

**Minutes of the 189th Regular Meeting of the Board of Directors  
Northeast Nebraska Public Power District**

The 189th regular meeting of the Northeast Nebraska Public Power District was called to order at 1:00 p.m., on August 27th, 2013, 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:

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

Directors Absent: **Director Bodlak.**

Others present: Mark Shults, Kyle Dahl, Mandy Backer, Jan Kristjanson, and Kevin Pollard, NeNPPD; Todd Hegwer - Timberline Consulting; Lowell Johnson from the City of Wayne; Lance Hedquest from the City of South Sioux City; Jim Litchfield from the City of Wakefield; and Norma Hyeck and Dick McCabe from City of Emerson; Bruce Pontow and Darrin Bloomquist from Nebraska Generation and Transmission Cooperative, Inc. Management team absent: Randy Belt.

1. Review and approve minutes of the July 23, 2013 regular Board of Directors Meeting: Director Kneifl made a motion to approve the minutes of the July 23, 2013 Regular Board Meeting with corrections, which was seconded by Director Newton and approved 7-0 on a voice vote.
2. Review and approve minutes of the June 28, 2013 Safety Meeting: Director Lebsock made a motion to approve the minutes of the June 28, 2013 Safety Meeting with corrections, which was seconded by Director Silhacek and approved 7-0 on a voice vote.
3. Public Comment Period: None

Executive Session for the purpose of discussing potential litigation, real estate and personnel issues: Director Gansebom made a motion for the Board to go into executive session to discuss the District's options regarding the request for proposals for bulk power supply. The motion was seconded by Director Kneifl.

The following roll call vote was taken upon the motion:

Director Larsen - yes	Director Gustafson - yes	Director Silhacek - yes
Director Kneifl - yes	Director Newton - yes	Director Gansebom - yes

Director Bodlak – (absent)

Director Lebsock - yes

All directors present voting yes, the chairman declared the motion carried 7-0, and the Board went into executive session at 1:07 p.m.

Director Silhacek made a motion to come out of Executive Session at which was seconded by Director Newton. The motion carried on a 7-0 voice vote and the Board came out of executive session at 2:29 p.m.

4. Authorization of July 2013 expenses. There was a brief discussion of various expenses, followed by a motion to approve the July 2013 expenses made by Director Gustafson and seconded by Director Newton.

The following roll call vote was taken upon the motion:

Director Larsen - yes

Director Gustafson - yes

Director Silhacek - yes

Director Kneifl - yes

Director Newton - yes

Director Gansebom - yes

Director Bodlak – (absent)

Director Lebsock - yes

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

5. Briefing by Bruce Pontow, Nebraska Generation and Transmission Cooperative, Inc. to the Board. Bruce Pontow and Darrin Bloomquist from Nebraska G&T presented their thoughts to the Board and management on the issue of the District’s contract with the Nebraska G&T, and in particular the one-year notice of termination provision. This was a discussion item only and no official action or votes were taken by the Board.

6. Review and Approve the June 2013 Financial Statements. The Board reviewed the June 2013 Financial Statements with Management and Mark Shults noted that the District is in good financial condition through the first half of the year. A motion was then made by Director Kneifl to approve the June 2013 Financial Statements which was seconded by Director Gustafson. The motion carried on a 7-0 voice vote.

7. Review and Approve the July 2013 Financial Statements. The Board also reviewed the July 2013 Financial Statements with Management. A motion was then made by Director Kneifl to approve the July 2013 Financial Statements which was seconded by Director Silhacek. The motion carried on a 7-0 voice vote.

Old Business: None.

New Business:

1) Resolution 2013-08-01. Resolution to approve the salary ranges for non-union employees and staff members. Mark Shults presented the proposed salary ranges and after a brief discussion, Director Silhacek made a motion to approve the resolution, which was seconded by Director Lebsock. The motion carried on a 7-0 voice vote.

2) Resolution 2013-08-02. Resolution to withdraw the District’s membership from the Nebraska Generation and Transmission Cooperative to permit a partial power supply arrangement with NNPD. Mark Shults explained that the resolution does not specifically withdraw the District’s

membership or give notice to terminate the contract with the G&T, but rather asked for the G&T's cooperation in allowing NNPPD to transition to a direct contract with NPPD. After a brief discussion, a motion was made by Director Gustafson to approve the resolution, which was seconded by Director Silhacek.

The following roll call vote was taken upon the motion:

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

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

Management Reports:

- 1) Jan Kristjanson – Jan reported on various items including a statement of cash flows and service order spreadsheet.
- 2) Mandy Backer – Mandy reported on various items including the fact that Lydell Heggemeyer will be out on disability for a time, that the budget is looking like it's on track, and that so far this year the linemen have installed approximately 500 poles.
- 3) Mandy reported for Randy Belt – on the status of various projects he and the line crew are completing, including a recent 6-mile stretch of three-phase line and transformer replacements. She also noted that the summer interns are finishing up their work and will be returning to school shortly.
- 4) Kevin Pollard – Kevin reported that the progress with Pierce has slowed although there is a contract in front of them. He also noted the progress that the District has made with the updated mapping software systems.
- 5) Mark Shults – Mark presented some information about customer Shane Conley's complaint regarding a cut water line and the lack of compensation or waiver of charges provided to him.

Executive Session for the purpose of discussing potential litigation, real estate and personnel issues: Director Silhacek made a motion for the Board to go into executive session to discuss the additional options regarding wholesale power supply and the general manager's annual review. The motion was seconded by Director Newton.

The following roll call vote was taken upon the motion:

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

All directors present voting yes, the chairman declared the motion carried 8-0, and the Board went into executive session at 4:48 p.m.

Director Kneifl made a motion to come out of Executive Session, which was seconded by Director Gustafson. The motion carried on a 7-0 voice vote and the Board came out of executive session at 5:53 p.m.

There was then a motion to adjourn the meeting made by Director Gansebom and seconded by Director Newton and was approved 7-0 on a voice vote. The meeting was adjourned at 5:54 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