

**Minutes of the 218th Regular Meeting of the Board of Directors
Northeast Nebraska Public Power District**

The 218th regular meeting of the Northeast Nebraska Public Power District was called to order at 1:00 p.m., on January 19th, 2016, by President Don Larsen. This meeting was held in the District's General Office in Wayne, NE. Director 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, South Sioux City, Thurston, Waterbury, Wakefield, 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 Directors were present:

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| Director Larsen | Director Silhacek |
| Director Gustafson | Director Gansebom |
| Director Bodlak | Director Newton |

Directors Absent: **Director Lebsock, Director Kneifl**

Others present: Mandy Backer, Jan Kristjanson, Matt Sorensen, Mark Shults, from NeNPPD; David Armstrong, customer; Nick Bowdish, CEO Siouxland Ethanol.

Director Bodlak made a motion to excuse Director Kneifl's and Director Lebsock's absence from the meeting, which was seconded by Director Newton. The motion carried on a 6-0 voice vote.

1. Review and approve the minutes of the December 22, 2015 regular Board of Directors Meeting: The minutes of the December 22, 2015 regular Board of Directors Meeting were presented and reviewed by the Board. Director Gansebom made a motion to approve the minutes from the December 22, 2015 Board of Directors Meeting, with corrections. The motion was seconded by Director Gustafson. The motion carried on a 6-0 voice vote.
2. Review and approve the minutes of the December 11, 2015 employee safety meeting: The minutes of the December 11, 2015 employee safety meeting were presented and reviewed by the Board. Director Silhacek made a motion to approve the minutes from the December 2015 employee safety meeting, with corrections. The motion was seconded by Director Newton. The motion carried on a 6-0 voice vote.
3. Public Comment Period: David Armstrong, district customer from rural Dixon County, addressed the board about the relocation of a transmission line structure on his land. The structure was part of the new transmission line between Ponca and Martinsburg. This was a discussion only and no official action was taken and no votes were had.
4. Presentation by Nick Bowdish, CEO Siouxland Ethanol. Mr. Bowdish made a brief presentation to the Board and asked the Board to consider alternatives to the current letter of credit arrangement existing between the District and Siouxland Ethanol. Following the presentation, there was a brief

discussion between the Board and Mr. Bowdish, but no official action was taken on the matter and no votes were had.

There was a break at 2:47 p.m., and the Board reconvened at 3:00 p.m.

5. Approve the December 2015 Expense Report: Management provided information on the December 2015 expenses which were reviewed by the Board. Director Gansebom made a motion to approve the expense report, and Director Newton seconded the motion. The following roll call vote was taken on the motion:

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

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

6. Approve the November 2015 Financial Statements: Management provided some information on the November 2015 financials, which were reviewed by the board. Director Silhacek made a motion to approve the financials and Director Newton seconded the motion. The motion carried with a 6-0 voice vote.

7. Management Reports:

- a. Mandy Backer: Mandy reviewed the company organization chart and explained to the BOD that to aid in training and support opportunities for the Operations department, Randy Gamble and Lydell, Purchasing Agent and Warehousemen, were moved under Matt Sorenson, Operations Manager. They were previously under the Facilities Manager, Mandy Backer. She also informed the Board of the one-line bill adder beginning on the next bill cycle for the protested NPPD wholesale rate increase. She reviewed a letter regarding Delta connections that was sent to a list of customers still needing to upgrade their wiring. She also reviewed the cost of construction for the Wayne to Winside transmission line and the Ponca line.
- b. Matt Sorensen: Matt reported that all of the regular “H” structures are set, the crane was done last Thursday and the angle structures are being set now. He discussed an outage that occurred three weeks ago on the transmission line from NPPD’s Belden Substation. The problem was just east of the Sholes sub about 12 miles out. There is a rebuilt 3 Phase Transformer being installed in the McLean sub. The transformers from the McLean sub are going into the rural Osmond sub.
- c. Kevin Pollard: Kevin discussed the price per mile of the transmission line, and how Northeast is building the transmission line for 1/3 the cost of other companies. He also went over future plans for distribution and transmission projects in 2016.
- d. Jan Kristjanson: Jan reported that the auditing firm has closed its business and that she is now soliciting bids from four other accounting firms.

8. Old Business:

- a. Discuss short term financing of new distribution facilities in the Ponca State Park: The Board approved short term financing of Ponca State Park project.

9. New Business:

- a. Discussion of the Board’s position on energy legislation being introduced in the 2016 Nebraska Legislative session. Director Silhacek made a motion for approving Mark Shults to support LB 824. Director Gustafson seconded the motion, and it carried on a 6-0 voice vote.
- b. Resolution 2016-01-01: Resolution to approve rate schedule AC-1 for purchases from small

wind turbines. Director Silhacek made a motion to approve the resolution, which was seconded by Director Bodlak. The motion passed on a 6-0 voice vote.

- c. Resolution 2016-01-02: Resolution of Corporations, Partnerships, and LLC's with Elkhorn Valley Bank. Director Gansebom made a motion to approve the resolution and Director Bodlak seconded the motion. The motion carried on a 6-0 voice vote.
- d. Resolution 2016-01-03: Resolution Designating, Public Depository, and Authorizing Withdrawal of Municipal Public Moneys for Elkhorn Valley Bank. Director Newton made a motion to approve the resolution, and Director Gansebom seconded the motion. The motion carried on a 6-0 voice vote. This approves a document prepared by Elkhorn Valley Bank as a basis for establishing banking services with Elkhorn Valley Bank.

10. Executive Session: Director Larsen asked if there was any reason to go into executive session. No motions were made to go into executive session and no session was had.

11. Board Member Reports: None.

11. Adjournment. There was a motion to adjourn the meeting made by Director Gustafson and seconded by Director Silhacek and was approved 6-0 on a voice vote. The meeting adjourned at 5:22 pm.

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