

MINUTES OF LINCOLN ELECTRIC SYSTEM ADMINISTRATIVE BOARD

Minutes of special meeting held at 4:30 p.m., Thursday, May 11, 2017, at the offices of Lincoln Electric System, 1040 O Street, Lincoln, Nebraska.

Board Members Present: Jerry Hudgins, Layne Sup, Dan Harshman, DaNay Kalkowski, Sarah Peetz, Tammy Ward, Vicki Huff, W. Don Nelson

Board Members Absent: Leidy Anderson

LES Staff Present: Kevin Wailes, Shelley Sahling-Zart, Jason Fortik, Dan Pudenz, Laura Kapustka, Lacy Stockdale, Lucas Fahrer, Rachel Barth, Kelley Porter, Scott Benson

Others Present: John Atkeison, Marilyn McNabb, Lucas Nelsen

News Media Present: Nick Bergin, Lincoln Journal Star; Rachel Hofstra, KLKN-TV; Keith Stueven, KLKN-TV

Chair Jerry Hudgins called the meeting to order at approximately 4:30 p.m. A safety briefing was provided. He noted that LES conducts its meetings in compliance with the Nebraska Open Meetings Act, and noted that copies of the Act are located near the entrance to the Board room. **Call to Order**

LES Resolution 2017-4 was presented to the Board for approval. (Exhibit I) LES Resolution 2017-4 approves the Termination and Release of Participation Agreement between LES and NPPD, wherein LES will pay NPPD \$10.5 million on December 31, 2017, as a termination payment, in full satisfaction of all obligations under the Participation Agreement. W. Don Nelson moved approval of LES Resolution 2017-4. Vicki Huff seconded the motion. The vote for approval of LES Resolution 2017-4 was: **Approval of Sheldon Station Termination and Release Agreement with Nebraska Public Power District – LES Resolution 2017-4**

Aye: Hudgins, Sup, Harshman, Kalkowski, Peetz, Ward, Huff, Nelson

Nay: None

Absent: Anderson

The next regular meeting of the LES Administrative Board is scheduled for Friday, May 19, 2017, at 9:30 a.m. **Next Meeting**

There being no further business before the Board, Jerry Hudgins **Adjournment**
declared the meeting adjourned at approximately 4:40 p.m.

Leidy Anderson, Secretary

BY: S/Lacy Stockdale
Lacy Stockdale
Assistant Secretary

Exhibit I



Lincoln Electric System

LES RESOLUTION 2017-4

WHEREAS, Lincoln Electric System (LES) and the Nebraska Public Power District (NPPD) are parties to an agreement titled “Sheldon Station Participation Power Sales Agreement” (Participation Agreement) which was made and entered into on August 7, 1980;

WHEREAS, since the execution of the Participation Agreement in 1980, LES and NPPD have developed different power supply portfolios;

WHEREAS, LES and NPPD are each in the process of developing a new Integrated Resource Plan (IRP) which evaluates the full range of energy resources to ensure adequate and reliable service to its electric customers at the lowest system cost;

WHEREAS, LES desires to optimize its generation portfolio and Sheldon Station represents LES’ oldest resource;

WHEREAS, LES approached NPPD regarding its desire to terminate the Participation Agreement which lacks clear termination provisions;

WHEREAS, the parties subsequently negotiated a mutually acceptable “Termination and Release of Participation Agreement” which will be effective December 31, 2017 at 11:59 p.m.;

WHEREAS, the Termination and Release of Participation Agreement provides that LES will pay NPPD \$10.5 million on December 29, 2017, as a termination payment, in full satisfaction of all obligations under the Participation Agreement; and

WHEREAS, the LES Board Operations and Power Supply Committee reviewed the Termination and Release of Participation Agreement at a meeting on May 4, 2017, and recommends it for approval by the full LES Administrative Board.

NOW, THEREFORE, BE IT RESOLVED that the LES Administrative Board approves the Termination and Release of Participation Agreement between LES and NPPD and authorizes LES CEO, Kevin Wailes, to execute said agreement on behalf of LES.

S/Jerry Hudgins
Chair

Adopted: May 11, 2017