

MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF  
NEBRASKA PUBLIC POWER DISTRICT  
MARCH 12-13, 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 10:00 a.m. on Thursday, March 12, 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 10:00 a.m. and directed the roll be called:

Present: Wayne E. Boyd, Jerry L. Chlopek, Mary A. Harding, Ken Kunze, Larry E. Linstrom, Darrell J. Nelson, Dennis L. Rasmussen, Gary G. Thompson

Absent: Virgil L. Froehlich, Ronald W. Larsen, Edward J. Schrock

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.

Pricing, Rates and Wholesale Billing Manager Todd S. Swartz presented information on a proposed Retail Time of Use / Critical Peak Pricing Pilot Project, otherwise known as the EnergyWise<sup>SM</sup> Pricing Pilot. This one-year pilot would offer time-based rates to a group of the District's residential and small commercial customers in several retail communities. Mr. Swartz provided an update with regard to the scope and goals of the pilot

LEGAL NOTICE RUN  
PRIOR TO THE  
MEETING

ROLL CALL,  
10:00 A.M.,  
MARCH 12, 2009

ANNOUNCEMENT OF  
POSTING OF OPEN  
MEETINGS LAW AND  
AGENDA

GUESTS  
WELCOMED TO  
MEETING

RETAIL TIME OF  
USE / CRITICAL  
PEAK PRICING  
PILOT PROJECT  
UPDATE

project, the proposed test groups, and a preliminary schedule for implementing the pilot.

Directors Larsen and Schrock entered the meeting during the Retail Time of Use / Critical Peak Pricing Pilot Project Update.

Vice-President and Chief Financial Officer Traci L. Bender provided an overview of the remaining item previously selected for review by the wholesale customers' Rate Review Committee (RRC), Creation of a Funded Rate Stabilization Account. Ms. Bender outlined provisions related to a Rate Stabilization Account within the NPPD wholesale power contract and discussed historical and forecasted year-end balances. This information will be shared with the RRC and recommended changes (if any) will be brought to the Board for consideration.

GFPS RATE ISSUES  
UPDATE

President and CEO Ronald D. Asche reviewed policy considerations that are being discussed as NPPD works with other state entities in pursuit of potential wind exportation from the State of Nebraska. Mr. Asche stated that several policy issues need to be taken into account before exporting wind energy, including public power legal and statutory issues, the outstate market for wind energy, the siting of wind farms, transmission planning, and financing/cost recovery for wind projects in the state.

EXPORT OF WIND  
ENERGY – POLICY  
CONSIDERATIONS

Renewable Energy Development Manager David D. Rich provided information on the funding provided in 2008 for the Wind for Schools Project, and reviewed proposed project funding for 2009.

WIND FOR SCHOOLS  
UPDATE

Energy Efficiency Manager Kendall B. Curry reviewed opportunities with regard to economic stimulus funding, including information on energy efficiency and conservation block grants, the state energy program, electric delivery and energy reliability, low income weatherization and Housing and Urban Development (HUD) programs, and NPPD's plans to pursue the stimulus opportunities available.

ECONOMIC  
STIMULUS FUNDING  
OPPORTUNITIES  
OVERVIEW

Vice-President of Governmental Affairs and General Counsel John C. McClure provided a status update on potential greenhouse gas legislation and regulation, including a recap of views from: 1) the Obama Administration, 2) the U.S. House of Representatives, 3) the U.S. Senate, and 4) the Environmental Protection Agency (EPA); and the potential implications of carbon regulation on NPPD.

LEGISLATIVE  
UPDATE

Mr. McClure also provided a brief legislative update related to matters at the state level.

Vice-President of Customer Services Michael E. (Ed) Wagner provided an update on the TransCanada Keystone (Phase I) and Keystone XL (Phase II) Projects, including the status of each phase, transmission planning efforts for each phase, discussion of a revised transmission plan for the Keystone XL project and associated revised cost estimates, and upcoming project milestones.

TRANSCANADA  
PIPELINE PROJECT  
UPDATE

Transmission and Distribution Manager Thomas J. Kent presented information related to NPPD’s electric and hybrid “green” fleet vehicles, including the features and benefits of each vehicle. Following the presentation, Directors and staff were able to view the latest addition to the fleet, a hybrid bucket truck, which was on-site and would ultimately be used in the Norfolk area.

GREEN FLEET  
VEHICLES UPDATE

A lunch recess was taken from 12:01 to 1:00 p.m.

LUNCH RECESS

**It was moved by Director Harding and seconded by Director Boyd that the Board go into Executive Session at 1:00 p.m. to discuss proprietary business matters, contract matters, and personnel matters, and to obtain legal advice. Votes were cast and recorded as follows:**

**MOTION (CARRIED):  
GO INTO EXECUTIVE  
SESSION AT  
1:00 P.M. TO  
DISCUSS  
PROPRIETARY  
BUSINESS  
MATTERS,  
CONTRACT  
MATTERS, AND  
PERSONNEL  
MATTERS, AND TO  
OBTAIN LEGAL  
ADVICE**

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

Whereupon the Chairman declared the motion carried to go into Executive Session to discuss proprietary business matters, contract matters, and personnel matters, and to obtain legal advice.

Director Thompson entered the room during the Executive Session.

**It was moved by Director Harding and seconded by Director Thompson that the Board come out of Executive Session at 1:54 p.m. Votes were cast and recorded as follows:**

**MOTION (CARRIED):  
COME OUT OF  
EXECUTIVE  
SESSION AT  
1:54 P.M.**

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

Whereupon the Chairman declared the motion carried.

The meeting was recessed at 1:54 p.m., to reconvene at 8:00 a.m. on March 13, 2009.

MEETING  
RECESSED AT  
1:54 P.M.

**MARCH 13, 2009 – 8:00 A.M.**

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

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.

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

- Approval of Minutes of February 12-13, 2009, Regular Board Meeting
- May Regular Board Meeting Scheduled for May 14-15, 2009, in Columbus (April Regular Board Meeting Previously Scheduled for April 8-9, 2009, in Columbus)
- Ratification/Confirmation of Signatures of Staff Members
- Approval of January 2009 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 Kunze and seconded by Director Larsen 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 Bruce Pontow of the Nebraska Electric G&T; DeWayne Barleen, Ed Boltz, James Hirschman, and

ROLL CALL,  
8:00 A.M., MARCH 13,  
2009

ANNOUNCEMENT OF  
POSTING OF OPEN  
MEETINGS LAW AND  
AGENDA

CONSENT AGENDA

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

GUESTS  
WELCOMED TO

Brian Lukasiewicz of Howard Greeley Rural Public Power District; Mardell Johnson, Vernon Kuhnel, and Bob Lindburg of Polk County Rural Public Power District; Dale Barth, Bruce Hoehne, and Bill Johnson of Stanton County Public Power District; Brent Ballou and Jim Dietz of Twin Valleys Public Power District; Steve Eveans of Wind Energies, LLC; David Langenberg and Dave Seda of Hawkins Construction Company; Bill Leslie, NPPD retiree; and Adrian Sanchez of the *Columbus Telegram*.

MEETING

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

SAFETY AND SYSTEM UPDATE

President and CEO Ronald D. Asche recommended the Board's approval of the proposed salaries for Officers and Board Staff. Chairman Rasmussen recommended the Board's approval of the proposed compensation package for the President and CEO, which included a 5 percent salary adjustment effective April 1, 2009, and the lease of a hybrid vehicle for his use.

**It was moved by Director Boyd and seconded by Director Thompson that the Board approve the Officers and Board Staff compensation as presented by President and CEO Ronald D. Asche, and the compensation package for President and CEO Ronald D. Asche as presented by Chairman Rasmussen. Votes were cast and recorded as follows:**

**MOTION (CARRIED): APPROVE OFFICERS AND BOARD STAFF COMPENSATION, AND COMPENSATION PACKAGE FOR PRESIDENT AND CEO RONALD D. ASCHE**

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.

A copy of the approved salaries and CEO compensation package, which is on file with the Assistant Secretary, is attached and made a part of these minutes.

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.

RETIREMENTS AND REHIRS FOR MARCH 2009

Vice-President of Governmental Affairs and General Counsel John C. McClure provided a brief update with regard to legislative issues, as a follow-up to the March 12 Strategic Session discussion.

LEGISLATIVE UPDATE

During the time designated for Directors' comments and questions, Director Boyd reported on the American Public Power Association (APPA) Legislative Rally held recently in Washington, D. C., and his attendance as a member of the Policy Makers Council of APPA; Directors

DIRECTORS' COMMENTS

Froehlich and Schrock commented on their participation at the 2009 National Rural Electric Cooperative Association (NRECA) Annual Meeting.

Director Nelson, Chairman of the Budget Committee, reported that the Committee met on March 12, 2009.

Vice-President and Chief Financial Officer Traci L. Bender presented the Revised 2009 Revenue and Expense and 2009 Capital Projects Budgets.

Director Nelson, Chairman of the Budget Committee, recommended the following resolution:

**RESOLUTION NO. 09-21**

WHEREAS, this Board of Directors, pursuant to Board Resolution No. 08-132, adopted in November 2008, approved the 2009 Original Revenue and Expense and Capital Projects Budgets for the General System; and

WHEREAS, in accordance with Section 708 of the General System Revenue Bond Resolution No. 98-68, adopted June 4, 1998, the management and staff of the District have prepared and submitted to the Board of Directors the 2009 Revised Revenue and Expense and Capital Projects Budgets; and

WHEREAS, said Budgets have been reviewed by management of the District and are recommended for approval by the Board of Directors; and

WHEREAS, said Budgets have been submitted to and reviewed by the Board of Directors of the Nebraska Public Power District.

NOW, THEREFORE, BE IT RESOLVED that the 2009 Revised Revenue and Expense and Capital Projects Budgets for the General System be hereby approved.

**It was moved by Director Nelson 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. 09-21 adopted.

**RESOLUTION NO. 09-21 (ADOPTED): APPROVE REVISED 2009 REVENUE AND EXPENSE AND 2009 CAPITAL PROJECTS BUDGETS**

Director Nelson, Chairman of the Budget Committee, reported that the Committee also heard a report on the 2010 Budget Review and Rate Outlook.

BUDGET  
COMMITTEE  
REPORT

Director Boyd, Chairman of the Nuclear Committee, reported that the Committee met on March 12, 2009.

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

**RESOLUTION NO. 09-22**

WHEREAS, pursuant to and in accordance with law, bids on Contract No. 08-117A, Reactor Recirculation Pump Motor B Replacement for Cooper Nuclear Station, have been duly invited, received, opened, read, and tabulated; and

WHEREAS, management has studied and analyzed the bids received and it was determined that the bids contained significant exceptions and are considered non-responsive; and

WHEREAS, it would be in the best interest of the District to reject the bids and negotiate a contract for the Reactor Recirculation Pump Motor B Replacement, pursuant to Neb. Rev. Stat. Section 70-637.

NOW, THEREFORE, BE IT RESOLVED that the bids submitted on Contract No. 08-117A be and hereby are rejected as being non-responsive to the bid documents, and that the bid security submitted by the bidders as evidence of good faith be returned to the bidders.

BE IT FURTHER RESOLVED that management be and hereby is authorized to negotiate and execute a contract with all known vendors who can supply an alternating current induction motor to support the reactor recirculation pump motor B replacement, and execute a Contract as contemplated by Contract No. 08-117A, in an amount not to exceed \$3,500,000, after review and approval by legal counsel.

**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. 09-22 adopted.

**RESOLUTION NO.  
09-22 (ADOPTED):  
REJECT AND  
NEGOTIATE  
CONTRACT  
NO. 08-117A,  
REACTOR  
RECIRCULATION  
PUMP MOTOR (CNS),  
NOT TO EXCEED  
\$3,500,000**

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

**RESOLUTION NO. 09-23**

WHEREAS, pursuant to and in accordance with law, bids on Contract No. 09-4, Multiple Purpose Facility HVAC System Upgrade for Cooper Nuclear 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 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 Ray Martin Company of Omaha, Omaha, Nebraska, is the lowest and best evaluated bid on Contract No. 09-4.

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. 09-4 be accepted by the District:

Ray Martin Company of Omaha, Omaha, Nebraska, firm base bid price of \$185,000.

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 Ray Martin Company of Omaha, as provided in the Contract.

**It was moved by Director Boyd and seconded by Director Kunze 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

**RESOLUTION NO. 09-23 (ADOPTED):  
AWARD CONTRACT NO. 09-4, MULTIPLE PURPOSE FACILITY HVAC SYSTEM UPGRADE (CNS), TO RAY MARTIN COMPANY OF OMAHA, FIRM BASE BID PRICE OF \$185,000**

Whereupon the Chairman declared Resolution No. 09-23 adopted.

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

**RESOLUTION NO. 09-24**

WHEREAS, pursuant to and in accordance with law, bids on Contract No. 09-11, Instrument and Control Support Services 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 estimated base bid of Ames, Inc., Wilmington, North Carolina, is the lowest and best evaluated bid on Contract No. 09-11.

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. 09-11, be accepted by the District:

Ames, Inc., Wilmington, North Carolina, estimated bid price of \$1,434,433.10.

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 Ames, Inc., as provided in the Contract.

**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

**RESOLUTION NO. 09-24 (ADOPTED):  
AWARD CONTRACT NO. 09-11, INSTRUMENT AND CONTROL SUPPORT SERVICES (CNS), TO AMES, INC., ESTIMATED BID PRICE OF \$1,434,433.10**

Present But Not Voting: None  
Absent: None

Whereupon the Chairman declared Resolution No. 09-24 adopted.

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

**RESOLUTION NO. 09-25**

WHEREAS, pursuant to and in accordance with law, bids on Contract No. 09-13, Welding and Rigging Services for Feedwater Heaters for Cooper Nuclear Station, have been duly invited, received, opened, read, and tabulated; and

WHEREAS, only one bid was received and was determined to be non-responsive; and

WHEREAS, there is not sufficient time to comply with Neb. Rev. Stat. Section 70-637 and rebid a contract for the welding and rigging services for the feedwater heaters; and

WHEREAS, it would be in the best interest of the District to reject the one bid received and negotiate a contract for the welding and rigging services for the feedwater heaters, pursuant to Neb. Rev. Stat. Section 70-637.

NOW, THEREFORE, BE IT RESOLVED that the bid submitted on Contract No. 09-13 be and hereby is rejected as being non-responsive to the bid documents, and that the bid security submitted by the bidder as evidence of good faith be returned to the bidder.

BE IT FURTHER RESOLVED that management be and hereby is authorized to negotiate and execute a contract with WEC Carolina Energy Solutions, LLC, for the welding and rigging services for feedwater heaters as contemplated by Contract No. 09-13, in an amount not to exceed \$5,000,000, after review and approval by legal counsel.

**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. 09-25 adopted.

**RESOLUTION NO. 09-25 (ADOPTED): REJECT AND NEGOTIATE CONTRACT NO. 09-13, WELDING AND RIGGING SERVICES FOR FEEDWATER HEATERS (CNS), NOT TO EXCEED \$5,000,000**

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

**RESOLUTION NO. 09-26**

WHEREAS, pursuant to and in accordance with law, bids on Contract No. 09-14, Chrom-Moly Pipe and Fittings for Cooper Nuclear 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 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 Mid-States Supply Company, Inc., dba Midco Supply Company, Omaha, Nebraska, is the lowest and best evaluated bid on Contract No. 09-14.

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. 09-14 be accepted by the District:

Mid-States Supply Company, Inc., dba Midco Supply Company, Omaha, Nebraska, firm base bid price of \$250,528.

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 Mid-States Supply Company, Inc., dba Midco Supply Company, as provided in the Contract.

**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, Thompson
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	None

**RESOLUTION NO. 09-26 (ADOPTED): AWARD CONTRACT NO. 09-14, CHROM-MOLY PIPE AND FITTINGS (CNS), TO MID-STATES SUPPLY COMPANY, INC., DBA MIDCO SUPPLY COMPANY, FIRM BASE BID PRICE OF \$250,528**

Whereupon the Chairman declared Resolution No. 09-26 adopted.

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

**RESOLUTION NO. 09-27**

WHEREAS, pursuant to and in accordance with law, bids on Contract No. 09-28, Spare Reactor Recirculating Motor Generator Set Drive Refurbishment/Rewind for Cooper Nuclear 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 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 Monarch Electric Service Co., Cleveland, Ohio, is the lowest and best evaluated bid on Contract No. 09-28.

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. 09-28 be accepted by the District:

Monarch Electric Service Co., Cleveland, Ohio, firm base bid price of \$198,225.

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 Monarch Electric Service Co., as provided in the Contract.

**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. 09-27 adopted.

**RESOLUTION NO. 09-27 (ADOPTED): AWARD CONTRACT NO. 09-28, SPARE REACTOR RECIRCULATING MOTOR GENERATOR SET DRIVE REFURBISHMENT/REWIND (CNS), TO MONARCH ELECTRIC SERVICE CO., FIRM BASE BID PRICE OF \$198,225**

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

**RESOLUTION NO. 09-28**

WHEREAS, pursuant to and in accordance with law, bids on Contract No. 09-35, Local Power Range Monitors for Cooper Nuclear Station, have been duly invited, received, opened, read, and tabulated; and

WHEREAS, only one bid was received was determined to be non-responsive; and

WHEREAS, it would be in the best interest of the District to reject the one bid received and negotiate a contract for the purchase of local power range monitors pursuant to Neb. Rev. Stat. Section 70-637.

NOW, THEREFORE, BE IT RESOLVED that the bid submitted on Contract No. 09-35 be and hereby is rejected as being non-responsive to the bid documents, and that the bid security submitted by the bidder as evidence of good faith be returned to the bidder.

BE IT FURTHER RESOLVED that management be and hereby is authorized to negotiate and execute a contract with Reuter-Stokes, Inc., for the purchase of local power range monitors as contemplated by Contract No. 09-35, in an amount not to exceed \$1,073,920, after review and approval by legal counsel.

**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. 09-28 adopted.

Director Boyd, Chairman of the Nuclear Committee, reviewed the Request for Approval of Contract Amendments \$100,000 and Above (Part 1 – Nuclear), which included Amendment No. 5 to Contract No. 06-72, Materials and Services for Design, Fabrication and Delivery of a Dry Spent Fuel Storage System (CNS). Amendment No. 5, in the amount of \$534,280 with Transnuclear, Inc., provided for the additional equipment, material, and labor necessary to provide pool to pad services for the first used nuclear fuel transfer for the Independent Spent Fuel Storage Installation (ISFSI) Project.

**RESOLUTION NO.  
09-28 (ADOPTED):  
REJECT AND  
NEGOTIATE  
CONTRACT  
NO. 09-35, LOCAL  
POWER RANGE  
MONITORS (CNS),  
NOT TO EXCEED  
\$1,073,920**

**It was moved by Director Boyd and seconded by Director Harding that the Request for Approval of Contract Amendments \$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, recommended the following resolution:

**RESOLUTION NO. 09-29**

WHEREAS, management has determined that it is in the best interest of the District to procure the labor and materials necessary for the refurbishment and repair of a service water pump bowl assembly for the Service Water System 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 labor and materials.

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 for and on behalf of the District, a contract with Sulzer Pumps (US), Inc., for the procurement of the labor and materials necessary for the refurbishment and repair of one service water pump bowl assembly for the Service Water System at Cooper Nuclear Station, after first advertising notice pursuant to Nebraska law of its intention to enter into said contract, after review and approval by legal counsel.

**It was moved by Director Boyd and seconded by Director Kunze 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

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

**RESOLUTION NO.  
09-29 (ADOPTED):  
APPROVE  
ENGINEER’S  
CERTIFICATE, “B”  
SERVICE WATER  
PUMP REPAIR (CNS)**

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

Whereupon the Chairman declared Resolution No. 09-29 adopted.

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

**RESOLUTION NO. 09-30**

WHEREAS, management has determined that it is in the best interest of the District to procure Dry Fuel Storage System materials and services to support the second transfer of used nuclear fuel 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 to procure the dry fuel storage system 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 and execute for and on behalf of the District, after review and approval by legal counsel, a contract with Transnuclear, Inc., for the procurement of dry fuel storage system materials and services to support the second transfer of used nuclear fuel at Cooper Nuclear Station, 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 Larsen 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. 09-30 adopted.

**RESOLUTION NO. 09-30 (ADOPTED):  
APPROVE ENGINEER'S CERTIFICATE, HORIZONTAL STORAGE MODULES, DRY SHIELDED CANISTERS, AND ASSOCIATED EQUIPMENT AND SERVICES FOR THE TRANSFER AND STORAGE OF USED NUCLEAR FUEL (ISFSI, CNS)**

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

**RESOLUTION NO. 09-31**

WHEREAS, management has determined that it is in the best interest of the District to procure up to eight (8) dry shielded canisters to support the Dry Fuel Storage System 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 dry shielded canisters.

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 negotiate, enter into, and execute for and on behalf of the District, after review and approval by legal counsel, a contract with Exelon Generation Co., LLC, for the procurement of up to eight (8) dry shielded canisters for the second transfer of used nuclear fuel that is scheduled for Cooper Nuclear Station in 2012, 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 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. 09-31 adopted.

Vice-President and Chief Nuclear Officer Steward B. Minahan presented the request for funding authorization to conduct additional, Extended Power Uprate Analysis (CNS). Mr. Minahan reviewed four options for approaching the Extended Power Uprate Project at CNS and recommended approval of Option 3, performing a targeted study for an amount not to exceed \$5,000,000.

**It was moved by Director Boyd and seconded by Director Harding that the Board authorize funding to conduct an**

**RESOLUTION NO. 09-31 (ADOPTED):  
APPROVE  
ENGINEER’S  
CERTIFICATE,  
SURPLUS DRY  
SHIELDED  
CANISTERS FOR  
THE TRANSFER AND  
STORAGE OF USED  
NUCLEAR FUEL  
(ISFSI, CNS)**

**MOTION:  
AUTHORIZE**

**additional, Extended Power Uprate (EPU) analysis, in an amount not to exceed \$5,000,000.**

**It was moved by Director Nelson and seconded by Director Harding that the Board postpone action on the previous motion until a future Board Meeting, when more detailed information has been compiled by management with regard to the necessity and potential benefit of conducting an extended analysis of the Extended Power Uprate (EPU) project, prior to commencing actual EPU project work. 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, recommended the following resolution:

**RESOLUTION NO. 09-32**

WHEREAS, the District owns and operates Cooper Nuclear Station (CNS); and

WHEREAS, the U.S. Nuclear Regulatory Commission requires that the owners of all commercial nuclear power plants maintain a minimum of \$1.06 billion of property insurance to cover property damage to the nuclear facility and on-site decontamination; and

WHEREAS, Nuclear Electric Insurance Limited (NEIL) is the sole provider of such nuclear property insurance, and NEIL has been providing the insurance for CNS since 1995; and

WHEREAS, the District renews this insurance coverage on an annual basis and the next renewal period will be effective April 1, 2009; and

WHEREAS, in order to meet the Nuclear Regulatory Commission minimum requirement for nuclear property insurance and to provide additional prudent coverages, management recommends that the District purchase the following three NEIL insurance policies: Primary Property and Decontamination Liability Insurance (\$500 million), Decontamination Liability Insurance, Decommissioning Liability and Excess

**FUNDING TO CONDUCT ADDITIONAL, EXTENDED POWER UPRATE ANALYSIS (CNS)**

**MOTION (CARRIED): POSTPONE ACTION ON MOTION TO AUTHORIZE FUNDING TO CONDUCT ADDITIONAL, EXTENDED POWER UPRATE ANALYSIS (CNS)**

**RESOLUTION NO. 09-32 (ADOPTED): AUTHORIZE MANAGEMENT TO EXECUTE DOCUMENTS FOR RENEWAL OF NUCLEAR ELECTRIC INSURANCE LIMITED (NEIL) PROPERTY AND ACCIDENTAL OUTAGE INSURANCE (CNS)**

Property Insurance (\$2.25 billion), and Accidental Outage Insurance (\$490 million).

NOW, THEREFORE BE IT RESOLVED that management is hereby authorized to execute policies and associated documents in the above amounts for Primary Property and Decontamination Liability Insurance, Decontamination Liability Insurance, Decommissioning Liability and Excess Property Insurance, and Accidental Outage Insurance, after review and approval of management and legal counsel.

**It was moved by Director Boyd and seconded by Director Kunze 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. 09-32 adopted.

Director Boyd, Chairman of the Nuclear Committee, reported that the Committee also heard reports on the following matters: 1) Station Blackout Diesel Planning Update; 2) CNS Cycle 25 Business Plan; 3) Independent Spent Fuel Storage Installation (ISFSI) Project Update; 4) Safeguards Clearance Requirements Update; 5) Current plant status; 6) Budget performance; and 7) Regulatory status.

Director Thompson, Chairman of the Energy Supply Committee, reported that the Committee met on March 12, 2009.

Director Thompson, Chairman of the Energy Supply Committee, reviewed the Request for Approval of Contract Amendments \$100,000 and Above (Part 2 – Energy Supply), which included Amendment No. 1 to Contract No. 08-64, Refurbishment of the Unit 1 A-1 Induced Draft (ID) Fan Rotor Assembly (GGS). Amendment No. 1, in the amount of \$115,001 with TLT-Babcock, Inc., provided for the additional labor and materials required to refurbish the ID fan rotor, which was identified upon disassembly and inspection of the ID fan rotor.

**It was moved by Director Thompson and seconded by Director Larsen that the Request for Approval of Contract Amendments \$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
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NUCLEAR  
COMMITTEE  
REPORT

**MOTION (CARRIED):  
APPROVE  
REQUEST FOR  
APPROVAL OF  
CONTRACT  
AMENDMENTS  
\$100,000 AND  
ABOVE (PART 2 –**

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

**ENERGY SUPPLY)**

Whereupon the Chairman declared the motion carried.

Director Thompson, Chairman of the Energy Supply Committee, reported that a request was made to the Energy Supply Committee for funding from the Domestic Energy Research and Application Initiative, for a Laser Wind Sensor Demonstration Project.

**It was moved by Director Thompson and seconded by Director Linstrom that the Board approve funding from the Domestic Energy Research and Application Initiative for a Laser Wind Sensor Demonstration Project, in the amount of \$93,000. Votes were cast and recorded as follows:**

**MOTION (CARRIED):  
 APPROVE FUNDING  
 OF \$93,000 FROM  
 THE DOMESTIC  
 ENERGY  
 RESEARCH AND  
 APPLICATION  
 INITIATIVE FOR A  
 LASER WIND  
 SENSOR  
 DEMONSTRATION  
 PROJECT**

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, reported that the Committee also heard reports on the following matters: 1) Water Supply Update (Water Resources); 2) 2009 Annual Operating Plan Update (Water Resources); 3) Energy Risk Management Report; 4) Energy Supply Monthly Performance; 5) Energy Supply Look-Ahead for April; and 6) Capital Projects Report No. ES-2.

ENERGY SUPPLY  
 COMMITTEE  
 REPORT

Director Larsen, Chairman of the Customer and Support Services Committee, reported that the Committee met on March 12, 2009.

Vice-President and Chief Financial Officer Traci L. Bender presented financial performance measures for January, as well as the monthly financial report, which indicated that operating revenues from electric sales were unfavorable to budget by \$0.4 million for the month. Firm electric sales were favorable to budget by \$0.8 million for the month. Total operating expenses were under budget by \$11.9 million for the month. The balance in the Deferred Revenue account as of January 31, 2009, was a \$57.1 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.

JANUARY 2009  
 FINANCIAL  
 STATEMENTS

**It was moved by Director Larsen and seconded by Director Harding that the January 2009 Financial Statements be accepted, as presented. 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):  
ACCEPT JANUARY  
2009 FINANCIAL  
STATEMENTS**

Whereupon the Chairman declared the motion carried.

Vice-President and Chief Financial Officer Traci L. Bender presented information on the proposed ancillary service rates for Southwest Power Pool (SPP).

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

**RESOLUTION NO. 09-33**

WHEREAS, Resolution No. 08-111, adopted September 11, 2008, authorized management to execute a Membership Agreement with the Southwest Power Pool (SPP) for the purposes of placing the District's transmission system and transmission service under the SPP Open Access Transmission Tariff (OATT) and the functional control and operational authority of SPP, and providing for participation in the SPP energy market, effective April 1, 2009; and

WHEREAS, management of the District signed said Membership Agreement on September 15, 2008, and SPP signed on September 22, 2008; and

WHEREAS, the District's Membership Agreement and changes to the SPP OATT that were required for District participation in SPP were approved by the Federal Energy Regulatory Commission (FERC) on November 26, 2008, and the District's rate formula template for SPP OATT transmission service was approved by FERC on January 27, 2009; and

WHEREAS, said Membership Agreement and SPP OATT require that the District maintain rate schedules for specific ancillary services and provide such rates to SPP; and

WHEREAS, the Pricing and Rates Department and management of the District have prepared proposed rate sheets for Schedule 1 – Scheduling, System Control and Dispatch Service, Schedule 3 – Regulation and Frequency Response Service, Schedule 4A – Reserve Sharing Energy Charges, Schedule 5 – Operating Reserve Spinning Reserve Service, and Schedule 6 – Operating Reserve Supplemental Reserve

**RESOLUTION NO.  
09-33 (ADOPTED):  
APPROVE  
SOUTHWEST  
POWER POOL (SPP)  
ANCILLARY  
SERVICE RATE  
SCHEDULES**

Service, hereinafter referred to as Ancillary Services Rate Sheets, to be submitted to SPP for its use with a requested effective date of April 1, 2009; and

WHEREAS, management has proposed and presented to, and this Board of Directors has reviewed and duly considered with management, the basis for and the rates in said proposed Ancillary Services Rate Sheets; and

WHEREAS, said proposed Ancillary Services Rate Sheets are on file with the Pricing and Rates Department of the District.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors finds and declares, pursuant to Section 70-655 of the Nebraska Revised Statutes, that said proposed Ancillary Services Rate Sheets referred to above and incorporated into this Resolution by reference, are fair, reasonable and nondiscriminatory and so adjusted as in a fair and equitable manner to confer upon and distribute among the users and consumers of commodities and services furnished and sold by the District the benefits of a successful and profitable operation and conduct of the business of the District.

BE IT FURTHER RESOLVED that said Ancillary Services Rate Sheets are hereby fixed, established, approved, and adopted by this Board of Directors to be effective for service provided on and after April 1, 2009.

**It was moved by Director Larsen and seconded by Director Kunze 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. 09-33 adopted.

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:

UPDATE ON NPPD  
INVESTMENTS AND  
CURRENT  
FINANCIAL MARKET  
CONDITIONS

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 February 1, 2009, through February 28, 2009 – 2009 Capital Additions Budget.

It was moved by Director Larsen and seconded by Director Harding that Capital Projects Report No. CSD-1 be approved for the period February 1, 2009, through February 28, 2009 (2009 Capital Additions Budget), which included: 1) Capital Project C/4937, Supplement No. 1, June 2008 Spring Storm Damage, Sub-Transmission; 2) Capital Project C/4938, Supplement No. 1, June 2008 Spring Storm Damage, Distribution; 3) Capital Project C/4939, Supplement No. 1, June 2008 Spring Storm Damage, Extra High Voltage (EHV) Line; 4) Capital Project C/4940, Supplement No. 1, June 2008 Spring Storm Damage, High Voltage (HV) Line; and 5) Capital Project C/5385, Transmission Line 1168A, Replace 5-pole Structure (Neligh – Petersburg). 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 Larsen, Chairman of the Customer and Support Services Committee, recommended the following resolution:

**RESOLUTION NO. 09-34**

WHEREAS, pursuant to and in accordance with law, bids on Contract No. 08-56, Norfolk Operations Center, 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 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 J.E. Dunn Construction Company, Kansas City, Missouri, is the lowest and best evaluated bid on Contract No. 08-56.

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

**RESOLUTION NO.  
09-34 (ADOPTED):  
AWARD CONTRACT  
NO. 08-56, NORFOLK  
OPERATIONS  
CENTER, TO J.E.  
DUNN  
CONSTRUCTION  
COMPANY, FIRM  
BASE BID PRICE OF  
\$14,438,139**

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. 08-56 be accepted by the District:

J.E. Dunn Construction Company, Kansas City, Missouri, firm base bid price of \$14,438,139.

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 J.E. Dunn Construction Company, as provided in the Contract.

**It was moved by Director Larsen 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. 09-34 adopted.

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

**RESOLUTION NO. 09-35**

WHEREAS, pursuant to and in accordance with law, bids on Contract No. 09-24, 115 kV Power Circuit Breakers, have been duly invited, received, opened, read, and tabulated; and

WHEREAS, during the evaluation of the bids, it was determined that all bids received were either non-responsive or in excess of the fair market value for this work; and

WHEREAS, it would be in the best interest of the District to reject the bids received on Contract No. 09-24.

NOW, THEREFORE, BE IT RESOLVED that the bids submitted on Contract No. 09-24 be and hereby are rejected, and that the bid security submitted by the bidders as evidence of good faith be returned to the

**RESOLUTION NO. 09-35 (ADOPTED): REJECT AND REBID CONTRACT NO. 09-24, 115 KV POWER CIRCUIT BREAKERS**

bidders.

BE IT FURTHER RESOLVED that management is hereby directed to reject all bids and that management be authorized to rebid Contract No. 09-24. Prior to rebidding the Contract, the District will contact all of the bidders to discuss the District's technical and commercial requirements for procuring circuit breakers to determine how the District can obtain the most competitive bids to procure the equipment.

**It was moved by Director Larsen 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. 09-35 adopted.

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

**RESOLUTION NO. 09-36**

WHEREAS, pursuant to and in accordance with law, bids on Contract No. 09-27, Canaday T4 230/115 kV Power Transformer, 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 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 Hyundai Heavy Industries Co., Ltd., c/o Hyundai Corp., (USA), Orlando, Florida, is the lowest and best evaluated bid on Contract No. 09-27.

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. 09-27 be accepted by the District:

Hyundai Heavy Industries Co., Ltd., c/o Hyundai Corp., (USA), Orlando, Florida, base bid price of \$3,378,878.

**RESOLUTION NO. 09-36 (ADOPTED):  
AWARD CONTRACT NO. 09-27, CANADAY T4 230/115 KV POWER TRANSFORMER, TO HYUNDAI HEAVY INDUSTRIES CO., LTD., BASE BID PRICE OF \$3,378,878**

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 Hyundai Heavy Industries Co., Ltd., c/o Hyundai Corp., (USA), as provided in the Contract.

**It was moved by Director Larsen 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, Thompson
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	None

Whereupon the Chairman declared Resolution No. 09-36 adopted.

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

**RESOLUTION NO. 09-37**

WHEREAS, pursuant to and in accordance with law, bids on Contract No. 09-29, Control Panels for Harbine and Lowell Substations, 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 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 Keystone Electrical Manufacturing Co., Inc., Des Moines, Iowa, is the lowest and best evaluated bid on Contract No. 09-29.

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. 09-29 be accepted by the District:

Keystone Electrical Manufacturing Co., Inc.,  
Des Moines, Iowa, firm base bid price of  
\$243,497.44.

**RESOLUTION NO.  
09-37 (ADOPTED):  
AWARD CONTRACT  
NO. 09-29, CONTROL  
PANELS FOR  
HARBINE AND  
LOWELL  
SUBSTATIONS, TO  
KEYSTONE  
ELECTRICAL  
MANUFACTURING  
CO., INC., FIRM  
BASE BID PRICE OF  
\$243,497.44**

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 Keystone Electrical Manufacturing Co., Inc., as provided in the Contract.

**It was moved by Director Larsen 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. 09-37 adopted.

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

**RESOLUTION NO. 09-38**

WHEREAS, pursuant to and in accordance with law, bids on Contract No. 09-30, Pole and Large Material Handler, 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 date, and the needs of the District, this Board has determined and does hereby find that the bid of Titan Machinery, Inc., Lincoln, Nebraska, is the lowest and best evaluated bid on Contract No. 09-30.

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. 09-30 be accepted by the District:

**RESOLUTION NO. 09-38 (ADOPTED):  
AWARD CONTRACT NO. 09-30, POLE AND LARGE MATERIAL HANDLER, TO TITAN MACHINERY, INC., FIRM BASE BID PRICE OF \$387,142**

Titan Machinery, Inc., Lincoln, Nebraska, firm base bid price of \$387,142.

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 Titan Machinery, Inc., as provided in the Contract.

**It was moved by Director Larsen and seconded by Director Kunze 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. 09-38 adopted.

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 1 – Customer Services and Delivery), which included: 1) Agreement with HDR Engineering, Inc., which provided for an individual to perform construction coordination services for the Norfolk Operations Center from March 13, 2009, through approximately December 31, 2010; and 2) Amendment No. 2 to the Agreement with HDR Engineering, Inc., which provided for additional architectural and engineering design services for the Norfolk Operations Center from March 31, 2009, through approximately December 31, 2010.

**It was moved by Director Larsen and seconded by Director Froehlich that the Request for Approval of Procurements for Services, Equipment and/or Materials for Items \$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  
PROCUREMENTS  
FOR SERVICES,  
EQUIPMENT AND/OR  
MATERIALS FOR  
ITEMS \$100,000 AND  
ABOVE (PART 1 –  
CUSTOMER  
SERVICES AND  
DELIVERY)**

Whereupon the Chairman declared the motion carried.

Director Boyd temporarily stepped out of the room.

Director Larsen, Chairman of the Customer and Support Services Committee, recommended approval of the District's Identity Theft Prevention Program Procedure.

**It was moved by Director Larsen and seconded by Director Chlopek that the Board approve the District Procedure for the Identity Theft Prevention Program. 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

**MOTION (CARRIED):  
APPROVE NPPD  
IDENTITY THEFT  
PREVENTION  
PROGRAM**

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 the status of pole deliveries, a review of ETR project activities, an update on substation upgrade projects associated with the new transmission line, and an overview of public communications related to the project.

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

Director Boyd entered the room.

In accordance with the Political Subdivision Self-Funding Benefits Act, the Board was provided, prior to the meeting, the 2008 Annual Report of the NPPD Hospital-Medical Benefit Plan for review and consideration.

**It was moved by Director Larsen and seconded by Director Harding that the Board approve the 2008 Annual Report of the NPPD Hospital-Medical Benefit Plan.**

**MOTION (CARRIED):  
APPROVE 2008  
ANNUAL REPORT  
OF NPPD  
HOSPITAL-MEDICAL  
PLAN**

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 Committee also heard reports on the following matters: 1) Energy Risk Management Report; 2) Capital Projects Report No. CSD-2; 3) Customer Services and Delivery Look-Ahead for April 2009; and 4) 2009 Merit Increase Results.

CUSTOMER AND SUPPORT SERVICES COMMITTEE REPORT

**It was moved by Director Kunze and seconded by Director Larsen that the Board go into Executive Session at 10:34 a.m. to discuss proprietary business matters and contract matters, and to obtain legal advice. Votes were cast and recorded as follows:**

**MOTION (CARRIED): GO INTO EXECUTIVE SESSION AT 10:34 A.M. TO DISCUSS PROPRIETARY BUSINESS MATTERS AND CONTRACT MATTERS, AND TO OBTAIN LEGAL ADVICE**

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 to go into Executive Session to discuss proprietary business matters and contract matters, and to obtain legal advice.

**It was moved by Director Kunze and seconded by Director Harding that the Board come out of Executive Session at 10:44 a.m. Votes were cast and recorded as follows:**

**MOTION (CARRIED): COME OUT OF EXECUTIVE SESSION AT 10:44 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 10:48 a.m.

ADJOURNMENT 10:48 A.M.

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

Minutes approved at the meeting of April 8-9, 2009

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

**ATTACHMENT TO MINUTES OF  
REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF  
MARCH 12-13, 2009**

The following is a summary of the annual salaries approved by the Board of Directors on March 13, 2009, for the following individuals:

<u>NAME/POSITION</u>	<u>ANNUAL SALARY EFFECTIVE 3/1/09</u>
Donna K. Starzec Assistant Treasurer and Controller	\$152,000
Janette H. Modelski Assistant Secretary	\$ 56,000

<u>NAME/POSITION</u>	<u>ANNUAL SALARY EFFECTIVE 4/1/09</u>
Ronald D. Asche President and Chief Executive Officer	\$367,500
Stewart B. Minahan Vice-President and Chief Nuclear Officer	\$273,156*
Brian J. O'Grady Site Vice-President	\$267,800*
Patrick L. Pope Vice-President and Chief Operating Officer	\$252,000
Michael E. (Ed) Wagner Vice-President of Customer Services	\$230,000
Traci L. Bender Vice-President and Chief Financial Officer/Treasurer	\$228,000
John C. McClure Vice-President of Governmental Affairs and General Counsel	\$228,000
Roy A. Steiner Vice-President of Human Resources and Corporate Support	\$206,000

\*The Vice-President and Chief Nuclear Officer's and the Site Vice-President's salaries are set by Entergy Nuclear Nebraska, L.L.C., and reimbursed by NPPD.

**LEASE OF HYBRID VEHICLE**  
**(For President and CEO only)**

At the Board of Directors meeting on March 13, 2009, the Board approved the lease of a hybrid vehicle for use by President and CEO Ronald D. Ashe.

**REPORT ON RETIREMENTS AND  
FORMER DISTRICT EMPLOYEE REHIRES  
MARCH 2009 BOARD MEETING**

**RETIREMENTS**

1. John C. Meister, Warehouse Attendant, Operations Center, York, was employed on January 3, 1977, and retired as of February 11, 2009.
2. William D. Leslie, Technical Operations Center Analyst, Operations Center, York, was employed on August 16, 1989, and retired as of February 27, 2009.
3. Fred D. Humm, Security Officer, Cooper Nuclear Station, Brownville, was employed on February 1, 1998, and is retiring as of March 31, 2009.

**REHIRES**

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:

Ralph E. Olson was employed by NPPD on February 24, 1975. Ralph retired from the position of Engineering Technician in Engineering Lines and Substations at the Columbus General Office, effective July 31, 2008. He was rehired as Part-Time Engineering Technician in Lines and Substations at the Columbus General Office, effective February 18, 2009.

Jimmie D. Blex was employed as a Temporary Lead Mechanic Coordinator at Cooper Nuclear Station on August 7, 1995; his position ended December 8, 1995. Jimmie was rehired on December 2, 2002, as Temporary Field Coordinator, and resigned January 31, 2003. He was rehired on September 19, 2006, as Temporary Maintenance Coordinator; his position ended November 15, 2006. He was rehired February 26, 2008, as Temporary Outage Maintenance Coordinator, with his position ending May 14, 2008. Jimmie has been rehired as Temporary Field Coordinator, effective February 23, 2009.