

BOARD OF DIRECTORS MEETING, AUGUST 25, 2014

The regular meeting of the Board of Directors of North Central Public Power District was held at the District office, Creighton, Nebraska, on Monday, August 25, 2014 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 Geronimo Energy LLC's Project Manager Patrick Dalseth; Ameritas representatives, Jay Spearman and Wayne Rasmuss; Cody Thoene, Journeyman Lineman; Michael Kuhlman, Journeyman Lineman; Tim Hoffman, Line Crew Foreman; Brent Eggerling, Line Crew Foreman; Matt Fritz, Special Operations Tech I; Art Hickman, Staking Engineer / Safety Manager; 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 Gordon W. Fulton and seconded by Wm. L. Jedlicka be it:

RESOLVED THAT the Board of Directors of North Central Public Power District approve amended agenda moving agenda item 11.) Discussion and possible action to approve the “Distribution Lines Relocation Agreement” with Grand Prairie Wind; agenda item 12.) Discussion and possible action to approve the “Consent and Crossing Agreement (Wind)” with Grand Prairie Wind and 13.) Discussion and possible action to approve the “Consent and Crossing Agreement (Transmission)” with Grand Prairie Wind before agenda item 9.) Staff Reports.

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

3. Approval of the July 28, 2014 Regular Board meeting minutes.

A motion was made by Gordon W. Fulton and seconded by Brent Stagemeyer to dispense with the reading of the July 28, 2014 regular board meeting minutes and approve the minutes as corrected. By roll call vote, Fulton, yes; Strope, yes; Stagemeyer, yes; Jedlicka, 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.

Geronimo Energy LLC’s Project Manager Patrick Dalseth reported on the Grand Prairie Wind Farm project that will be built between Creighton and O’Neill.

5. Discussion to pre-refund North Central’s 2010 and 2010 B Bond Issues with a new 2014

B Bond Issue. Representative of Ameritas to provide information and documents for the facilitation of this transaction.

Ameritas representatives, Jay Spearman and Wayne Rasmuss distributed and discussed the information that pertained to the pre-refund of North Central's 2010 and 2010 B Bond and the net saving that the District would experience.

6. Discussion and possible action to approve Resolution No. 2014-02 to call the entire 2010 Bond Issue as per their option provisions.

On a motion by Brent Stagemeyer and seconded by Curt Zimmerer be it:

RESOLVED THAT the Board of Directors of North Central Public Power District approve Resolution No. 2014-02 to call the entire 2010 Bond Issue as per their option provisions.

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

7. Discussion and possible action to approve Resolution No. 2014-03 to call the entire 2010 B Bond Issue as per their option provisions.

On a motion by Gregory W. Walmer and seconded by Gordon W. Fulton be it:

RESOLVED THAT the Board of Directors of North Central Public Power District approve Resolution No. 2014-03 to call the entire 2010 B Bond Issue as per their option provisions.

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

8. Discussion and possible action to pre-refund North Central's 2010 and 2010 B Bond Issues with a new 2014 B Bond Issue in the amount of \$2,850,000. A representative of Ameritas will provide all necessary documents.

On a motion by Brent Stagemeyer and seconded by Terry Strope be it:

RESOLVED THAT the Board of Directors of North Central Public Power District pre-refund North Central's 2010 and 2010 B bond Issues with a new 2014 B Bond Issue in the amount of \$2,850,000.

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

11. Discussion and possible action to approve the “Distribution Lines Relocation Agreement” with Grand Prairie Wind.

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

RESOLVED THAT the Board of Directors of North Central Public Power District approve the “Distribution Lines Relocation Agreement” with Grand Prairie Wind 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; Jedlicka, yes and Ketelsen, yes. Motion carried.

12. Discussion and possible action to approve the “Consent and Crossing Agreement (Wind)” with Grand Prairie Wind.

On a motion by Terry Strope and seconded by Gregory W. Walmer be it:

RESOLVED THAT the Board of Directors of North Central Public Power District approve the “Consent and Crossing Agreement (Wind)” with Grand Prairie Wind 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; Jedlicka, yes and Ketelsen, yes. Motion carried.

13. Discussion and possible action to approve the “Consent and Crossing Agreement (Transmission)” with Grand Prairie Wind.

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 approve the “Consent and Crossing Agreement (Transmission)” with Grand Prairie Wind 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; Jedlicka, yes and Ketelsen, yes. Motion carried.

9. Staff Reports.

Doyle Hazen, Manager of Finance and Administration reported that starting on September 8th a NRECA payroll/compliance audit will be completed. Recently the office received notification from some customers that they received fraudulent phone calls from someone trying to get the customer's banking information. An informative article covering this topic was ran in the April newsletter and has been run again in the August newsletter.

Chad Waldow, Operations Manager reported on the operation department's monthly operations. The district has received requests for ten new grain bin services, the line crews are finishing up the annual maintenance; there was an issue with the Substation readings recorded from the meters that were upgraded with the AMI infrastructure. The District's substation's meter readings when compared to Nebraska Public Power District's billing report were 20 to 25% less. This issue has been resolved, the meters are now recording and reporting accurate readings. The District has two substations 85-11 Orchard and 85-12 Page left to upgrade to the AMI infrastructure.

10. Safety report (July 25, 2014 In-House conducted).

The board of directors reviewed the July 25, 2014, In-House safety meeting minutes. On a motion by Wm. L. Jedlicka and seconded by Terry Strope be it:

RESOLVED THAT the Board of Directors of North Central Public Power District accept the July 25, 2014 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; Jedlicka, yes and Ketelsen, yes. Motion carried.

14. Selection of the Utility Lineman Student(s) to receive the Peter E. Thomassen Memorial Scholarship for the 2014-2015 Academic Year.

The board of directors review the application submitted for the Peter E. Thomassen Memorial Scholarship for the 2014-2015 Academic Year. On a motion by Curt Zimmerer and seconded by Terry Strobe be it:

RESOLVED THAT the Board of Directors of North Central Public Power District select Blake Waldow to receive the Peter E. Thomassen Memorial Scholarship for the 2014-2015 school year receiving \$500 per semester.

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

15. 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. Name NRECA voting delegate and alternate for Region VII meeting –
William Jedlicka is the voting delegate and Brent Stagemeyer is the Alternate.
CFC voting delegate is Gordon W. Fulton and the alternate is William Jedlicka.
2. State Chamber of Commerce membership

Old Business:

1. None

Strategic Plan Update

1. Current Status of AMI

16. Discussion and approval of the July 2014 financials.

The board of directors reviewed the July 2014 financials. On a motion by Gregory W. Walmer and seconded by Brent Stagemeyer be it:

RESOLVED THAT the Board of Directors of North Central Public Power District approve the July 2014 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; Jedlicka, yes and Ketelsen, yes. Motion carried.

17. Discussion and approval of the purchase of a Certificate of Deposit with the Fifth Third, Cincinnati, OH in the amount of \$100,000 at .600% for 9 months; Stearns Bank N.A., Saint Cloud, MN in the amount of \$100,000 at .600% for 10 months and the Tilden Bank (partial Rollover from 2008 Bond Res.) for \$139,523 at .70% for 12 months.

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 purchase of a Certificate of Deposit with the Fifth Third, Cincinnati, OH in the amount of \$100,000 at .600% for 9 months; Stearns Bank N.A., Saint Cloud, MN in the amount of \$100,000 at .600% for 10 months and the Tilden Bank (partial Rollover from 2008 Bond Res.) for \$139,523 at .70% for 12 months.

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

18. Discussion and approval of expenditures covering all monetary encumbrances of the District for the month of July, 2014.

The board of directors reviewed the expenditures covering the month of July 2014. On a motion by Wm. L. Jedlicka and seconded by Curt Zimmerer be it:

RESOLVED THAT the Board of Directors of North Central Public Power District approve the expenditures for the month of July 2014 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; Jedlicka, yes and Ketelsen, yes. Motion carried.

19. Board will adjourn into executive session for the purposes of discussing matters related to personnel to, among other things, avoid needless injury to individuals.

On a motion by Terry Strope 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 9:09 p.m. for the purposes of discussing matters related to personnel, to among other things, avoid needless injury to individuals.

By roll call vote, Fulton, yes; Strope, yes; Stagemeyer, yes; Jedlicka, yes; Zimmerer, yes;

Walmer, yes; Jedlicka, yes and Ketelsen, yes. Motion carried.

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

RESOLVED THAT the Board of Directors of North Central Public Power District leave executive session at 10:21 p.m.

By roll call vote, Fulton, yes; Strope, yes; Stagemeyer, yes; Jedlicka, yes; Zimmerer, yes;

Walmer, yes; Jedlicka, yes and Ketelsen, yes. Motion carried.

20. Discussion and possible action on wages and benefits for 2014-2015.

On a motion by Gordon W. Fulton and seconded by Gregory W. Walmer be it:

RESOLVED THAT the Board of Directors of North Central Public Power District increase the employee's wages and benefits package by a total of \$85,000 beginning November 1, 2014.

By roll call vote, Fulton, yes; Strope, yes; Stagemeyer, yes; Jedlicka, yes; Zimmerer, yes;

Walmer, yes; Jedlicka, yes and Ketelsen, yes. Motion carried.

21. Discussion and possible action on General Manager Compensation for 2014-2015.

On a motion by Wm. L. Jedlicka and seconded by Brent Stagemeyer be it:

RESOLVED THAT the Board of Directors of North Central Public Power District set the General Manager's compensation for 2014-2015 at \$135,000 beginning November 1, 2014.

By roll call vote, Fulton, yes; Strobe, yes; Stagemeyer, yes; Jedlicka, yes; Zimmerer, yes;

Walmer, yes; Jedlicka, yes and Ketelsen, yes. Motion carried.

22. Adjournment.

Board President, Ketelsen adjourned the board meeting at 10:25 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, August 25, 2014.

Gregory W. Walmer, Secretary

APPROVED:

Mary Ketelsen, President

Attachments: (To the original minutes)

- Acknowledgment of Notice
- Publishers Affidavit
- Distribution Lines Relocation Agreement with Grand Prairie Wind LLC
- Consent and Crossing Agreement "Wind" with Grand Prairie Wind LLC
- Consent and Crossing Agreement "Transmission" with Grand Prairie Wind LLC
- July 25, 2014 Safety meeting minutes
- Manager's Report
- July 2014 Financials
- July 2014 Check Register
- Full-Time Employee Benefit Package
- Temporary & Part Time Employee Benefit Package