

**Minutes of the 177th Regular Meeting of the Board of Directors
Northeast Nebraska Public Power District**

The 177th regular meeting of the Northeast Nebraska Public Power District was called to order at 12:45 p.m., on August 28th, 2012, by President Don Larsen, who chaired the meeting. This meeting was held in the power district's General Office in Wayne, NE. President Larsen announced that 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:

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| Director Bodlak | Director Ganseboom | Director Gustafson | |
| Director Silhacek | Director Larsen | Director Kneifl | Director Lebsock |

Directors Absent: Birkley

Others present: Mark Shults, Kyle Dahl, Jan Kristjanson, Randy Belt, Mandy Backer, Randy Gamble, Darrin Bloomquist (Nebraska G&T), Bruce Pontow (Nebraska G&T), Lowell Johnson (City of Wayne, Nebraska), Gary Poutre (City of Wayne, Nebraska), Larry Arens (NPPD), Lance Hedquist (City of South Sioux City, Nebraska); Jim McNally (City of Neligh, Nebraska), Joe McNally, (City of Neligh, Nebraska).

Review and approve minutes of the July 24, 2012 regular board of directors meeting: Director Lebsock made a motion to approve the minutes of the July 24, 2012 Regular Board Meeting, with a minor correction, which was seconded by Director Gustafson and was approved on a 7-0 voice vote.

Public Comment Period: There was a presentation by Jim McNally and Joe McNally, attorneys for the City of Neligh on the recent experience with production and purchasing of wholesale power, followed by a brief discussion between the Board and other guests. This was a discussion item only and no vote was had and no official action was taken by the Board.

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

The following roll call vote was taken upon the motion:

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| Director Larsen – yes | Director Gustafson – yes | Director Silhacek – yes |
| Director Birkley – (absent) | Director Ganseboom – yes | Director Lebsock – yes |
| Director Kneifl – yes | Director Bodlak - yes | |

All directors present voting yes, the motion carried 7-0

Financial Statements for July 2012: Mark Shults presented some information about the July 2012 financial statements. He reported that while there have been some figures may appear to be off because of the reporting, the District remains in good financial shape in 2012 and expenses continue to be relatively on par with the budget estimates. After a brief discussion, Director Gansebom made a motion to approve the financial statements for July 2012, which was seconded by Director Silhacek, which was approved on a 7-0 voice vote.

Director Bodlak left the meeting at 2:49 p.m.

Management Reports:

1. Mandy Backer: Mandy gave a report on purchasing options with Randy Gamble, and helped to facilitate a discussion with the Board on options regarding the reporting of credit card purchase for the Board's monthly review. With the District's purchasing card program, more purchases are being made with credit cards, and fewer purchases are being made using checks, so the way the information is presented to the Board on a monthly basis is changed, and the information needs to be presented in a way that is meaningful to the Board and not too burdensome for the staff to compile.
2. Jan Kristjanson: Jan reported on the fact that Amanda Schweers has taken another position and that the District is advertising for a new billing clerk position. She also noted that the District's Charitable Foundation dispersed another \$6,700 to local organizations in August.
3. Randy Belt: Randy reported on various projects that linemen have been working on including the fact that the work on the Winside substation is now complete and that the District will be having a demonstration at the Ponca Outdoor Expo again this year. He also noted that PCB testing in the town of Ponca will be completed soon.
4. Mark Shults: Mark gave a reports on a number of items, including an NRECA Board Education program, that Butler County Public Power District is having a strategic planning session soon, and that negotiations with the union begin on September 6.

Old Business:

1. Discussion about Director Districts as defined by the District's Charter. Mark Shults informed the Board that effective September 1, 2012, Director Lowell Birkley was resigning his position. The Board, Management and the District's attorney discussed the procedures for appointing a replacement to serve out the remainder of Director Birkley's term, and as well how the Board could reach out to persons in Director Birkley's subdivision who may be interested in serving on the Board.

New Business:

1. Resolution 2012-08-01. Creation of a new position for engineering database technician. Mark Shults presented the reasoning why the new position was needed, and after a brief discussion, Director Lebsock made a motion to approve the resolution, which was seconded by Director Gustafson. The motion carried on a 6-0 voice vote.
2. Resolution 2012-08-02. Updates to Policy 11-06 about application for service & billing practices and updates to Policy 11-08 about collection procedures on returned checks. Mark Shults presented some information about the reason for the updates and then a motion was made by Director Gustafson to approve the resolution, which was seconded by Director Gansebom. The motion carried on a 6-0 voice vote.
3. Resolution 2012-08-03. Resolution to retain Kyle C. Dahl as General Counsel. District General Counsel Kyle Dahl informed the Board that he has left his full-time position with the law firm of Jewell & Collins in Norfolk to open his own practice in Wayne. After a

brief discussion, Director Silhacek made a motion to approve the resolution, which was seconded by Director Ganesbom. The motion carried on a 6-0 voice vote.

4. Resolution 2012-08-04. Resolution authorizing routine amendments to the District's Pension and 401 K plans for employees. Mark Shults explained the need for the Board to approve the updated Plan, which is sponsored and administered by NRECA in order for the Plan to comply with new rulings, regulations, and other legislations. After a brief discussion, Director Lebsock made a motion to approve the resolution, which was seconded by Director Kneifl.

Director Gustafson left the meeting at 4:09 p.m.

Board Member Reports: There was a brief discussion between the Board and Management about the type of form that was to be used for the Board's annual self-assessment report.

Executive Session: Director Larsen asked if there was any need for an executive session, and no stated any need for an executive session, so none was had.

There was then a motion to adjourn the meeting made by Director Kneifl and seconded by Director Silhacek and was approved 5-0 on a voice vote. The meeting was adjourned at 4:46 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