

**Minutes of the 179th Regular Meeting of the Board of Directors
Northeast Nebraska Public Power District**

The 179th regular meeting of the Northeast Nebraska Public Power District was called to order at 1:18 p.m., on October 23rd, 2012, by President Don Larsen. This meeting was held in the 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:

Director Gansebom	Director Silhacek	Director Gustafson
Director Larsen	Director Kneifl	Director Lebsock
Director Bodlak		

Directors Absent: None.

Others present: Mark Shults, Kyle Dahl, Jan Kristjanson, Randy Belt, Mandy Backer, Gene Lutt, Butch Meyer.

Review and approve minutes of the September 25, 2012 regular board of directors meeting: A few corrections were noted and then Director Kneifl made a motion to approve the minutes of the September 25, 2012 Regular Board Meeting with corrections, which was seconded by Director Bodlak and was approved 7-0 on a voice vote.

Public Comment Period: District customers Gene Lutt and Butch Meyer came to the meeting to present their concerns and questions about whether the District has any authority to assist in disputes between landowners when irrigators are causing domestic wells to run dry. A brief discussion was had about the situation, and the District's ability to regulate electric use for irrigation systems, but no official vote or action was taken by the Board.

Financial Statements for September 2012: Mark Shults presented some information of the financial reports for September 2012, and emphasized the District's expenditures. He noted that 60% to 75% of the District's total expenditures are due to wholesale power costs, and that overall the increases in the District's expenditures over the last few years are primarily due to the increases in wholesale power, and the District's other expenditures have generally remained flat. Then there was a brief discussion followed by a motion to approve the September 2012 Financial Statements by Director Gustafson and seconded by Director Kneifl. The motion carried on a 7-0 voice vote.

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

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 gave reports on the NRECA training seminar she attended recently, unclaimed property that is still in the District's possession in the form of refunds or deposits that were never claimed by the customers. She also discussed some information for the 2013 budget, including big ticket items and the District's vehicle plan.
2. Jan Kristjanson: Jan discussed some of the initial results of the Touchstone Energy customer satisfaction survey, as well as the fact that the District is waiting for quotes back on property and liability insurance bids, and that they should be ready for the Board to vote on at the November meeting. She also reported that the District should receive approximately \$22,600 in the form of a rebate as part of the US Bank purchasing card program.
3. Randy Belt: Randy reported on a number of items including: a few power lines were downed with the severe winds recently, the District is trying to shorten span length in some areas, NPPD is doing some transmission line work in the District's territory, substation work is continuing, an employee accident, and tree spraying.
4. Mark Shults: Mark provided some information about distributions from the District's Charitable Fund, an aid to construction estimate for a new proposed new CVA complex, and that there is a big project potentially coming near the Twin Church substation.

Old Business: None.

A break was taken at 3:30 p.m. The Board reconvened at 3:45 p.m.

New Business:

- 1) Resolution 2012-10-01. Resolution to create the position of engineer. Mark Shults reviewed the reasoning and justification for the position, and following a brief discussion, Director Gustafson made a motion to approve the resolution, which was seconded by Director Kneifl. The motion passed on a 7-0 voice vote.
- 2) Resolution 2012-10-02. Resolution to approve personal goals and objectives for the general manger. Mark Shults presented his proposed goals and objectives for 2013 to the Board, after incorporating Mark's and the Board's suggestions. After a brief discussion, Director Gustafson made a motion to approve the resolution, which was seconded by Director Lebsock. The motion passed on a 7-0 voice vote.
- 3) Resolution 2012-10-03. Resolution to amend board policy 10-11 establishing recognition

for years of service by employees. Mark Shults provided the reasoning for the change in the policy. After a brief discussion, the Director Silhacek made a motion to approve the resolution, which was seconded by Director Kneifl. The motion carried on a 7-0 voice vote.

- 4) Resolution 2012-10-04. Resolution to name to the NENPPD board of directors to fill a vacancy in District six. A motion was made by Director Gansebom, which was seconded by Director Lebsock to go into executive session to discuss the candidates for appointment to fill the vacant seat on the Board. 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 4:40 p.m. The board then came out of executive session at 5:08 p.m., at which time there was a motion made by Director Gustafson to appoint Diane Newton to the Board of Directors to fill the remaining term of Lowell Birkley, who resigned his seat. The motion passed on a 7-0 voice vote.

Board Member Reports: Director Larsen expressed condolences to Director Bodlak on this loss of his mother, and gave a report on the fact that two directors on the NNPPD Charitable Foundation Meeting are scheduled to rotate off the board soon, and Director Silhacek gave a report on a NRECA Regional meeting he attended.

There was then a motion to adjourn the meeting made by Director Kneifl and seconded by Director Lebsock and was approved 7-0 on a voice vote. The meeting was adjourned at 5:37 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