUCLEAR POWER  
OPERATIONS (INPO)  
MEMBERSHIP DUES  
FOR 2009**

Voting Aye: Boyd, Chlopek, Froehlich, Harding, Kunze,  
Larsen, Linstrom, Nelson, Rasmussen, Schrock,  
Thompson  
Voting Nay: None  
Abstaining: None  
Present But Not Voting: None  
Absent: None

Whereupon the Chairman declared Resolution No. 09-6 adopted.

Director Boyd, Chairman of the Nuclear Committee, recommended the following resolution:

**RESOLUTION NO. 09-7**

WHEREAS, Resolution No. 94-236, adopted December 2, 1994, authorized management to become a member of the Nuclear Energy Institute (NEI); and

WHEREAS, after having appraised the benefits the District has received and will continue to receive from membership in NEI, management has determined the best interest of the District will be served by continuing to participate as a member of NEI; and

WHEREAS, NEI has assessed the District's membership dues for the year 2009 in the amount of \$289,657.

NOW, THEREFORE, BE IT RESOLVED that management be and hereby is authorized and instructed to continue to participate as a member of NEI and to make payment to NEI for membership dues in an amount not to exceed \$289,657 for the year 2009.

**It was moved by Director Boyd and seconded by Director Froehlich that the foregoing resolution be adopted. Votes were cast and recorded as follows:**

Voting Aye: Boyd, Chlopek, Froehlich, Harding, Kunze,  
Larsen, Linstrom, Nelson, Rasmussen, Schrock,  
Thompson  
Voting Nay: None  
Abstaining: None  
Present But Not Voting: None  
Absent: None

Whereupon the Chairman declared Resolution No. 09-7 adopted.

The following three items relate to procurements made by the District from NPPD employees and/or their immediate family members. Under the Nebraska Political Accountability and Disclosure Act, purchases resulting in payments in excess of \$2,000 to a member of a District

**RESOLUTION NO.  
09-7 (ADOPTED):  
APPROVE NUCLEAR  
ENERGY INSTITUTE  
(NEI) MEMBERSHIP  
DUES FOR 2009**

employee's immediate family over a calendar year must be through an open and public process which includes prior public notice.

Director Boyd, Chairman of the Nuclear Committee, reported on the purchase of apparel and stitching services from Valerie Duncan, the spouse of a CNS employee and owner of Countryside Stitches, for a one-time purchase not to exceed \$8,500.

**It was moved by Director Boyd and seconded by Director Linstrom that the Board approve the one-time purchase of apparel and stitching services from Valerie Duncan, spouse of a CNS employee and owner of Countryside Stitches, in an amount not to exceed \$8,500. Votes were cast and recorded as follows:**

Voting Aye:	Boyd, Chlopek, Froehlich, Harding, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	None

Whereupon the Chairman declared the motion carried.

Director Boyd, Chairman of the Nuclear Committee, reported on the purchase of food catering services for CNS from Jana Anderson, the spouse of a CNS employee and owner of Wooden Spoon Catering, for the years 2009 and 2010.

**It was moved by Director Boyd and seconded by Director Kunze that the Board approve the purchase of food service from Jana Anderson, spouse of a CNS employee and owner of Wooden Spoon Catering, for 2009 and 2010, in an amount not to exceed \$30,000. Votes were cast and recorded as follows:**

Voting Aye:	Boyd, Chlopek, Froehlich, Harding, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	None

Whereupon the Chairman declared the motion carried.

Director Boyd, Chairman of the Nuclear Committee, reported on the purchase of: 1) Lawn care services for the Sheridan Training Facility in the amount of \$3,500; 2) Snow removal services at Sheridan Training Facility and Peru in the amount of \$15,000; and 3) Equipment storage services in the amount of \$4,000, from Russell Blex, a CNS employee and owner of Quality Lawn Services/Southside Storage, for 2009.

**MOTION (CARRIED):  
APPROVE  
PURCHASE OF  
APPAREL AND  
STITCHING  
SERVICES FROM  
VALERIE DUNCAN,  
OWNER OF  
COUNTRYSIDE  
STITCHES**

**MOTION (CARRIED):  
APPROVE  
PURCHASE OF  
FOOD SERVICE  
FROM  
JANA ANDERSON,  
OWNER OF  
WOODEN SPOON  
CATERING**

**It was moved by Director Boyd and seconded by Director Chlopek that the Board approve the purchase of lawn care, snow removal and equipment storage services from Russell Blex, a CNS employee and owner of Quality Lawn Services/Southside Storage for 2009, in an amount not to exceed \$22,500. Votes were cast and recorded as follows:**

Voting Aye:	Boyd, Chlopek, Froehlich, Harding, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	None

Whereupon the Chairman declared the motion carried.

Director Boyd, Chairman of the Nuclear Committee, reviewed the Request for Approval of Procurements for Services, Equipment and/or Materials for Items \$100,000 and Above (Part 1 – Nuclear), which included: 1) Contract No. 09-12 with Team One Technical Services, which provided for the rental of all scaffolding materials, equipment, and labor necessary to provide scaffolding services for maintenance activities immediately prior to, during, and after the Fall 2009 Refueling Outage, and through and after the Spring 2011 Refueling Outage (CNS); and 2) Agreement with Catalyst Midwest INC, which provided for one year of maintenance services for the Primavera P6 software, 100 software licenses for the Primavera P6 Level 3 Web Tool, and 6 software licenses for the Primavera P6 Level 4 Full Client (CNS).

**It was moved by Director Boyd and seconded by Director Harding that the Request for Approval of Procurements for Services, Equipment and/or Materials for Items \$100,000 and Above (Part 1 – Nuclear) be approved. Votes were cast and recorded as follows:**

Voting Aye:	Boyd, Chlopek, Froehlich, Harding, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	None

Whereupon the Chairman declared the motion carried.

Director Boyd, Chairman of the Nuclear Committee, reported that the Committee also heard reports on the following matters: 1) Diesel Generator Improvement Plan Update; 2) Source Term Radiation Exposure Reduction Initiative Update; 3) Independent Spent Fuel Storage Installation

**MOTION (CARRIED):  
APPROVE  
PURCHASE OF  
LAWN CARE, SNOW  
REMOVAL, AND  
EQUIPMENT  
STORAGE  
SERVICES FROM  
RUSSELL BLEX,  
OWNER OF QUALITY  
LAWN SERVICES/  
SOUTHSIDE  
STORAGE**

**MOTION (CARRIED):  
APPROVE REQUEST  
FOR APPROVAL OF  
PROCUREMENTS  
FOR SERVICES,  
EQUIPMENT AND/OR  
MATERIALS FOR  
ITEMS \$100,000 AND  
ABOVE (PART 1 –  
NUCLEAR)**

**NUCLEAR  
COMMITTEE  
REPORT**

(ISFSI) Project Update; 4) Current plant status; 5) Budget performance; 6) Regulatory status; and 7) Capital Projects Report No. N-2A (2009 Budget).

Director Thompson, Chairman of the Energy Supply Committee, reported that the Committee met on January 8, 2009.

Director Thompson, Chairman of the Energy Supply Committee, reported that the following Capital Projects Report for the Energy Supply group was discussed by the Committee and was presented to the Board for approval:

Report No. ES-1	Capital Projects \$100,000 and above not specifically identified in the Budget that require approval by the Board for the period December 1, 2008, through December 31, 2008 – 2008 Capital Additions Budget.
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Discussion followed. Several Directors voiced their desire to vote on Capital Project C/3872, Warehouse Building (Ainsworth Wind Energy Facility) separately from the other projects included on Capital Projects Report No. ES-1.

**It was moved by Director Thompson and seconded by Director Harding that Capital Projects Report No. ES-1 be approved for the period December 1, 2008, through December 31, 2008 (2008 Capital Additions Budget), which included: 1) Capital Project C/4449, 7.2 kV Switchgear Breaker Replacement (GGS); 2) Capital Project C/4528, Supplement Nos. 1 and 2, Mobile Inventory Management Pilot Implementation (Information and Telecommunications Technology); 3) Capital Project C/5181, Unit 2 New Forced Draft Fan Bridge Crane Hoist (GGS); and 4) Capital Project C/5245, SAP xRPM Implementation (Information and Telecommunications Technology); and excluded Capital Project C/3872, Warehouse Building (Ainsworth Wind Energy Facility). Votes were cast and recorded as follows:**

Voting Aye:	Boyd, Chlopek, Froehlich, Harding, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	None

Whereupon the Chairman declared the motion carried.

**It was moved by Director Thompson and seconded by Director Linstrom that Capital Projects Report No. ES-1 be approved for the period December 1, 2008, through December 31, 2008 (2008 Capital Additions Budget), which included Capital Project C/3872, Warehouse Building (Ainsworth Wind Energy Facility). Votes were cast**

**MOTION (CARRIED):  
APPROVE CAPITAL  
PROJECTS REPORT  
NO. ES-1 (2008  
BUDGET),  
INCLUDING CAPITAL  
PROJECT NOS.  
C/4449, C/4528,  
C/5181, AND C/5245,  
EXCLUDING  
CAPITAL PROJECT  
C/3872**

**MOTION (CARRIED):  
APPROVE CAPITAL  
PROJECTS REPORT  
NO. ES-1 (2008  
BUDGET),**

**and recorded as follows:**

Voting Aye:	Boyd, Chlopek, Froehlich, Harding, Kunze, Linstrom, Nelson, Rasmussen, Thompson
Voting Nay:	Larsen, Schrock
Abstaining:	None
Present But Not Voting:	None
Absent:	None

**INCLUDING CAPITAL PROJECT NO. C/3872, WAREHOUSE BUILDING (AINSWORTH WIND ENERGY FACILITY)**

Whereupon the Chairman declared the motion carried.

A recess was taken from 9:25 until 9:40 a.m.

RECESS

Director Thompson, Chairman of the Energy Supply Committee, recommended the following resolution:

**RESOLUTION NO. 09-8**

WHEREAS, pursuant to and in accordance with law, bids on Contract No. 09-1, Ainsworth Warehouse Building, have been duly invited, received, opened, read, and tabulated; and

**RESOLUTION NO. 09-8 (ADOPTED): AWARD CONTRACT NO. 09-1, AINSWORTH WAREHOUSE BUILDING (AINSWORTH WIND ENERGY FACILITY), TO NELSON ENGINEERING CONSTRUCTION, INC., FIRM BASE BID PRICE OF \$791,630**

WHEREAS, management has studied and analyzed the bids and recommended acceptance of a certain bid as the lowest and best evaluated bid, as per data filed with the Board; and

WHEREAS, on the basis of evidence and information received, and after an analysis of the responsibility of the bidders, amounts and terms of the bids, delivery dates, and the needs of the District, this Board has determined and does hereby find that the bid of Nelson Engineering Construction, Inc., South Sioux City, Nebraska, is the lowest and best evaluated bid on Contract No. 09-1.

NOW, THEREFORE, BE IT RESOLVED that, subject to receipt and approval of a performance bond and certificate of insurance as herein provided, the following bid submitted on Contract No. 09-1 be accepted by the District:

Nelson Engineering Construction, Inc., South Sioux City, Nebraska, firm base bid price of \$791,630.

BE IT FURTHER RESOLVED that the President of the District is hereby authorized and instructed to execute for and on behalf of the District, a Contract with the aforementioned bidder in accordance with the plans and specifications and on the form of Contract submitted to bidders.

BE IT FURTHER RESOLVED that the award of the Contract is contingent upon receipt and approval by the District of a performance bond and certificate of insurance from Nelson Engineering Construction, Inc., as provided in the Contract.

**It was moved by Director Thompson and seconded by Director Boyd that the foregoing resolution be adopted. Votes were cast and recorded as follows:**

Voting Aye:	Boyd, Chlopek, Froehlich, Harding, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	None

Whereupon the Chairman declared Resolution No. 09-8 adopted.

Director Thompson, Chairman of the Energy Supply Committee, recommended the following resolution:

**RESOLUTION NO. 09-9**

WHEREAS, pursuant to and in accordance with law, bids on Contract No. 09-6, Conveyor Belt for Gerald Gentleman Station, have been duly invited, received, opened, read, and tabulated; and

WHEREAS, management has studied and analyzed the bids and recommended acceptance of a certain bid as the lowest and best evaluated bid, as per data filed with the Board; and

WHEREAS, on the basis of evidence and information received, and after an analysis of the responsibility of the bidder, amounts and terms of the bid, delivery dates, and the needs of the District, this Board has determined and does hereby find that the bid of Apache Hose & Belting, Cedar Rapids, Iowa, is the lowest and best evaluated bid on Contract No. 09-6.

NOW, THEREFORE, BE IT RESOLVED that, subject to receipt and approval of a performance bond as herein provided, the following bid submitted on Contract No. 09-6 be accepted by the District:

Apache Hose & Belting, Cedar Rapids, Iowa, firm base bid price of \$189,400.

BE IT FURTHER RESOLVED that the President of the District is hereby authorized and instructed to execute for and on behalf of the District, a Contract with the aforementioned bidder in accordance with the plans and specifications and on the form of Contract submitted to bidders.

BE IT FURTHER RESOLVED that the award of the Contract is contingent upon receipt and approval by the District of a performance bond from Apache Hose & Belting, as provided in the Contract.

**RESOLUTION NO. 09-9 (ADOPTED):  
AWARD CONTRACT NO. 09-6, CONVEYOR BELT (GGS), TO APACHE HOSE & BELTING, FIRM BASE BID PRICE OF \$189,400**

**It was moved by Director Thompson and seconded by Director Linstrom that the foregoing resolution be adopted. Votes were cast and recorded as follows:**

Voting Aye:	Boyd, Chlopek, Froehlich, Harding, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	None

Whereupon the Chairman declared Resolution No. 09-9 adopted.

Director Thompson, Chairman of the Energy Supply Committee, reviewed the Request for Approval of Procurements for Services, Equipment, and/or Materials for Items \$100,000 and Above (Part 2 – Energy Supply), which included: 1) Renewal No. 12 to the Agreement with Honeywell International, Inc., which provided for new system software and maintenance releases, bulletin board, documentation corrections, updates for two book sets, and technical support services for troubleshooting software and hardware problems for the TDC3000 Control Systems for GGS Units 1 and 2, GGS Simulator, and Canaday and Beatrice Power Stations, from January 9, 2009, through December 31, 2009; and 2) Amendment No. 1 to the Purchase Order with Univar USA, Inc., which provided for sulfuric acid necessary for the pH adjustment of Circulating Water Systems (Sheldon Station).

**It was moved by Director Thompson and seconded by Director Kunze that the Request for Approval of Procurements for Services, Equipment and/or Materials for Items \$100,000 and Above (Part 2 – Energy Supply) be approved. Votes were cast and recorded as follows:**

Voting Aye:	Boyd, Chlopek, Froehlich, Harding, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	None

Whereupon the Chairman declared the motion carried.

Director Thompson, Chairman of the Energy Supply Committee, announced that the Energy Supply committee recommended postponing action on two agenda items, Revised Surface Irrigation Water Rates for 2009 and Revised Spencer Hydro Water Compensation Rates for 2009, until such time that management could provide notice to those affected.

**MOTION (CARRIED):  
APPROVE REQUEST  
FOR APPROVAL OF  
PROCUREMENTS  
FOR SERVICES,  
EQUIPMENT AND/OR  
MATERIALS FOR  
ITEMS \$100,000 AND  
ABOVE (PART 2 –  
ENERGY SUPPLY)**

**ACTION  
POSTPONED ON: 1)  
REVISED SURFACE  
IRRIGATION WATER  
RATES FOR 2009;  
AND 2) REVISED  
SPENCER HYDRO**

WATER  
COMPENSATION  
RATES FOR 2009

ENERGY SUPPLY  
COMMITTEE  
REPORT

Director Thompson, Chairman of the Energy Supply Committee, reported that the Committee also heard reports on the following matters: 1) Water Supply Update (Water Resources); 2) Compressed Air Energy Storage Update; 3) Energy Risk Management Report; 4) Energy Supply Monthly Performance; 5) Energy Supply Look-Ahead for February; 6) Legislative Update; and 7) Capital Projects Report No. ES-2 (2008 Budget).

Director Larsen, Chairman of the Customer and Support Services Committee, reported that the Committee met on January 8, 2009.

Vice-President and Chief Financial Officer Traci L. Bender presented financial performance measures for November, as well as the monthly financial report, which indicated that operating revenues from electric sales were favorable to budget by \$0.2 million for the month and unfavorable by \$16.2 million year to date. Firm electric sales were unfavorable to budget by \$0.3 million for the month and unfavorable by \$25.0 million year to date. Total operating expenses were over budget by \$9.0 million for the month and under budget by \$47.9 million year to date. The balance in the Deferred Revenue account as of November 30, 2008, was a \$62.1 million surplus, a \$3.5 million increase in the surplus balance from last month. This balance represents surplus net revenues to be utilized during the remainder of the current rate period or applied to revenue requirements in future rate periods.

NOVEMBER 2008  
FINANCIAL  
STATEMENTS

**It was moved by Director Larsen and seconded by Director Harding that the November 2008 Financial Statements be accepted, as presented. Votes were cast and recorded as follows:**

**MOTION (CARRIED):  
ACCEPT NOVEMBER  
2008 FINANCIAL  
STATEMENTS**

Voting Aye:	Boyd, Chlopek, Froehlich, Harding, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	None

Whereupon the Chairman declared the motion carried.

Director Larsen, Chairman of the Customer and Support Services Committee, reported that the following Capital Projects Report for the Finance, Risk and Procurement group was discussed by the Committee and was presented to the Board for approval:

Report No. FRP-1	Capital Projects \$100,000 and above not specifically identified in the Budget that require approval by the Board for the period December 1, 2008, through
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December 31, 2008 – 2008 Capital Additions Budget.

**It was moved by Director Larsen and seconded by Director Chlopek that Capital Projects Report No. FRP-1 be approved for the period December 1, 2008, through December 31, 2008 (2008 Capital Additions Budget), which included Capital Project C/3329, Supplement No. 1, Replace NPPD Aircraft and Hangar. Votes were cast and recorded as follows:**

Voting Aye:	Boyd, Chlopek, Froehlich, Harding, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	None

Whereupon the Chairman declared the motion carried.

Vice-President and Chief Financial Officer Traci L. Bender presented information on the District's Ancillary Service Rates and explained that these rates were not included in the Board-approved Rate Template that was submitted to Southwest Power Pool (SPP) in October 2008. Ms. Bender stated that in order for the Ancillary Service Rates to become effective at the same time as the District's Transmission Rates in SPP, the Board would be asked to consider revised Ancillary Service Rate Schedules for SPP at the March meeting.

Vice-President and Chief Financial Officer Traci L. Bender provided an overview of recent financial market developments, along with an update on NPPD's general system investments and decommissioning funds investments, and a status update on NPPD Capital Programs.

Director Larsen, Chairman of the Customer and Support Services Committee, reported that the following Capital Projects Report for the Customer Services and Delivery group was discussed by the Committee and was presented to the Board for approval:

Report No. CSD-1	Capital Projects \$100,000 and above not specifically identified in the Budget that require approval by the Board for the period December 1, 2008, through December 31, 2008 – 2008 Capital Additions Budget.
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**It was moved by Director Larsen and seconded by Director Froehlich that Capital Projects Report No. CSD-1 be approved for the period December 1, 2008, through December 31, 2008 (2008 Capital Additions Budget), which included: 1) Capital Project C/3664,**

**MOTION (CARRIED):  
APPROVE CAPITAL  
PROJECTS REPORT  
NO. FRP-1 (2008  
BUDGET)**

SOUTHWEST  
POWER POOL  
ANCILLARY SERVICE  
RATES UPDATE

UPDATE ON NPPD  
INVESTMENTS AND  
CURRENT  
FINANCIAL MARKET  
CONDITIONS

**MOTION (CARRIED):  
APPROVE CAPITAL  
PROJECTS REPORT  
NO. CSD-1 (2008**

**Transformer and Substation Upgrade (North Bend); 2) Capital Project C/3687, Substation Refurbishment (Neligh); 3) Capital Project C/3716, T9 Transformer and Substation Upgrade (North Platte); 4) Capital Project C/3914, Modify Sub-Transmission Lines, 69 kV Operation (Geneva); 5) Capital Project C/3965, 12.5 kV Distribution Under-Build (York Southwest); 6) Capital Project C/4162, Mobile Circuit Switcher Trailer Purchase (York); and 7) Capital Project C/4956, Purchase SF<sub>6</sub> Gas Trailer (York). Votes were cast and recorded as follows:**

**BUDGET)**

Voting Aye:	Boyd, Chlopek, Froehlich, Harding, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	None

Whereupon the Chairman declared the motion carried.

Director Larsen, Chairman of the Customer and Support Services Committee, recommended the following resolution:

**RESOLUTION NO. 09-10**

WHEREAS, pursuant to and in accordance with law, bids on Contract No. 08-62, O'Neill Substation Construction and Modification, have been duly invited, received, opened, read, and tabulated; and

WHEREAS, management has studied and analyzed the bids and recommended acceptance of certain bids as the lowest and best evaluated bids, as per data filed with the Board; and

WHEREAS, on the basis of evidence and information received, and after an analysis of the responsibility of the bidders, amounts and terms of the bids, delivery dates, and the needs of the District, this Board has determined and does hereby find that the bids of Timberline Construction, Inc., Rapid City, South Dakota, on Part I and Part II, and Watts Electric Company, Lincoln, Nebraska, on Part III, are the lowest and best evaluated bids on Contract No. 08-62.

NOW, THEREFORE, BE IT RESOLVED that, subject to receipt and approval of performance bonds and certificates of insurance as herein provided, the following bids submitted on Contract No. 08-62 be accepted by the District:

Timberline Construction, Inc., Rapid City,  
South Dakota, Part I, firm base bid price of  
\$261,680.32.

Timberline Construction, Inc., Rapid City,  
South Dakota, Part II, firm base bid price of  
\$136,162.10.

**RESOLUTION NO.  
09-10 (ADOPTED):  
AWARD CONTRACT  
NO. 08-62, O'NEILL  
SUBSTATION  
CONSTRUCTION  
AND MODIFICATION,  
PARTS I AND II TO  
TIMBERLINE  
CONSTRUCTION,  
INC., AND PART III  
TO WATTS  
ELECTRIC  
COMPANY**

Watts Electric Company, Lincoln, Nebraska,  
Part III, firm base bid price of \$85,258.

BE IT FURTHER RESOLVED that the President of the District is hereby authorized and instructed to execute for and on behalf of the District, a Contract with each of the aforementioned bidders in accordance with the plans and specifications and on the form of Contract submitted to bidders.

BE IT FURTHER RESOLVED that the award of the Contract is contingent upon receipt and approval by the District of performance bonds and certificates of insurance from Timberline Construction, Inc., and from Watts Electric Company, as provided in the Contract.

**It was moved by Director Larsen and seconded by Director Boyd that the foregoing resolution be adopted. Votes were cast and recorded as follows:**

Voting Aye:	Boyd, Chlopek, Froehlich, Harding, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	None

Whereupon the Chairman declared Resolution No. 09-10 adopted.

Director Larsen, Chairman of the Customer and Support Services Committee, reviewed the Request for Approval of Contract Amendments \$100,000 and Above (Part 1 – Customer Services and Delivery), which included Amendment No. 3 to Contract No. 07-15 with ABB, Inc., in the amount of \$188,507, and provided for the purchase of one additional 345 kV circuit breaker. The original contract, awarded in March of 2007, contained a firm requirement for the purchase of 345 kV and 230 kV circuit breakers, and also provided the District the option to purchase additional circuit breakers during the term of the contract at the firm prices contained in the contract.

**It was moved by Director Larsen and seconded by Director Kunze that the Request for Approval of Contract Amendments \$100,000 and Above (Part 1 – Customer Services and Delivery) be approved. Votes were cast and recorded as follows:**

Voting Aye:	Boyd, Chlopek, Froehlich, Harding, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	None

**MOTION (CARRIED):  
APPROVE  
REQUEST FOR  
APPROVAL OF  
CONTRACT  
AMENDMENTS  
\$100,000 AND  
ABOVE (PART 1 –  
CUSTOMER  
SERVICES AND  
DELIVERY)**

Whereupon the Chairman declared the motion carried.

Director Larsen, Chairman of the Customer and Support Services Committee, reviewed the Request for Approval of Procurements for Services, Equipment, and/or Materials for Items \$100,000 and Above (Part 3 – Customer Services and Delivery), which included: 1) Agreement with Advanced Control Systems (ACS), which provided for consulting services for the integration of the District’s Geospatial Information System (GIS), the Outage Management System (OMS), and the Supervisory Control and Data Acquisition (SCADA) System; and 2) Agreement with GE Energy Management Services (GE), which provided for consulting services for the integration of the GIS, the OMS, and the SCADA System.

ACS provided the original SCADA System used by the Kearney Control Center to track switching for the sub-transmission lines for the District and the District’s public power partners. GE provided the original GIS and OMS; the GIS is used to keep track of all the distribution lines for the District, and the OMS is used to manage all outages for the District’s distribution customers.

**It was moved by Director Larsen and seconded by Director Linstrom that the Request for Approval of Procurements for Services, Equipment and/or Materials for Items \$100,000 and Above (Part 3 – Customer Services and Delivery) be approved. Votes were cast and recorded as follows:**

Voting Aye:	Boyd, Chlopek, Froehlich, Harding, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	None

Whereupon the Chairman declared the motion carried.

Vice-President of Customer Services Michael E. (Ed) Wagner provided a status report for the Electric Transmission Reliability (ETR) Project for East-Central Nebraska, including an updated construction sequence for the new 345 kV transmission line between Columbus and Lincoln, the construction status of specific line sections, an update on substation upgrade projects associated with the new transmission line, and a revised schedule for completion of the line.

Director Larsen, Chairman of the Customer and Support Services Committee, reported that the Committee also heard reports on the following matters: 1) Southwest Power Pool (SPP) Ancillary Service Rates Update; 2) Update on NPPD Investments and Current Financial Market Conditions; 3) Energy Risk Management Report; 4) NPPD Building Life Cycle Cost Analysis / Energy Efficiency Report; 5) Customer Services and Delivery

**MOTION (CARRIED):  
APPROVE REQUEST  
FOR APPROVAL OF  
PROCUREMENTS  
FOR SERVICES,  
EQUIPMENT AND/OR  
MATERIALS FOR  
ITEMS \$100,000 AND  
ABOVE (PART 3 –  
CUSTOMER  
SERVICES AND  
DELIVERY)**

**ELECTRIC  
TRANSMISSION  
RELIABILITY (ETR)  
PROJECT FOR  
EAST-CENTRAL  
NEBRASKA UPDATE**

**CUSTOMER AND  
SUPPORT SERVICES  
COMMITTEE  
REPORT**

Look-Ahead for February 2009; and 6) Capital Projects Report Nos. CSD-2 (2008 Budget) and CSD-2A (2009 Budget).

Director Froehlich, Chairman of the Budget Committee, reported that the Committee met on January 8, 2009. Vice-President and Chief Financial Officer Traci L. Bender presented updates to the proposed reductions and deferrals for the 2009 Revenue and Expense and Capital Projects Budgets. The proposed 2009 Revised District Budgets will be presented to the full Board in February for review, and in March for consideration of approval. In addition, Controller and Financial Planning Manager Donna K. Starzec presented the proposed calendar for the next Rate Outlook and 2010 Budget process, in addition to the recommended Cost Escalation Factors for the new planning period.

BUDGET  
COMMITTEE  
REPORT

Vice-President of Governmental Affairs and General Counsel John C. McClure presented background information on a tort claim filed against NPPD on behalf of State Farm Mutual Automobile Insurance Company. Mr. McClure explained that the claim was for vehicle damages and medical expenses incurred as a result of a collision in O'Neill, Nebraska, on October 27, 2007, involving an NPPD service truck and Makala A. Davis, an insured driver of State Farm Mutual Automobile Insurance Company. Following an investigation of the incident, Mr. McClure recommended that the tort claim be denied.

GENERAL LEGAL  
MATTERS

**It was moved by Director Thompson and seconded by Director Boyd that the Board deny the tort claim filed on behalf of State Farm Mutual Automobile Insurance Company. Votes were cast and recorded as follows:**

Voting Aye:	Boyd, Chlopek, Froehlich, Harding, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	None
Abstaining:	Kunze
Present But Not Voting:	None
Absent:	None

**MOTION (CARRIED):  
DENY TORT CLAIM  
FILED ON BEHALF  
OF STATE FARM  
MUTUAL  
AUTOMOBILE  
INSURANCE  
COMPANY**

Whereupon the Chairman declared the motion carried.

President and CEO Ronald D. Asche presented information on the costs of various supply-side resources, in response to a request made by Director Schrock on the previous day.

SUPPLY-SIDE  
RESOURCE COSTS

**It was moved by Director Harding and seconded by Director Froehlich that the Board go into Executive Session at 10:53 a.m. to obtain legal advice on contract matters and the Nebraska Political Accountability and Disclosure Act. Votes were cast and recorded as follows:**

Voting Aye:	Boyd, Chlopek, Froehlich, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock,
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**MOTION (CARRIED):  
GO INTO EXECUTIVE  
SESSION AT  
10:53 A.M. TO  
OBTAIN LEGAL  
ADVICE ON  
CONTRACT  
MATTERS AND THE**

Voting Nay:	Thompson
Abstaining:	Harding
Present But Not Voting:	None
Absent:	None

**NEBRASKA  
POLITICAL  
ACCOUNTABILITY  
AND DISCLOSURE  
ACT**

Whereupon the Chairman declared the motion carried to go into Executive Session to obtain legal advice on contract matters and the Nebraska Political Accountability and Disclosure Act.

**It was moved by Director Thompson and seconded by Director Boyd that the Board come out of Executive Session at 11:29 a.m. Votes were cast and recorded as follows:**

**MOTION (CARRIED):  
COME OUT OF  
EXECUTIVE  
SESSION AT  
11:29 A.M.**

Voting Aye:	Boyd, Chlopek, Froehlich, Harding, Kunze, Larsen, Linstrom, Nelson, Rasmussen, Schrock, Thompson
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	None

Whereupon the Chairman declared the motion carried.

There being no further business to come before the Board, the meeting was duly adjourned at 11:30 a.m.

**ADJOURNMENT  
11:30 A.M.**

\_\_\_\_\_/s/\_\_\_\_\_  
Dennis L. Rasmussen, Chairman

Minutes approved at  
the meeting of  
February 12-13, 2009

\_\_\_\_\_/s/\_\_\_\_\_  
Mary A. Harding, Secretary

**REPORT ON RETIREMENTS AND  
FORMER DISTRICT EMPLOYEE REHIRS  
JANUARY 2009 BOARD MEETING**

**RETIREMENTS**

1. Jerry L. Florer, Material Handler, Gerald Gentleman Station, Sutherland, was employed on November 16, 1977, and retired as of December 15, 2008.
2. William L. Jensen, Irrigation Technician, Cozad, was employed on January 16, 1981, and is retiring as of February 28, 2009.

**REHIRS**

In accordance with the Board motion approved in February 1988, employees re-employed by the District within one year of their termination date (including those rehired directly or indirectly as a consultant) require approval of the President. Pursuant to that Board motion, Mr. Asche has approved the following rehires:

David C. Shrader was employed as an Utilityman at Scottsbluff on January 6, 1975. David retired from the position of Performance Improvement Analyst at CNS on December 31, 2008. He is being rehired as Part-Time Performance Improvement Analyst at CNS effective January 1, 2009.