

LOUP POWER DISTRICT  
BOARD OF DIRECTORS  
August 23, 2022

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 23, 2022.

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

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

**Roll call showed:**

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

**Absent: None**

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

**Absent: None**

**Others: None**

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

**The minutes of the July 26, 2022 meeting were approved.**

The following reports were presented to the Directors: the July 2022 Staff Operations Report – Exhibit 22-119; the July 2022 Bank Reconciliation Report – Exhibit 22-120; the July 2022 Vendor Payment Report – Exhibit 22-121. Additional reports presented to the Directors included various financial metrics of the District for July 2022 – Exhibit 22-122; selected financial information – Exhibit 22-123; and NPPD's Board of Directors Board Meeting Agendas for the August 10-11, 2022 NPPD Board Meeting – Exhibit 22-124.

**Executive Committee**

A letter addressing District Water Issues is filed as Exhibit 22-125.

President/CEO Suess indicated that, regarding license compliance, there has been no activity during the past month. Mr. Suess stated that management is awaiting approval of the Revised Loup River Bypass Reach Streambank Monitoring Plan which was submitted to the Federal Energy Regulatory Commission (FERC) in February. Mr. Suess noted that management and the District's attorney are working on a letter to FERC which will provide an update on the District operations compliance plan and the United States Fish and Wildlife Service (USFWS) Biological Opinion (BO), and management is planning to send this letter to FERC Staff in order to get their reaction and begin a dialogue before filing it with FERC. President/CEO Suess indicated that the

water temperature in the Platte River near Louisville, NE reached 93 degrees Fahrenheit on July 18, 2022 which, per the District's License, requires the District to cease diversion into the Loup Power Canal. However, Mr. Suess noted that since the Temporary Variance issued by FERC from the July 2017 occurrence was still in place, the District went to run-of-canal mode when the temperature limit was reached. Mr. Suess stated that a letter was sent to FERC informing them of the operation modification, but a response to the letter has not yet been received. As the water temperature in the Platte River again reached 93 degrees Fahrenheit on August 1, August 2, and August 6, 2022, and the Temporary Variance continued to be in place, the District went to limited run-of-canal mode and sent FERC a letter informing them of this operation modification, but have received no response. President/CEO Suess indicated the District's intervention in the revised interbasin water transfer case continues to wait on the Department of Natural Resources (DNR) who is reviewing the information and hearing transcripts. Mr. Suess stated the DNR could make a ruling at any time. Mr. Suess reiterated 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 2022. Mr. Suess added that management and the District's attorney are working to determine what costs and likely outcomes may be associated with moving forward with this case. Regarding damage and repair from the mid-March 2019 storm event, President/CEO Suess stated that the final design drawings on the Canal remediation are completed and being reviewed. Mr. Suess added that bids for construction on this project are planned to take place in fall 2022, with completion expected in summer 2023. Management and the Board discussed several items related to the District's hydroelectric license.

A letter regarding Further Discussion on Broadband in the Loup-Cornhusker Area is filed as Exhibit 22-126.

President/CEO Suess indicated that a Memorandum of Understanding (MOU) has been signed by the District, CPPD, and NPPD, as well as Boone, Colfax, Nance and Platte Counties. Mr. Suess stated that Platte County said they will support an investment of up to \$1 million for rural broadband in Platte County, and added that Colfax County has also shown some interest, but has not committed to any dollar amount. Mr. Suess stated that the District is working with Pat Pope, a special consultant with NPPD, and the National Rural Telecommunications Cooperative (NRTC) to develop areas within Platte County that would provide the most benefit to rural Platte County residents with the investment dollars received. President/CEO Suess indicated that the District and Mr. Pope are working on a funding resolution that would be executed by the County and each public entity that has entered into the (MOU) which would include each entity's level of commitment in dollars, with a separate funding resolution executed by each county in the four-county area and any public entity interested in partnering to establish the backbone network. Mr. Suess noted that management has executed an agreement with the National Rural Telecommunications Cooperative (NRTC) regarding a Smart Grid Technology Planning Study for the District that will allow the District to see the potential benefits of a partial broadband system in smart grid development. Mr. Suess added that this study is not expected to begin until spring 2023. Management and the Board discussed various items related to the rural broadband issue.

### **Rates Committee**

A letter regarding NPPD's 2023 Preliminary Wholesale Rate Projection is filed as Exhibit 22-127.

President/CEO Suess indicated that NPPD management provided a preliminary estimate of 2023 wholesale rates at the August 11, 2022 NPPD Board meeting, and NPPD is not planning to make any changes to overall wholesale base rates for 2023, although individual rates may be modified, and a change in irrigation pumping rates is expected. Mr. Suess stated that NPPD is planning on returning approximately \$33.9 million of excess funds in the production Rate Stabilization Account (RSA) through a Production Cost Adjustment (PCA) rate to wholesale customers. Mr. Suess noted that the current PCA level is a negative \$0.006196/kWh while the projected PCA level is a negative \$0.002761/kWh. President/CEO Suess indicated that wholesale customers will see an increase of approximately 6.1 percent based on the change in the PCA. Mr. Suess shared with the Board a table comparing the actual wholesale rate for 2022 and the preliminary 2023 wholesale rate proposal. President/CEO Suess indicated the District will see an increase of approximately 6.6 percent in purchased power costs from NPPD, including the PCA, adding that NPPD will provide final numbers to its wholesale customers in September, after which time a decision will need to be made regarding filing for a wholesale rate hearing. Management and the Board discussed at length NPPD's 2023 preliminary wholesale rate projections and what effect this will have on the District and its retail rates.

### **Finance and Budget Committee**

A letter regarding the 2023 Budget Preparation Schedule is filed as Exhibit 22-128.

The 2023 Budget Preparation Schedule is filed as Exhibit 22-129.

**Director Knott made a motion to approve the 2023 Budget Preparation Schedule as presented. Director Zach seconded the motion.**

President/CEO Suess pointed out key dates in the 2023 Budget Preparation Schedule, and stated there will be a meeting of the Finance and Budget Committee on November 15, 2022 to discuss The 2023 Construction and Operations Budgets. The entire Board is invited to attend this meeting.

**The question was called.**

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

**Nay: None**

**Absent: None**

**The motion carried.**

### **Personnel, Safety, and Insurance Committee**

The Payroll Changes are filed as Exhibit 22-130.

Resolution No. 2022-05 regarding the retirement of Dave Meyer is filed as Exhibit 22-131.

**Director Aerni made a motion to adopt Resolution No. 2022-05. Director Fleming seconded the motion and roll was called.**

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

**Nay: None**

**Absent: None**

**The motion carried.**

A letter regarding Health Insurance Renewal is filed as Exhibit 22-132.

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 an 8.44 percent increase in the 2023 renewal premiums for health insurance from NRECA for current employees, pre-65 retirees, and the Board of Directors. The 2023 renewal premiums for health insurance provided by Hartford Insurance and Express Scripts, for post-65 retirees reflect an increase of 4.82 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 2023. President/CEO Suess recommended the Board adopt management's recommendation to accept the renewal of health insurance from NRECA, Hartford Insurance and Express Scripts. Management and the Board discussed various items related to the District's health insurance and renewal.

**Director Aerni made a motion to accept the renewal of health insurance for 2023 with NRECA, and with Hartford Insurance and Express Scripts at the proposed levels. Director Heesacker seconded the motion and roll was called.**

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

**Nay: None**

**Absent: None**

**The motion carried.**

A letter regarding a Wage Scale Review for all Positions and Wage Scale Adjustment for Headworks Supervisor and Accounting Supervisor is filed as Exhibit 22-133.

President/CEO Suess indicated that the District contracted with the National Rural Electric Cooperative Association (NRECA) to look at fifteen different management level positions, including the President/CEO position, to determine if the District's pay scales for these positions are in line with the utility industry. Mr. Suess stated that Human Resource Manager Henry and Vice President of Corporate Services Duren will be discussing the President/CEO wage scale with the Board at a later date. Mr. Suess noted that, per the results of the NRECA study, two positions seemed low for the work required. Mr. Suess stated the Headworks Supervisor

oversees all operations at the Headworks and, as a result of the new license and the mid-March 2019 storm event, the job requirements have changed substantially. Mr. Suess indicated the Accounting Supervisor oversees purchasing and insurance requirements and, because of FEMA requirements related to the mid-March 2019 storm event, and all storms affecting District property, job requirements for this position have increased significantly. President Suess recommended to the Board that the wage scales for these two positions be increased, noting that these two increases would not raise costs for the District, as the employees fall within the recommended wage range scale. Mr. Suess indicated that the District's current wage scales for all positions have a range of 30 percent between beginning wage and maximum wage. While NRECA indicated that a 45 percent wage range is more industry standard, Mr. Suess stated that management believes that a 37.5 percent wage scale range would allow movement for those employees who have maxed out within the range. President/CEO Suess added that NRECA believes each wage range should have a five percent differential, and management agrees, noting that this would provide more conformity to the wage scales while not increasing costs. Mr. Suess stated that all wage scale adjustments would take place effective in 2023. Management and the Board reviewed and discussed the wage scale adjustments that Mr. Suess provided to the Board. President/CEO Suess recommended that the Board adopt management's recommendation to modify wage scales for all positions and adjust the wage scale for Headworks Supervisor and Accounting Supervisor.

**Director Aerni made a motion to modify wage scales and adjust the wage scale for Headworks Supervisor and Accounting Supervisor. Director Donoghue seconded the motion and roll was called.**

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

**Nay: None**

**Absent: None**

**The motion carried.**

Management and the Board continued the discussion regarding this issue.

#### **Support Services Committee**

A letter regarding Payments Made to Communities is filed as Exhibit 22-134.

President/CEO Suess informed the Directors that in mid-August, the District made payments to all twenty-two communities under a new Professional Retail Operations Agreement and Franchise with each community. Mr. Suess stated that these payments are made quarterly and are based on eleven percent of the adjusted inside revenue for each community. Management and the Board discussed matters relating to the payments to these communities.

At 10:35 A.M. the Board took a brief break and returned at 10:45 A.M.

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 22-135. Reports to the Board were

also presented by Vice President of Engineering Hobza, Vice President of Operations Hellbusch, Vice President of Corporate Services Duren and Human Resource Manager Henry.

The investment letter is filed as Exhibit 22-136.

**Director Donoghue made a motion to approve the investment letter as presented. Director Heesacker seconded the motion and roll was called.**

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

The work order letter is filed as Exhibit 22-137.

**Director Cerv made a motion to approve the work order letter as presented. Director Heesacker seconded the motion and roll was called.**

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

The next regular Board meeting is set for September 27, 2022, at 9:00 A.M. at the General Office.

The Board decided that prior to the November 15, 2022 meeting of the Finance and Budget Committee, the entire Board will meet in Executive Session to discuss the President/CEO wage scale with Vice President of Corporate Services Duren and Human Resource Manager Henry.

The Nebraska Power Association (NPA) is having a conference this year to discuss utilities issues on August 30-31, 2022 in Kearney, NE. President/CEO Suess extended an invitation to the Board to attend this conference.

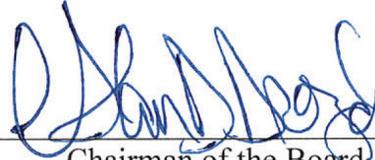
President/CEO Suess noted the following candidates for Directors seats for the 2022 general election:

Subdivision 2 – Alan Drozd (I), Ross Knott (I)  
Subdivision 3 – Jim Donoghue (I), Brian Oppliger  
Subdivision 6 – Larry Zach (I), Chuck Gonka

Director Donoghue had a brief discussion with management regarding electrical hookups at Lake North.

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August 23, 2022

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



Chairman of the Board

9/27/2022

Date



Assistant Secretary