

**Minutes of the 230th Regular Meeting of the Board of Directors
Northeast Nebraska Public Power District**

The 230th regular meeting of the Northeast Nebraska Public Power District was called to order at 1:00 p.m., on February 1st, 2017, by President Don Larsen. This meeting was held in the District's General Office in Wayne, NE. Director Larson 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:

Director Larsen	
Director Silhacek	Director Bodlak
Director Gustafson	Director Newton

Directors Absent: **Directors Kneifl, Etter, and Gansebom**

Others present: Mandy Backer, Kevin Pollard, Matt Sorensen, Mark Shults and Kyle Dahl. Director Gansebom was not physically present at the meeting, but participated in the meeting from an out of state location via video conference. However, he was not eligible to vote, and did not vote on any official items presented.

1. Review and approve the minutes of the December 20, 2016 regular Board of Directors Meeting: The minutes of the December 2016 regular Board of Directors Meeting were presented and reviewed by the Board. Director Silhacek made a motion to approve the minutes from the December 2016 Board of Directors Meeting. The motion was seconded by Director Gustafson. The motion carried on an 5-0 voice vote.
2. Public Comment Period: Representatives from St. Peter's Catholic Church in Newcastle, NE were present to discuss a metering issue with the Board.
3. Adjourn as 2016 Board and Reconvene as 2017 Board. Director Gustafson made a motion to Adjourn as the 2016 Board and to reconvene as the 2017 Board. The motion was seconded by Director Newton and the motion passed on a 5-0 voice vote.
4. Swearing in of Board Members. Attorney Kyle Dahl administered the Oath of Office to Director Bodlak and Director Nelson.

5. Election of Officers for 2017 Board. The District's attorney Kyle Dahl then called the 2017 Board to order and asked for nominations of officer for the 2017 Board of Directors. The Board voted by secret ballot for the President, with 4 votes for Director Larsen, 1 vote for Director Bodlak, and 1 abstention. Director Silhacek made a motion to unanimously elect Paul Bodlak as Board Vice President, which was seconded by Director Newton. The motion carried on a 6-0 voice vote. Director Larsen then asked for nominations for Board Secretary. Director Newton and Director Gustafson were nominated, and then Director Gustafson made a motion for the nominations to cease, which was seconded by Direct Newton. No other names were presented and the nominations ceased. The Board then voted by secret ballot and Director Newton was elected on a 4-2 vote. Director Gustafson was then nominated for the office of Treasurer, and then Director Silhacek made a motion that the nominations cease, which was seconded by Director Nelson. Director Gustafson was elected on a 6-0 vote. Director Larsen nominated the same directors to serve on the Audit Committee Members as last year, and they were elected on a 6-0 vote.

6. Motion to Excuse Director Absences. Director Bodlak made a motion to excuse Director Gansbom's and Director Kneifl's absences from the meeting, which was seconded by Director Gustafson. The motion carried on a 6-0 voice vote.

Approve the November and December 2016 Financial Reports: Management provided information on the November 2016 financial reports which were reviewed by the Board. The December financial reports were not quite finalized yet and will be reviewed at a later meeting. Director Silhacek then made a motion to approve the November 2016 financial reports, and Director Newton seconded the motion. The motion carried on a 6-0 voice vote.

7. Approve the December 2016 Expense Report: Management provided information on the December 2016 expenses which were reviewed by the Board. Director Gustafson made a motion to approve the expense report, and Director Silhacek seconded the motion. The following roll call vote was taken on the motion:

Director Silhacek-	yes		
Director Gustafson-	yes		
Director Bodlak-	yes	Director Larsen-	yes
Director Newton-	yes	Director Nelson-	yes

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

8. Management Reports:

- a. Mandy Backer: Mandy provided information about Director life insurance policies, an upcoming trip to the CRC call center in Minnesota, the annual visit by the auditors, and some updated information on regulation of automated phone calls to customers.
- b. Kevin Pollard: Kevin gave an update on prioritization of various projects, as well an update on possible ways to improve the feeds to the towns of Allen and Ponca.

- c. Matt Sorensen: Matt provided updates on the progress of the transmission line construction project, testing of hotsticks, hoses, etc., and tree-trimming activities. He also reported that two linemen have stated their plans to retire in 2017.
- d. Mark Shults: Mark did not have a report at this time, but would update the Board on various items during executive session.

9. New Business:

- a. Discussion of Grizzly Steppe computer virus and the District cyber security on the nature of this kind of cyber attack. Mark Shults provided some information about this virus and the District’s cyber security measures. This was a discussion item only and no official action or votes were taken.
- b. Discussion on a general basis of a soil compaction damage claim policy: The Board and management discussed the possibility of updating or creating a new policy regarding soil compaction on customer’s properties due to District activity during construction or maintenance of lines. This was a discussion item only and no official actions or votes were taken on the matter.
- c. Amendment to Policy 11-28, which governs approval process for new irrigation connections. Management provided some information regarding the rationale for the amendment which included additional cost factors for market bulk power procurement. Director Silhacek made a motion to adopt the amendment, which was seconded by Director Bodlak. The motion carried on a 6-0 voice vote.

The Board recessed at 3:37 p.m., and reconvened at 3:45 p.m.

10. Executive Session. Director Silhacek made a motion to go into executive session for the purpose of reviewing confidential power purchase agreements from wind developers and other potential legal issues. Director Bodlad seconded the motion. The following roll call vote was taken on the motion:

Director Silhacek- yes	
Director Gustafson- yes	
Director Bodlak- yes	Director Larsen- yes
Director Newton- yes	Director Nelson- yes

All Directors present voting yes, the motion carried 6-0, and the Board went into executive session at 3:47 p.m.

Later Director Gustafson made a motion to come out of executive session, which was seconded by Director Newton. The motion carried on a 6-0 voice vote, and the Board came out of executive session at 4:31 p.m.

11. Board Member Reports: None.

12. Adjournment. There was a motion to adjourn the meeting made by Director Gustafson and seconded by Director Newton. The motion was approved 6-0 on a voice vote. The meeting adjourned at 4:37 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