

**Minutes of the 178<sup>th</sup> Regular Meeting of the Board of Directors  
Northeast Nebraska Public Power District**

The 178<sup>th</sup> regular meeting of the Northeast Nebraska Public Power District was called to order at 7:33 p.m., on September 25th, 2012, by President Don Larsen. 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:

<b>Director Gansebom</b>	<b>Director Silhacek</b>	<b>Director Gustafson</b>
<b>Director Larsen</b>	<b>Director Kneifl</b>	<b>Director Lebsock</b>
<b>Director Bodlak</b>		

Directors Absent: None.

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

President Larsen noted that Director Birkley's seat on the Board is now vacant as Director Birkley submitted his written resignation to the Board effective September 1, 2012. Director Silhacek made a motion to accept Director Birkely's resignation with thanks for his years of service, which was seconded by Director Lebsock. The motion carried on a 7-0 voice vote.

Review and approve minutes of the August 28, 2012 regular board of directors meeting: A few corrections were noted and then Director Kneifl made a motion to approve the minutes of the August 28, 2012 Regular Board Meeting with corrections, which was seconded by Director Silhacek and was approved 7-0 on a voice vote.

Public Comment Period: None

Financial Statements for August 2012: Mark Shults presented some information of the financial reports for August 2012, noting that although it was a bumpy start to the year, almost half of the sales this summer are from irrigation, and the numbers are coming into line with the projections for the year. Mark emphasized that all things considered, the District is having a very good year—sales are up, expenses are down, and the customer is

getting good value. Then there was a brief discussion followed by a motion to approve the August 2012 Financial Statements by Director Gustafson and seconded by Director Kneifl. The motion carried on a 7-0 voice vote.

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

The following roll call vote was taken upon the motion:

Director Larsen – yes	Director Gustafson – yes	
Director Silhacek – yes	Director Kneifl – yes	
Director Gansebom – yes	Director Bodlak – yes	Director Lebsock - yes

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

Management Reports:

1. Mandy Backer: Mandy discussed some of the expenses they have incurred recently on the trucks, and that they are considering what expenses to budget for next year, as they currently have four trucks out for repairs. She also noted that the new fuel pump systems are working well and that over the long term they hope to be able to better track the fuel inventory. She will also be attending an NRECA supply management meeting in Tennessee next week.
2. Jan Kristjanson: Jan reported on the following items: 1) the results of the Touchstone Energy customer survey should be completed by the end of October; 2) SEDC's new prepay module, including the process and procedures to administer that program; 3) the insurance bid process for the District's property, liability, worker's compensation and health insurance; 4) the District's Charitable Foundation giving; 5) the recent hire of Jessica Smalley as a billing clerk; and 6) the procedure for filling out expense reports online.
3. Randy Belt: Randy provided information on various projects including the completion of the Winside substation, work on the Pierce T2 lines. He also gave a report on an accident involving a lineman last week, and that they are continuing to do safety demonstrations at various towns including upcoming demonstrations at Pender and Hubbard.
4. Mark Shults: Mark did not have anything to report at this time, but would wait until the discussion items under "new business" on the agenda.

Old Business: None.

New Business:

- 1) Resolution 2012-09-01. Approval of the Collective Bargaining Agreement for years 2013-2016. Mark Shults presented some information on the new Collective Bargaining Agreement, and some the changes that were made. Following a brief discussion,

Director Lebsock made a motion to approve the resolution, which was seconded by Director Bodlak. The motion passed on a 7-0 voice vote.

- 2) Resolution 2012-09-02. Approval of Salary Ranges for non-union positions for 2013. Mark Shults presented some information on the proposed salary ranges for the non-union positions and discussed some long-term personnel planning issues with the Board. A motion was then made by Director Bodlak, which was seconded by Director Kneifl. The motion passed on a 7-0 voice vote.
- 3) Discussion of proposed practices required to implement pre-pay metering and billing and required policy guidance. This item was discussed by the Board during Jan Kristjanson's management report. This was a discussion item only and no official action or votes were taken on the issue.
- 4) Resolution 2012-09-03. Resolution to authorize the execution of a confidentiality agreement with TradeWind LLC to receive bulk power pricing information. Mark Shults explained the request by Trade Wind LLC to enter into a confidentiality agreement with the District. This was a standard confidentiality agreement that TradeWind LLC had requested the District to sign so that discussions could continue without fear of disclosure of confidential pricing or business information to third parties. A motion was made by Director Gansebom and seconded by Director Gustafson. The motion carried on a 7-0 voice vote.
- 5) Discussion regarding the risk/benefit to rate payers of a legislated Renewables Portfolio Standard for wholesale power production. Mark Shults presented some information to the Board, and a discussion was had about some of the risks and benefits of a legislated Renewables Portfolio Standard. This was a discussion item only, and no votes or official actions were taken by the Board on the issue.
- 6) Discussion of proposed changes by NPPD to their irrigation control practices and the proposed Green Power Rate. Mark Shults presented some information to the Board, and a discussion was had about some proposed changes by NPPD. This was a discussion item only, and no votes or official actions were taken by the Board on the issue.
- 7) Discussion of possible alternative dates for the December 2012 meeting. Due to busy schedules and holidays during the month of December, the board discussed, and agreed to move the December Regular Board Meeting to the week of December 16<sup>th</sup>.

A break was taken at 10:26 p.m. The Board reconvened at 10:35 p.m.

- 8) Annual performance evaluation for the General Manager. A motion was made by Director Birkley to go into executive session to discuss the performance evaluation of general manager Mark Shults. The following roll call vote was taken upon the motion:

Director Larsen – yes	Director Gustafson – yes	Director Bodlak – yes
Director Silhacek – yes	Director Kneifl – yes	Director Lebsock - yes
	Director Gansebom – yes	

The board entered executive session at 10:36 p.m. The board then came out of executive session at 11:59 p.m., at which time there was a motion to approve the 2013 salary and benefits of the General Manager as discussed by the Board and the General Manager by

Director Lebsock, seconded by Director Bodlak. The motion passed on a 7-0 voice vote.

Board Member Reports: Director Gustafson gave a report on a recent NNPPD Board Meeting.

There was then a motion to adjourn the meeting made by Director Kneifl and seconded by Director Gustafson and was approved 7-0 on a voice vote. The meeting was adjourned at 12:10 a.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