

**Minutes of the 174th Regular Meeting of the Board of Directors
Northeast Nebraska Public Power District**

The 174th regular meeting of the Northeast Nebraska Public Power District was called to order at 7:36 p.m. on May 22, 2012, by President Don Larsen, who chaired the meeting. This meeting was held in the District's General Office in Wayne, NE. President Larsen announced the meeting was being conducted pursuant to the Nebraska Open Meetings Law and pointed out the location of the law in the meeting room.

Notice of this meeting was posted at all facilities of Northeast Nebraska Public Power District and was delivered by first class mail to the City Hall offices of the following towns and villages: Allen, Carroll, Concord, Dixon, Emerson, Foster, Hoskins, Hubbard, Jackson, Martinsburg, Maskell, McLean, Newcastle, Obert, Osmond, Pierce, Ponca, Thurston, Waterbury, Wayne, and Winside. Notice was also sent to the following newspapers: Nebraska Journal Leader, Norfolk Daily News, Norfolk Shopper, Pender Times, Pierce County Leader, Osmond Republican, Randolph Times, South Sioux City Star, Wakefield Republican, and Wayne Herald.

The following Officers and Directors were present:

Director Lebsock Director Birkley Director Silhacek

Director Larsen Director Gansebom Director Kneifl

Directors Absent: Director Gustafson, Director Bodlak

Others present: Mark Shults, Kyle Dahl, Jan Kristjanson, Randy Belt, and Mandy Backer.

A motion was made by Director Silhacek to excuse Director Gustafson's, and Director Bodlak's absence from the meeting, which was seconded by Director Kneifl. The motion carried on

a 6-0 vote. Also, Director Kneifl was appointed acting secretary for the meeting in the absence of Director Gustafson.

Review and approve minutes of the April 24, 2012 Regular Board of Directors meeting: Following a review of the minutes, a few corrections were noted, and then a motion was made by Director Lebsock to approve the minutes of the April 24, 2012 Regular Board Meeting, with corrections. The motion was seconded by Director Kneifl and was approved on a 6-0 voice vote.

Review and approve minutes of the May 8, 2012 Safety Meeting: Following a review of the minutes, a motion was made by Director Silhacek to approve the minutes of the May 8, 2012 Safety Meeting. The motion was seconded by Director Birkley and was approved on a 6-0 voice vote.

Public Comment Period: None.

Authorization of April 2012 Expenses: There was a brief discussion of various expenses, followed by a motion to approve the April 2012 expenses made by Director Gansebom, and seconded by Director Lebsock.

The following roll call vote was taken upon the motion:

Director Larsen - yes	Director Gustafson - (absent)
Director Silhacek - yes	Director Birkley - yes
Director Gansebom - yes	Director Lebsock - yes
Director Kneifl - yes	Director Bodlak - (absent)

All directors present voting yes, the motion carried 6-0.

Director Bodlak arrived at 8:07 p.m.

April 2012 Financial Statements. Mark Shults reported the District is generally in good shape financially, but pointed out a couple of items to note. First, he noted that although there is a loss in revenue, it is actually being offset by lower expenses. He also noted that the payroll expenses are actually lower now than it was in 2004, and that the budget has generally stabilized. After a brief discussion, Director Birkley made a motion to approve the February 2012 Financial Statements. The motion was seconded by Director Bodlak. The motion carried on a 7-0 voice vote.

Management Reports:

1. Mandy Backer: Mandy reported on a couple of refunds, including one that is coming for Dennis Rutar. Scott Abraham is researching staking equipment, and RVW, Inc., will be coming in the near future to do a demonstration of the technology. She also gave reports, the automated fuel inventory system that has been ordered, Dueco's routine checkups on the trucks, and that to date, the District has set 240 poles.

2. Jan Kristjanson: Jan reported that the District is accepting bids for its liability insurance for 2013; that the work on the cost of service study is continuing; that there are lots of refund checks for the "budget-billing" customers that will be issued next month due to the low demand during the mild winter.

3. Randy Belt: Randy reported on a number of items, including the following: 1) the schedule outage in Ponca went better than planned. The transformers were changed out as well as some other maintenance issues were addressed; 2) replacement of switches in the City of Wakefield and City of Wayne's lines; 3) the Safety Meeting from May 8; and 4) progress on three-phase upgrades and pole change-outs.

4. Mark Shults: Mark noted that most of the items he wants to report on would be handled in the discussion items, but he did provide some feedback that he has received on the "we" connection changeout and that communications with the G&T are continuing.

Old Business: Response to the Winnebago Wind Project on terms for interconnecting to the District's 69 kV line near Emerson, NE. This item was not discussed as there were no additional items to discuss. The Board and management are awaiting further information from the Wind project.

New Business:

1. Resolution 2012-05-01. Resolution to Accept the 2011 Financial Audit. The Board briefly discussed the audit report, which was provided to them before the meeting. There were no concerns or questions from the Board. Director Lebsack then made a motion to approve the resolution, which was seconded by Director Kneifl. The motion carried on a 7-0 voice vote.

2. Resolution 2012-05-02. Routine review of Policy 11-08 to review the fees and charges applied to collection visits and late notices. Mandy Backer presented some information about the costs and charges related to late payment fees, and trip changes. Then following a review of the policy and a brief discussion between the Board and management, Director Kneifl made a motion to approve the resolution, provided that the policy be updated to remove the reference to "Direct TV" services, which was seconded by Director Bodlak. The motion carried on a 7-0 voice vote.

3. Review and discussion of NPPD's responses to questions about their Generation Options Analysis around the upgrade of the Cooper Nuclear Station. Mark Shults presented

some information about NPPD's responses, and a brief discussion was had, but no official action or votes were taken by the Board.

4. Discussion of potential topics for the Annual Planning meeting in July. This topic was tabled for next month's meeting.

Board Member Reports: None.

Executive Session: President Larsen asked if there was any need for the Board to go into executive session. No one made a motion for the Board to go into executive session and no executive session was had.

Director Kneifl made a motion to adjourn the meeting, which was seconded by Director Lebsock. The motion carried on a 7-0 voice vote. The meeting was adjourned at 10:24 p.m.

I, the undersigned, secretary of the Northeast Nebraska Public Power District, Wayne, Nebraska, hereby certify that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current, and available for public inspection at the office of the District; that minutes of the District were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meeting of said body were provided advance notification of the time and place of said meeting and the subject matters to be discussed at said meeting.

Secretary

Attest: _____
President