

LOUP POWER DISTRICT
BOARD OF DIRECTORS
December 19, 2019

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 December 19, 2019.

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

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

Roll call showed:

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

Absent: None

Staff Present: Neal Suess, Ron Ziola, Walt Williams, Dan Hellbusch, David Bell, Todd Duren, and Amanda Henry

Absent: None

Others Present: None

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

The minutes of the November 26, 2019 meeting were approved.

The following reports were presented to the Directors: the November 2019 Staff Operations Report – Exhibit 19-204; the November 2019 Bank Reconciliation Report – Exhibit 19-205; the November 2019 Vendor Payment Report – Exhibit 19-206. Additional reports presented to the Directors included various financial metrics of the District for November 2019 – Exhibit 19-207; NPPD's Board of Directors Committee Meetings and Board Meeting Agendas for the December 11-12, 2019 NPPD Board Meeting – Exhibit 19-208; and NPPD's RRC/PRAB/Customer Meeting Agenda and Presentations for the December 19, 2019 Meeting – Exhibit 19-209.

Executive Committee

Director Fleming made a motion to appoint Walt Williams Deputy Treasurer and Angell Robak Assistant Secretary to the Board for 2020. Director Aerni seconded the motion and roll was called.

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

Nay: None

Absent: None

The motion carried.

The Board information sheet for 2020 is filed as Exhibit 19-210.

President/CEO Suess reviewed the different committees with the Board, noting the chairman and members of each committee. President/CEO Suess indicated these committees were established in consultation with the incoming Board Chairman, Chris Langemeier.

Director Knott made a motion to approve the 2020 Board committees as presented. Director Heesacker seconded the motion and roll was called.

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

Nay: None

Absent: None

The motion carried.

A letter addressing Damage and Repair from the March 12-14 Storm Event is filed as Exhibit 19-211.

President/CEO Suess indicated that work continues on cleanup from the March 12-14 storm event. Mr. Suess stated the substation at St. Edward has been energized and the mobile substation has been returned to NPPD. B-D Construction has begun work on the cofferdam and Olsson, Inc. is monitoring this work to ensure compliance with the Federal Energy Regulatory Commission (FERC). President/CEO Suess indicated that HB Construction has completed its work on the breached areas of the Canal and noted the compaction issues have been resolved. Mr. Suess stated the District and Preferred Sands are working on the North Dike area that was damaged in mid-March and are using Preferred Sands equipment; however, wet ground conditions have made this work more difficult to perform. President/CEO Suess indicated that water intake into the Canal continues to be monitored, noting that flows will fluctuate as construction continues. Mr. Suess stated the District has received some funds from the Federal Emergency Management Agency (FEMA) and continues to work with them on the funding process. President/CEO Suess used Google Earth to illustrate to the Board where the wingwall is located at the Headworks and to show what part of the wingwall was washed away by the mid-March storm. Mr. Suess also presented diagrams of the wingwall and wingwall footings to illustrate what work may need to be performed, depending on the condition of the footings. Management and the Board discussed at length various issues related to the March 12-14 storm event.

A letter addressing the Hydroelectric Relicensing Update and Other Water Issues is filed as Exhibit 19-212.

President/CEO Suess indicated that there has been little activity at FERC during the past month. Mr. Suess noted the District is waiting to hear from FERC regarding the letter the District received from the United States Fish and Wildlife Service (USFWS) agreeing to certain aspects of language change to their Biological Opinion (BO) relating to the water temperature in the Platte River at the Louisville gauge. President/CEO Suess advised the Board that the District received a letter from FERC which denied the District's request to suspend compliance with specific flow conditions contained in the license, as FERC believes the District can meet the flow requirements contained in the BO. Mr. Suess stated that management is working on the ILT/PP/RRK Monitoring Plan report and Recreation Plan report which are due by the end of 2019. The Invasive Species Monitoring Plan report, the Loup River Bypass Reach Streambank

Monitoring Plan report and the Canal Bank Monitoring Plan report are due by the end of February 2020. Mr. Suess stated the District is continuing to monitor the case before the Department of Natural Resources (DNR) regarding the transfer of water from the Platte River basin to the Republican River basin and are waiting on a final ruling from the DNR regarding this. President/CEO Suess indicated the District continues to hold in abeyance the Eighth Circuit Court of Appeals filing for review of the License Order. Management and the Board discussed several issues related to the District's License.

A letter regarding the New Service Center Update is filed as Exhibit 19-213.

President/CEO Suess stated construction of the District's new Service Center located in the Energy Triangle Addition is almost complete. Mr. Suess indicated that management held a meeting with District supervisors updating them on the timeline relating to the new Service Center. Mr. Suess stated it is expected that the Transportation Shop area will be operational by January 3, 2020, the Stores, Columbus Retail and Meter Maintenance departments will be in place by January 10, 2020, and the new Service Center will be fully operational by January 20, 2020. President/CEO Suess indicated the water and sewer systems have been tested and pressurized, noting the sewer system is a temporary septic system that will be used until the new sewer system is in place. Mr. Suess also noted the furniture is being assembled for those offices that are receiving new furniture. President/CEO Suess indicated that roadwork continues and, since it is not expected to be completed until spring, a temporary road on the west side of the Energy Triangle Addition will be utilized until the main roadway is completed. President/CEO Suess indicated the fencing work will not begin until the elevations are finalized so the ground can be leveled. Mr. Suess added the security system on the building is ready and the gated areas will be accessed via a badging system. President/CEO Suess noted Mike Gutzmer of New Century Environmental is working on the wetlands mitigation for the Energy Triangle Addition, which will likely take place off-site in either the East Industrial Park area or Tailrace area, both of which are currently owned by the District. Mr. Suess used Google Earth to show the Board where the viaduct is being constructed and how this affects current operations at the existing Service Center. President/CEO Suess indicated the sale of the property in the Energy Triangle Addition, in addition to the sale of the existing Service Center, is progressing slowly because of the move to the new Service Center; however, more progress is expected to occur by the middle of 2020. Management and the Board discussed items related to the new Service Center and the Energy Triangle Addition.

Rates Committee

President/CEO Suess indicated that on December 12, 2019, NPPD's Board moved forward with its proposal to keep wholesale base rates unchanged for 2020 and to provide a one-time credit to its wholesale customers in the amount of \$46.1 million, despite the District's argument that the credit should have been \$63.0 million, the full amount of the excess rate stabilization funds. This credit of \$46.1 million will begin for service on and after February 1, 2020.

Personnel, Safety, and Insurance Committee

At 10:08 A.M. Director Cerv made a motion to move into Executive Session to discuss the President/CEO wages and performance evaluation. Director Knott seconded the motion and roll was called.

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

At 11:08 A.M. Director Cerv made a motion to return to regular session. Director Aerni seconded the motion and roll was called.

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

Director Cerv stated that Board consensus was to offer a 4.0 percent salary increase to the District's President/CEO for 2020. Director Fleming made a motion to approve this pay increase for President/CEO Suess. Director Donoghue seconded the motion and roll was called.

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

A letter regarding the Holiday Schedule for 2020 is filed as Exhibit 19-214.

Director Cerv made a motion to approve the 2020 Holiday Schedule and the addition of a floating holiday in 2020 if the District has no lost-time accidents for the entire calendar year in 2019. Director Knott seconded the motion.

President/CEO Suess recommended that the District grant an additional safety holiday if the District has no lost-time accidents for the entire calendar year in 2019, which will be almost one and one-half years of no lost-time accidents. Mr. Suess noted that it is quite an accomplishment to achieve this safety milestone under any circumstance, but particularly considering the obstacles of this past year with the mid-March storm event, and he believes it is important to send a signal to employees for reaching this goal. Management and the Board discussed the details regarding this recommended floating holiday.

The question was called.

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

At this time, Vice President of Administrative Services/CFO Williams presented the financial report for November 2019, filed as Exhibit 19-215.

The work order letter is filed as Exhibit 19-216.

Director Donoghue made a motion to approve the work order letter as presented. Director Aerni seconded the motion and roll was called.

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

A letter regarding Contract 2019-01 – 115kV 56MVA Power Transformer is filed as Exhibit 19-217.

President/CEO Suess recommended Contract 2019-01 be awarded to Moehn/WEG in the amount of \$818,100, plus tax.

Director Langemeier made a motion to accept management’s recommendation to award Contract 2019-01 – 115kV 56MVA Power Transformer to Moehn/WEG in the amount of \$818,100, plus tax. Director Knott seconded the motion.

President/CEO Suess stated that Moehn/WEG presented the best and lowest evaluated bid of the eight bids received, noting that this bidder can meet specifications and has supplied similar equipment to the District which has operated satisfactorily. Management and the Board discussed further details related to this issue.

The question was called.

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

A letter regarding Quotation 19-796 Substation Transformer 82577 (Clarkson) Repair is filed as Exhibit 19-218.

President/CEO Suess recommended Quotation 19-796 Substation Transformer 82557 (Clarkson) Repair be awarded to Solomon Corporation in the amount of \$180,750, plus tax.

Director Cerv made a motion to accept management’s recommendation to award Quotation 19-796 Substation Transformer 82557 (Clarkson) Repair to Solomon Corporation in the amount of \$180,750, plus tax. Director Drozd seconded the motion.

President/CEO Suess indicated that Solomon Corporation presented the best and lowest evaluated bid of the two bids received, and stated the bidder can meet specifications and has

supplied similar equipment to other Districts which has operated satisfactorily. Management and the Board discussed further details related to this issue.

The question was called.

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

Nay: None

Absent: None

The motion carried.

The next Board meeting will be held on Tuesday, January 28, 2020, at 9:00 A.M. in Columbus.

The District Safety Banquet is set for Friday, February 7, 2020, in Columbus at the VFW. Cocktails begin at 6:00 P.M. with the dinner and program to follow at 7:00 P.M.

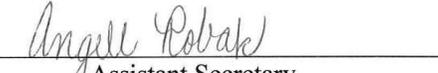
President/CEO Suess noted there will be three Director's seats open for election in 2020: Director Langemeier in Subdivision 5, Director Tooley in Subdivision 9 and Director Aerni in Subdivision 10. Incumbents must file by February 18, 2020, and non-incumbents must file by March 2, 2020.

President/CEO Suess wished everyone a Merry Christmas and Happy New Year.

Director Aerni made a motion to adjourn. Director Heesacker seconded the motion. Motion carried by voice vote.

1/28/2020
Date


Chairman of the Board


Assistant Secretary