

**Minutes of the 176th Regular Meeting of the Board of Directors  
Northeast Nebraska Public Power District**

The 176th regular meeting of the Northeast Nebraska Public Power District was called to order at 1:00 p.m. on July 24, 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:

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

Directors Absent: Director Birkley

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

A motion was made by Director Gustafson to excuse Director Birkley's absence from the meeting, which was seconded by Director Gansebom. The motion carried on a 7-0 voice vote.

Review and approve minutes of the June 26, 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 Kneifl to approve the minutes of the June 26, 2012 Regular Board Meeting, with corrections. The motion was seconded by Director Bodlak and was approved on a 7-0 voice vote.

Public Comment Period: None.

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

The following roll call vote was taken upon the motion:

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

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

June 2012 Financial Statements. Mark Shults reported the District is generally in good shape financially, but pointed out a couple of items to note. First, high wholesale power bills continue to be a burden on all public power districts. Second, although June was close, but not quite to budget, he is expecting a solid month of July and that the management staff has done a good job in keeping controllable expenses down. He also noted that despite some of the challenges, the District is in good shape and has continued with its planned projects for the year without having to postpone or cancel any of them. After a brief discussion, Director Silhacek made a

motion to approve the June 2012 Financial Statements. The motion was seconded by Director Bodlak. The motion carried on a 7-0 voice vote.

Management Reports:

1. Mandy Backer: Mandy gave a report on how the District has been exploring different quotes and options for the purchase of diesel fuel. She also reported that one of the bucket trucks was involved in an accident when it was rear-ended. There were no injuries reported and the truck is being repaired. She also commented on a recent fatal accident involving a utility truck boom at another public power district in the state.

2. Jan Kristjanson: Jan gave a report on the fact the District is participating in a customer survey through Touchstone Energy and that approximately 200 to 300 of the District's customers will be contacted in the months of August and September. She also reported that there have been 67 irrigation services that have switched from "time of use" to "no control" billing, which represents approximately 10% of the total number of irrigation services.

3. Randy Belt: Randy reported on a number of items, including progress on the Winside substation construction, retirement of services, and tree-spraying activities, as well as the fact that due to the extremely warm temperatures, the lineman's work day has been adjusted so that they can begin earlier and leave earlier to help prevent any heat-related injuries.

4. Mark Shults: Mark reported on a situation where a customer was underbilled for a significant period of time, and that they are working on a payment arrangement for the customer to pay the bill over time. He also gave a report on the District's inspections and maintenance program for the

booms on the utility trucks, in conjunction with Mandy's comments on the recent accident at another public power district. Mark also reported that the District's voltage systems have been doing well this summer in spite of the intense heat, and that they have had very few customer complaints. Finally, he noted that he had some discussions with a retired electrical engineer who may be willing to do some contract work for the District on various projects.

Old Business: None.

New Business:

1. Presentation by representatives of Neligh Electric System on how they are doing business with the Southwest Power Pool to lower wholesale power cost. The representatives from Neligh could not make it to the meeting, but Mark Shults presented on some of the items that he had discussed with them over the phone, and said that they hope to be able to attend the August meeting.

2. Annual presentation by Bruce Pontow, General Manager of the Nebraska Generation and Transmission Cooperative. Bruce made a few brief comments about the state of the electric power industry in the state, but mostly answered questions and discussed topics with the board and management, including the options for wholesale power contracts with NPPD or other providers and how the regulatory landscape in the industry may be changing in the coming years.

A break was taken at 2:55 p.m., the meeting reconvened at 3:03 p.m.

3. Annual Policy Review of the District's By-Laws, Mission Statement and Board Functions. The Board and

Management reviewed the District's By-Law's, mission statement and Board functions. There were brief discussions regarding suggested changes to the wording in some of the documents. Mark Shults noted that the proposed changes would have to be formally presented to and voted upon by the Board at a future meeting, since this was a discussion item only. No official action was taken and no vote was had.

4. Discussion about Director District as defined by the District's Charter. The Board and management reviewed the procedures for filling a vacancy on the Board, should one exist, and depending on when that vacancy was filled, how long the appointment would last before he or she would have to run for the position in the general election. This was a discussion item only and no official action was taken and no vote was had.

Board Member Reports: Director Silhacek gave a report on his trip to the annual CFC meeting in New York City and Director Gansebom gave a report on G&T meeting held on June 29, 2012 in Kearney, Nebraska.

Director Gustafson 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 5:50 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