BOARD OF DIRECTORS MEETING, May 21, 2015

The regular meeting of the Board of Directors of North Central Public Power District was held at the District office, Creighton, Nebraska, on Monday, May 21, 2015 at 6:30 P.M.

1. Call to Order; notice of meeting and proof of mailing.

The meeting was called to order at 6:30 p.m. and conducted by Mary Ketelsen, President and Secretary, Gregory W. Walmer, recorded the minutes.

Directors in attendance were Terry Strope, Brent Stagemeyer, Gordon W. Fulton, Curt Zimmerer, Wm Jedlicka, Gregory Walmer, and Mary Ketelsen. Also attending were Matt Fritz, Special Operations Tech I; Brent Eggerling, Assistant Line Superintendent; Todd Zimmerer, Assistant Operations Manager; Chad Waldow, Operations Manager; Doyle Hazen, Manager of Finance and Administration; Keith E. Harvey, General Manager and Jeffrey M. Doerr, District Attorney.

Notice of the meeting was given in advance thereof by publication in the Creighton News, Niobrara Tribune, Plainview News, Orchard News, Holt County Independent and the Verdigre Eagle as shown by the affidavit of publication attached to the minutes of the meeting. Notice of the meeting was given simultaneously to all the members and a copy of their acknowledgment and receipt of notice and agenda is attached to the minutes of the meeting. Availability of the agenda was communicated in the notice mailed to all the members of the meeting. All proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public.

General Manager, Keith Harvey led the assembly in pledging their allegiance to the flag of the United States of America.

2. Approval of Agenda.

On a motion by Gregory Walmer and seconded by Curt Zimmerer be it:

RESOLVED THAT the Board of Directors of North Central Public Power District approve the agenda as presented and a copy is to be attached to the minutes of the meeting.

By roll call vote, Fulton, yes; Strope, yes; Stagemeyer, yes; Jedlicka, yes; Zimmerer, yes; Walmer, yes and Ketelsen, yes. Motion carried.

3. Approval of the April 20, 2015 Regular Board meeting minutes.

A motion was made by Gordon W. Fulton and seconded by Wm. L. Jedlicka to dispense with the reading of the April 20, 2015 regular board meeting minutes and approve the minutes as mailed. By roll call vote, Strope, yes; Stagemeyer, yes; Fulton, yes; Zimmerer, yes; Walmer, yes; Jedlicka, yes and Ketelsen, yes. Motion carried.

4. Public Comment: Pursuant to Nebraska Statute Section 84-1412, the public is advised that a copy of today's agenda and all reproducible material which will be discussed at today's meeting is located on the table at the side of the room. Also available in that same general area is a current copy of the Nebraska Open Meetings Act which is accessible to the public.

There were no public comments.

5. Discussion to include speakerphone discussion with a representative of Schmidt & Company and possible action to approve the 2014 Year End Audit.

Roger Schmidt, Jr of Schmidt & Co reviewed the year ending December 31, 2014 annual audit and the "Communication with the Audit Committee" letter with the Board of Directors. He went through the cash flow statements, balance sheet and notes to the audit. On a motion by Gordon W. Fulton and seconded by Brent Stagemeyer be it:

RESOLVED THAT the Board of Directors of North Central Public Power District approve the year ending December 31, 2014 annual audit as presented by Schmidt & Company. A copy of the audit is to be attached to the minutes of the meeting.

By roll call vote, Fulton, yes; Strope, yes; Stagemeyer, absent; Ketelsen, yes; Zimmerer, absent; Walmer, yes; and Jedlicka, yes. Motion carried.

6. Discussion and possible action to approve the revisions to Policy Bulletin 2060: Authorization (Signing District General & Operating Accounts, Trustee Special Construction Account, all Bond Reserve funds and all Bond Payments) and Policy Bulletin 2060: Exhibit 1 (Agenda Item added on 5-20-15 at 2:00 p.m.)

General Manager, Harvey stated Policy Bulletin 2060: Authorization (Signing District General & Operating Accounts, Trustee Special Construction Account, all Bond Reserve funds and all Bond Payments) and Exhibit 1 of this policy needs to be updated to include Todd Zimmerer, Line Superintendent as an authorized check signer for the District.

RESOLVED THAT the Board of Directors of North Central Public Power District approve the revisions to Policy Bulletin 2060: Authorization (Signing District General & Operating Accounts, Trustee Special Construction Account, all Bond Reserve funds and all Bond Payments) and Policy Bulletin 2060: Exhibit 1 as presented and a copy is to be attached to the minutes of the meeting.

By roll call vote, Fulton, yes; Strope, yes; Stagemeyer, absent; Ketelsen, yes; Zimmerer, absent; Walmer, yes; and Jedlicka, yes. Motion carried.

7. Staff Reports.

Doyle Hazen, Manager of Finance and Administration reported the District's new load control software SmartMaster with BTE Central seems to be working correctly. This software operates off a server that is also backed up on another server that in the event the main server would go down, the District could switch over to the backup server within a few minutes and the load control software would continue to function as needed.

Todd Zimmerer, Line Superintendent, reported on the operation department's monthly operations. Zimmerer announced Brent Eggerling has been promoted to the Assistant Line Superintendent's position. He also reported 58 of the 60 new irrigation wells have been built adding 4,600 horsepower to the district's existing load. The remaining two new irrigation builds the District is waiting on information from the customers. Art Hickman, Staking Engineer started staking four miles of three phase line upgrade for our first 2015 work plan project. This project is located east and south of 85-2 Page rural substation.

8. Safety report (April 1, 2015 In-House conducted).

The board of directors reviewed the April 1, 2015, In-House safety meeting minutes. On a motion by Wm. L. Jedlicka and seconded by Gregory Walmer be it:

> RESOLVED THAT the Board of Directors of North Central Public Power District accept the April 1, 2015 Safety meeting minutes as presented and a copy is to be attached to the minutes of the meeting.

By roll call vote, Fulton, yes; Strope, yes; Stagemeyer, yes; Jedlicka, yes; Zimmerer, yes; Walmer, yes and Ketelsen, yes. Motion carried.

9. Manager's report.

Meetings attended: A list of the meetings attended is on the Manager's Report attached to the minutes of the meeting.

Upcoming Meetings:

The upcoming meetings are listed on the attached Manager's report.

New Business:

1. Grande Prairie Wind Farm.
2. Financial Accounting Standards Board (FASB 68).

Old Business:

1. Verdigre Wind and Land Partners, LLC update. Verdigre Wind and Land Partners, LLC has requested feasibility study to put 60 megawatts of wind on to the District's system.

Strategic Plan Update:

1. Current Status

10. Discussion and approval to set a date of the June Regular Board meeting to be held at the District office.

On a motion by Gordon W. Fulton and seconded by Curt Zimmerer be it:

RESOLVED THAT the Board of Directors of North Central Public Power District set the meeting for June 29, 2015.

By roll call vote, Fulton, yes; Strope, yes; Stagemeyer, yes; Jedlicka, yes; Zimmerer, yes; Walmer, yes and Ketelsen, yes. Motion carried.

11. Discussion and approval of the April 2015 financials – Manager of Finance and Administration.

The board of directors reviewed the April 2015 financials. On a motion by Gregory Walmer and seconded by Terry Strope be it:

RESOLVED THAT the Board of Directors of North Central Public Power District approve the April 2015 financials as presented and a copy be attached to the minutes of the meeting.

By roll call vote, Fulton, yes; Strope, yes; Stagemeyer, yes; Jedlicka, yes; Zimmerer, yes; Walmer, yes and Ketelsen, yes. Motion carried.

12. Approval of expenditures covering all monetary encumbrances of the District for the month of April, 2015.

The board of directors reviewed the expenditures covering the month of April 2015. On a

motion by Curt Zimmerer and seconded by Wm. L. Jedlicka be it:

> RESOLVED THAT the Board of Directors of North Central Public Power District approve the expenditures for the month of April 2015 as presented and a copy be attached to the minutes of the meeting.

By roll call vote, Fulton, yes; Strope, yes; Stagemeyer, yes; Jedlicka, yes; Zimmerer, yes; Walmer, yes and Ketelsen, yes. Motion carried.

13. Board will adjourn into executive session for the purposes of discussing matters related to personnel to, among other things, avoid needless injury to individuals and reconvene to the Regular board meeting after business is discussed.

On a motion by Curt Zimmerer and seconded by Gordon W. Fulton be it:

> RESOLVED THAT the Board of Directors of North Central Public Power District enter into executive session at 9:20 p.m. for purposes of discussing matters related to personnel to, among other things, avoid needless injury to individuals and reconvene to the Regular board meeting after business is discussed. The board entered back into regular session at 10:19 p.m.

By roll call vote, Fulton, yes; Strope, yes; Stagemeyer, yes; Jedlicka, yes; Zimmerer, yes; Walmer, yes and Ketelsen, yes. Motion carried.

14. Adjournment.

Board President, Ketelsen adjourned the board meeting at 10:20 p.m.

I, Gregory W. Walmer, do hereby certify that I am the Secretary of North Central Public Power District and that the foregoing is a full, true and correct copy of the minutes of the Board of Directors, meeting in regular session, May 21, 2015.

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Gregory W. Walmer, Secretary

APPROVED:

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Mary Ketelsen, President

Attachments: (To the original minutes)

- Acknowledgment of Notice
- Publishers Affidavit
- 2014 Annual Audit
- Policy Bulletin 2060: Authorization (Signing District General & Operating Accounts, Trustee Special Construction, all Bond Reserve Funds and all Bond Payments) and Policy Bulletin 2060: Exhibit 1
- April 1, 2015 Safety meeting minutes
- Manager's Report
- April 2015 Financials
- April 2015 Check Register