

LOUP POWER DISTRICT
BOARD OF DIRECTORS
August 24, 2021

The regular meeting of the Board of Directors of the Loup River Public Power District was held at the Loup Power District Board Room, Columbus, Nebraska on August 24, 2021.

Notification of the meeting was published in the Columbus Telegram and on the Loup Power District website.

Director Knott presided as Chairman of the meeting and Assistant Secretary Angell Robak recorded the minutes.

Roll call showed:

Present: Tooley, Donoghue, Zach, Fleming, Cerv, Drozd, Aerni, Heesacker, Knott

Absent: Langemeier

Staff Present: Neal Suess, Korey Hobza, Walt Williams, Dan Hellbusch, Todd Duren, and Amanda Henry

Absent: None

Others: Molly Hunter-Columbus Telegram

Chairman Knott reminded everyone of the open meetings law and stipulated this meeting would be conducted according to the Nebraska open meetings law. Chairman Knott also stated he would be conducting the meeting based on Robert's Rules of Order.

President/CEO Suess welcomed Ms. Hunter to the meeting.

Director Aerni made a motion to excuse the absence of Director Langemeier. Director Donoghue seconded the motion and roll was called.

Aye: Tooley, Donoghue, Zach, Fleming, Cerv, Drozd, Aerni, Heesacker, Knott

Nay: None

Absent: Langemeier

The motion carried.

The minutes of the July 27, 2021 meeting were approved.

The following reports were presented to the Directors: the July 2021 Staff Operations Report – Exhibit 21-119; the July 2021 Bank Reconciliation Report – Exhibit 21-120; the July 2021 Vendor Payment Report – Exhibit 21-121. Additional reports presented to the Directors included various financial metrics of the District for July 2021 – Exhibit 21-122; selected financial information – Exhibit 21-123; NPPD's RRC/PRAB/Customer Meeting Agenda and Presentations for the July 29, 2021 Meeting – Exhibit 21-124; NPPD's Board of Directors Board Meeting Agendas for the August 11-12, 2021 NPPD Board Meeting – Exhibit 21-125; and NPPD's Agenda for the August 19-20, 2021 Annual Customer Meeting and Appreciation Event – Exhibit 21-126.

Executive Committee

A letter addressing District Water Issues is filed as Exhibit 21-127.

President/CEO Suess indicated that management had an e-mail exchange with Federal Energy Regulatory Commission (FERC) Staff regarding the continued review of the District's operation compliance plan and the United States Fish and Wildlife Service (USFWS) Biological Opinion (BO), and FERC Staff has indicated they would make this review a priority; however, there has been no further communication since that e-mail exchange. Mr. Suess stated that management is preparing additional information to file with FERC Staff regarding remediation measures, and FERC Staff will then review the information to determine if a license amendment is needed. President/CEO Suess reiterated the hearing on the District's intervention in the revised interbasin water transfer case was held on July 19, 2021, and noted the Department of Natural Resources (DNR) is reviewing the information and hearing transcripts. Mr. Suess stated the DNR could make a ruling at any time, and once that ruling is made, further discussion will take place regarding the next steps to be taken. Mr. Suess noted the District continues to hold in abeyance the Eighth Circuit Court of Appeals filing for review of the License Order, with the next filing expected to take place in early September. President/CEO Suess reiterated that management has submitted to FERC a plan and schedule for Canal remediation which indicates its sixty percent design drawings and calculations are expected to be completed and submitted to FERC by the end of October 2021. Mr. Suess stated this would allow for completion of the project by late summer or early fall 2022, noting that a possible license amendment could alter this timeline. Management and the Board discussed several items related to the District's hydroelectric license.

President/CEO Suess and the Board held a Discussion regarding Director Subdivisions.

President/CEO Suess indicated that management has been reviewing the Census information and would like to set up a meeting of the committee that was formed to explore the District's options regarding director subdivisions. The committee consisting of Directors Fleming, Donoghue, and Cerv agreed to meet in the Board Room on September 14, 2021, at 9:00 A.M.

A letter regarding NPPD Informational Meetings and Survey related to Carbon Business Risk is filed as Exhibit 21-128.

President/CEO Suess indicated that NPPD's management and Board have held five meetings regarding Carbon Business Risk and the development of a strategic directive. Mr. Suess stated these meeting discussions included the risks of being a carbon emitting utility, how NPPD's carbon reduction goals should be structured, and what principles are most important to be maintained. Mr. Suess noted that NPPD has also developed a survey in order to receive public feedback regarding this. President/CEO Suess indicated that District management attended the first meeting which was held in Norfolk, NE, and stated the meeting's presentations and comments were good. Mr. Suess noted that NPPD is expected to develop a final report in October 2021 which will incorporate all of the input that was gathered. Management and the Board further discussed items related to this topic.

A letter regarding an Executive Session to Further Discuss a Broadband Study in the Loup-Cornhusker Area is filed as Exhibit 21-129.

At 9:28 A.M. Director Drozd made a motion to move into Executive Session to discuss the results of the proprietary broadband study in the Loup-Cornhusker Area. Director Aerni seconded the motion and roll was called.

Aye: Tooley, Donoghue, Zach, Fleming, Cerv, Drozd, Aerni, Heesacker, Knott
Nay: None
Absent: Langemeier
The motion carried.

At 10:10 A.M. Director Drozd made a motion to return to regular session. Director Heesacker seconded the motion and roll was called.

Aye: Tooley, Donoghue, Zach, Fleming, Cerv, Drozd, Aerni, Heesacker, Knott
Nay: None
Absent: Langemeier
The motion carried.

Rates Committee

A letter regarding NPPD's 2022 Preliminary Wholesale Rate Projection is filed as Exhibit 21-130.

President/CEO Suess indicated that NPPD management provided a preliminary estimate of wholesale rates at the August 12, 2021, NPPD Board meeting, and NPPD is not planning to make any changes to overall wholesale base rates for 2022. Mr. Suess stated that there would be a 5.0 percent increase in transmission rates, which would be offset by a 0.8 percent reduction in production rates, and a slight change in irrigation pumping rates. Mr. Suess added that NPPD is planning to return approximately \$10.7 million of remaining funds in the production Rate Stabilization Account (RSA) through a Production Cost Adjustment (PCA) rate to wholesale customers. President/CEO Suess indicated the District will see an increase of approximately 0.3 percent in purchased power costs from NPPD, not including the PCA, and an increase of approximately 10.2 percent in wholesale power costs based on the 2022 preliminary rates, including the PCA. Mr. Suess noted that NPPD will provide final numbers to its wholesale customers in September, after which time, a decision to file for a wholesale rate hearing will need to be made. Management and the Board briefly discussed NPPD's 2022 preliminary wholesale rate projections.

Finance and Budget Committee

A letter regarding the 2022 Budget Preparation Schedule is filed as Exhibit 21-131.

The 2022 Budget Preparation Schedule is filed as Exhibit 21-132.

Director Zach made a motion to approve the 2022 Budget Preparation Schedule as presented. Director Aerni seconded the motion.

President/CEO Suess pointed out key dates in the 2022 Budget Preparation Schedule, and stated there will be a meeting of the Finance and Budget Committee on November 16, 2021 to discuss

the 2022 Construction and Operations Budgets. The entire Board is invited to attend this meeting.

The question was called.

Aye: Tooley, Donoghue, Zach, Fleming, Cerv, Drozd, Aerni, Heesacker, Knott

Nay: None

Absent: Langemeier

The motion carried.

Personnel, Safety, and Insurance Committee

The Payroll Changes are filed as Exhibit 21-133.

A letter regarding Health Insurance Renewal is filed as Exhibit 21-134.

President/CEO Suess indicated the National Rural Electric Cooperative Association (NRECA) provides health insurance and prescription drug coverage for all employees, pre-65 year old retirees, and Board members, while Hartford Insurance and Express Scripts provide health insurance and prescription drug coverage for post-65 year old retirees. There will be a 4.4 percent increase in the 2022 renewal premiums for health insurance from NRECA for current employees, pre-65 retirees, and the Board of Directors. The 2022 renewal premiums for health insurance provided by Hartford Insurance and Express Scripts, for post-65 retirees reflect an increase of 3.99 percent. President/CEO Suess noted that the District has used money in an unrestricted reserve account in the past to balance out increases; however, the money in the reserve account was depleted at the end of 2020. Mr. Suess stated the inability to use money from a reserve account should not largely affect the retail rates for 2022. Management recommended the Board accept the renewal of health insurance from NRECA, the Hartford Insurance and Express Scripts at the proposed levels.

Director Aerni made a motion to accept the renewal of health insurance for 2022 with NRECA, and with Hartford Insurance and Express Scripts at the proposed levels. Director Cerv seconded the motion and roll was called.

Aye: Tooley, Donoghue, Zach, Fleming, Cerv, Drozd, Aerni, Heesacker, Knott

Nay: None

Absent: Langemeier

The motion carried.

Support Services Committee

A letter regarding Payments Made to Communities is filed as Exhibit 21-135.

President/CEO Suess indicated that payments for the first half of 2021 revenue were made to all communities. Mr. Suess noted that all cities and villages, except Cedar Rapids, had both first quarter and second quarter payments made at eleven percent of inside revenue per their new lease agreements with the District. Cedar Rapids' payment was for the entire first half of the year at ten percent inside revenue, as a new lease agreement has not been signed. Management and the Board discussed matters relating to the payments to these communities.

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At this time, Vice President of Accounting and Finance/CFO Williams presented his report to the Board, which included the financial report, filed as Exhibit 21-136. Reports to the Board were also presented by Vice President of Engineering Hobza, Vice President of Operations Hellbusch, and Vice President of Corporate Services Duren. A report was also presented by Human Resource Manager Henry.

The work order letter is filed as Exhibit 21-137.

Director Donoghue made a motion to approve the work order letter as presented. Director Heesacker seconded the motion.

A brief discussion was held regarding the work order for the new Newman Grove office site.

The question was called.

Aye: Tooley, Donoghue, Zach, Fleming, Cerv, Drozd, Aerni, Heesacker, Knott

Nay: None

Absent: Langemeier

The motion carried.

The next regular Board meeting is set for September 28, 2021 at 9:00 A.M., at the General Office.

Management continues to work with NPPD on possible outcomes due to FERC Order No. 2222, which deals with the potential aggregation of resources on the distribution system. Because of its size, the District is currently automatically opted-out, but NPPD is looking at numerous possibilities. Continued discussions will occur at future Board meetings.

President/CEO Suess stated that COVID-19 cases are again on the rise, and District management continues to watch trends and track employee and Board vaccinations. Mr. Suess noted that discussions have been initiated with the East Central District Health Department (ECDHD) regarding booster shots.

Taste of Columbus will be held on Sunday, October 10, 2021 at the Ramada-Columbus.

Director Zach made a motion to adjourn. Director Heesacker seconded the motion. The motion carried by voice vote.



Chairman of the Board

9-28-2021

Date



Assistant Secretary