

**Minutes of the 173rd Regular Meeting of the Board of Directors  
Northeast Nebraska Public Power District**

The 173rd regular meeting of the Northeast Nebraska Public Power District was called to order at 7:34 a.m. on April 24th, 2012, by President Don Larsen, who chaired the meeting. This meeting was held in the District's General Office in Wayne, NE. President Larsen announced 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 Bodlak</b>	<b>Director Lebsock</b>	<b>Director Birkley</b>
<b>Director Silhacek</b>	<b>Director Larsen</b>	<b>Director Gansebom</b>
<b>Director Kneifl</b>		

Directors absent: Director Gustafson.

Others present: Mark Shults, Kyle Dahl, Jan Kristjanson, Randy Belt, Mandy Backer, Adam Herink, and Kevin Connot.

A motion was made by Director Silhacek to excuse Director Gustafson's absence from the meeting, which was seconded by Director Lebsock. The motion carried on a 7-0 vote. Also, Director Kneifl was appointed acting secretary for the meeting in the absence of Director Gustafson.

Review and approve minutes of the March 27, 2012 Regular Board of Directors meeting: Following a review of the minutes, a few corrections were noted, and then a motion was made by Director Gansebom to approve the minutes of the March 27, 2012 Regular Board Meeting, with corrections. The motion was seconded by Director Lebsock and was approved on a 7-0 voice vote.

Review and approve minutes of the April 20, 2012 Safety Meeting: Following review of the minutes, a motion was made by Director Ganesbom to approve the minutes of the April 20, 2012 Safety Meeting. The motion was seconded by Director Lebsock and was approved on a 7-0 voice vote.

Public Comment Period: None.

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

The following roll call vote was taken upon the motion:

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

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

March 2012 Financial Statements. Mark Shults reported the District is generally in good shape financially, but revenue is down about 6% over last year. This was due in part to a mild winter and is consistent with what other power districts are experiencing across the state. After a brief discussion, Director Kneifl made a motion to approve the February 2012 Financial Statements. The motion was seconded by Director Lebsock. The motion carried on a 7-0 voice vote.

Management Reports:

1. Mandy Backer: Mandy reported she has submitted claims to the District's insurance for damage to two of the substations caused by animals; one recently in the Sholes substation and one last year in the Martinsburg substation. The District should be receiving payment for both claims. She also discussed an agreement between the District and another local governmental entity regarding the use of some of the District's facilities.

2. Jan Kristjanson: Jan reported she has spoken with the auditor and the final report should be ready this week.

3. Randy Belt: Randy reported on a number of items, including the following: 1) a fire last week caused an outage at Wayne and Wakefield; 2) the District's safety demonstration at the upcoming Ponca Expo days; 3) the Safety Meeting from April 20; 4) progress on substation projects; 4) work on relocation of line off of BIA property; and 5) the new recreation area south of Hubbard.

4. Mark Shults: Mark reported on the bids for the cost of service study, as well as the timing and selection of a new board member following the vacancy of Lowell Birkley's seat.

Old Business:

1. Discussion regarding delta connected transformer banks and customer responsibilities in changing to safer 4 wire "wye" connections. Mark Shults presented some information on this issue and after a discussion with the Board, a motion was made by Director Gansebom, which was seconded by Director Bodlak, to authorize Mark Shults to send a letter to the affected customers giving them until April 2014 to make the necessary changes. The motion carried on a 7-0 voice vote.

New Business:

1. Presentation by Kevin Connot representing the Winnebago Wind Project and Adam Herink to request interconnection to the District's 69 kV transmission line at a point south of Emerson, NE. Mr. Connot and Mr. Herink each presented information about the potential development of a wind farm near Winnebago and the possibility of transmitting the power using a connection to the District's line as a means to deliver the power to end-use customers. There was a brief discussion between the presenters, management, and the Board, but no official action was taken and no vote was had at this time.

2. Review and Affirm Policy 08-05 governing use of company credit cards. Since the issue had been raised at the last meeting about whether or not the District's credit card policy was up to date, the Board felt a review of this policy was appropriate. After a brief discussion between management and the Board, Director Gansebom made a motion to reaffirm the policy, which was seconded by Director Silhacek. The motion passed on an 7-0 voice vote.

2. Resolution 2012-04-01. Resolution to increase the authorization limit under the CFC/US Bank Card purchase

program to \$500,000. Mark Shults presented information about the justification for the increase and, after a brief discussion, Director Gansebom made a motion to approve the resolution, which was seconded by Director Silhacek. The resolution passed on a 7-0 voice vote.

3. Resolution 2012-04-02. Resolution to approve the District to become an associate member of the Municipal Electric Association of Nebraska (MEAN). Mark Shults presented some information on the costs and benefits of becoming an associate member of MEAN and, after a brief discussion, Director Gansebom made a motion to approve the resolution, which was seconded by Director Kneifl. The motion carried on a 7-0 voice vote.

Board Member Reports: Director Gansebom gave a report from the last G&T meeting and Director Lebsock and Director Kneifl gave reports from the annual NRECA meeting.

Executive Session: President Larsen asked if there was any need for the Board to go into executive session. No one made a motion for the Board to go into executive session and no executive session was had.

Director Lebsock made a motion to adjourn the meeting, which was seconded by Director Kneifl. The motion carried on a 7-0 voice vote. The meeting was adjourned at 10:46 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