

LOUP POWER DISTRICT  
BOARD OF DIRECTORS  
February 26, 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 February 26, 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, David Bell, Ron Ziola, Walt Williams, Dan Hellbusch, 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 January 22, 2019 meeting were approved.**

The following reports were presented to the Directors: the January 2019 Staff Operations Report – Exhibit 19-017; the January 2019 Bank Reconciliation Report – Exhibit 19-018; the January 2019 Vendor Payment Report – Exhibit 19-019. Additional reports presented to the Directors included various financial metrics of the District for December 2018 and January 2019 – Exhibits 19-020 and 19-021, respectively; and NPPD's Board of Directors Committee Meetings and Board Meeting Agendas for the February 13-14, 2019 NPPD Board Meeting – Exhibit 19-022.

**Executive Committee**

A letter addressing the Hydroelectric Relicensing Update and Other Water Issues is filed as Exhibit 19-023.

President/CEO Suess indicated that the Federal Energy Regulatory Commission (FERC) issued an "Order Modifying and Approving Revised Recreation Plan Pursuant to Article 413" on January 30, 2019; however, since there were no major changes to the plan proposed by the District, the District is not planning to file for a rehearing. Mr. Suess stated the District will need to file quarterly reports on the status of reopening the Headworks OHV area as well annual recreation construction completion reports in 2019, 2020, and 2021. President/CEO Suess noted that several letters have been filed with FERC by individuals requesting that the Headworks OHV Park be reopened, although some adjacent landowners have expressed their concerns over violations by riders in the area. Mr. Suess stated the District is has set up a meeting with potential

third-party managers of the OHV Park on April 10<sup>th</sup> from 2-4 p.m. in the Loup Power District Mural Room. President/CEO Suess indicated the District continues to wait on FERC to rule on the Operation Compliance Plan. The District sent a letter to FERC, with a copy sent to both the United States Fish and Wildlife Service (USFWS) and the Nebraska Game and Parks Commission (NGPC) requesting a meeting to continue discussions regarding the low water flow plans. Mr. Suess stated the District has heard back from FERC and USFWS that they would like to hold a meeting; however, the District has yet to hear when this meeting will take place. President/CEO Suess noted the annual reports regarding the Loup Power Canal Bank Monitoring Plan and the Loup River Bypass Reach Streambank Monitoring Plan have been filed. Mr. Suess indicated 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. The District, in addition to several other parties, filed briefs regarding the applicants' Motion to Dismiss on November 30, 2018, and the applicants' briefs in support of the Motion to Dismiss were filed on January 31, 2019. President/CEO Suess stated that District management continues to monitor the drought mitigation plan being developed by several Natural Resource Districts (NRDs) and water systems in the lower Platte River which could possibly affect the water flow in the lower Platte River. Mr. Suess indicated the District continues to hold in abeyance the Eighth Circuit Court of Appeals filing for review of the new license order, and the District is waiting on FERC's review of the Operation Compliance Plan before determining what further court action may be taken. Mr. Suess noted that if an agreement can be reached with FERC and USFWS, the Eighth Circuit Court of Appeals case will be withdrawn. President/CEO Suess shared with the Board a google earth map detailing the winter conditions affecting the District's ability to generate in the winter, including the locations of the current ice jams. Management and the Board discussed various issues regarding the District's hydroelectric license.

A letter regarding the New Service Center Update is filed as Exhibit 19-024.

President/CEO Suess indicated construction of the District's new Service Center located in the Energy Triangle Addition is ongoing. Mr. Suess stated that management continues to meet with B-D Construction regarding project concerns and scheduling, and reiterated that the pricing does not include costs associated with the road to this facility from Lost Creek Parkway or costs for the sewer extension, which will be billed by the City once the final layout and design are determined. President/CEO Suess indicated the entire building is enclosed, brick laying for the locker room/storm shelter has been ongoing for a week, metal framing for the walls is installed, and minor drywall work is continuing. The Board will tour the new Service Center after the March Board meeting. Mr. Suess stated the District is working with the City and the County on platting for the entire Energy Triangle Addition, including the roadway location leading into the Energy Triangle Addition from Lost Creek Parkway, as well as the road to the new Service Center. The District is also working with its attorney on an easement for the entry road into the Energy Triangle Addition. President/CEO Suess noted the District plans to submit its wetlands mitigation plan to the Army Corps of Engineers for final approval by the end of March. Mr. Suess indicated District management continues to meet with C. S. Nelson Company real estate firm regarding the sale of the property in the Energy Triangle Addition as well as the sale of the existing Service Center building. Mr. Suess shared with the Board a picture of the Energy Triangle Addition Master Plan which was developed by Olsson Associates. Management and the Board discussed items related to the new Service Center and the Energy Triangle Addition.

A letter regarding the Net Metering Installation Update is filed as Exhibit 19-025.

President/CEO informed the Board that each year the District is required to submit a report to the Nebraska Power Review Board (PRB) which supplies data on net metering installations. State statutes limit the net metering installations to 25kW in size, unless the utility decides on its own to increase this. Mr. Suess indicated, in 2018, the District had eighteen (18) total qualifying facilities that are considered net metering locations, of which seventeen (17) were solar and one (1) was wind, for a total rated capacity of 363.2kW. There are approximately six (6) other locations pending, which will bring the total rated capacity to near 500kW. President/CEO Suess presented graphs showing the 2017 and 2018 Net Metered Customers-Solar, Gross Capacity Factor as well as the 2017 and 2018 Net Metered Customers-Solar, Loup Received Energy. Management and the Board discussed details regarding the net metering installation information provided by President/CEO Suess.

### **Rates Committee**

A letter regarding Discussion and Action on Rate Schedule LP-ED is filed as Exhibit 19-026.

President/CEO Suess informed the Board that late in 2018, the District acquired a new industrial customer, Prairie Catalytic, which was billed under the District's Rate Schedule LG-1, General Service, for three-phase service. Prairie Catalytic will now be billed under Rate Schedule LP-3, Large Light and Power Service – Distribution Delivery, as that is the more appropriate rate schedule. Mr. Suess informed the Board that the District's wholesale power supplier, NPPD, developed an Economic Development Rate, NPPD SPP No. 6, for new loads or additional loads on existing facilities, which would be in effect for five years, after which time the load would switch to the appropriate wholesale customer's rate schedule. After outlining the qualifications necessary for the use of the SPP No. 6 rate, President/CEO Suess recommended that the District develop a rate schedule to match the NPPD rate schedule. The new Rate Schedule LP-ED, Large Power and Light – Economic Development Rate, will include Loup delivery charges, similar to rates developed for ADM, and will be changed annually as Loup and NPPD's delivery rates change. Mr. Suess noted that Prairie Catalytic will need to meet the requirements contained in NPPD's SPP No. 6, in order for the District's Rate Schedule LP-ED to take effect.

**Director Aerni made a motion to approve the new Rate Schedule LP-ED. Director Fleming seconded the motion.**

There was further discussion between management and the Board regarding the new rate schedule.

**The question was called.**

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

### **Finance and Budget Committee**

President/CEO Suess and the Board set Tuesday, March 19, 2019, at 9:00 A.M. as the date for the Finance and Budget Committee to meet and review the 2018 audit. Bob Beran of Dana F. Cole and Company, the District's auditors, will attend the meeting.

**Personnel, Safety, and Insurance Committee**

The 2018 Annual Safety Report is filed as Exhibit 19-027.

President/CEO Suess indicated that 2018 was a good year overall for safety at the District, with three personal injury accidents, one vehicle accident, and once lost-time injury accident, which was the first lost-time injury accident in three and one-half years. President/CEO Suess presented a graph illustrating the Personal Injury and Vehicle Accident Reports from 1967 to 2018, which showed a significant drop in accidents over the last forty years. Mr. Suess also presented a chart which compared the District's Personal Injury and Vehicle Accident Reports for the years 2017 and 2018. Management and the Board discussed at length the lost-time injury accident that occurred in 2018, and the safety standards the District follows to prevent accidents from happening in the future.

The Payroll Changes are filed as Exhibit 19-028.

President/CEO Suess discussed upcoming changes with the Customer Service Representatives and others throughout the District.

**Support Services Committee**

A letter regarding the 2018 NPPD EnergyWise Annual Report is filed as Exhibit 19-029.

President/CEO Suess indicated the EnergyWise program began in the fall of 2008 and has been financed as part of the wholesale rates paid to NPPD. The EnergyWise program has greatly benefited NPPD and its wholesale customers, as well as the retail customers of the District who have chosen to take advantage of the programs offered by the District.

A letter regarding the Legislative Bill Watch is filed as Exhibit 19-030.

President/CEO Suess stated the 2019 Nebraska Unicameral officially began its 90-day session on January 9, and is expected to end June 6. The main focus in the Unicameral this year will be tax reform, budget concerns, school funding, and Medicaid expansion. All bills have been introduced by the State Senators. Several bills are being closely watched by organizations of which the District is a member, including the Nebraska Power Association (NPA) and the Columbus and State of Nebraska Chambers of Commerce. Management and the Board discussed several of these bills, as well as the "Green New Deal", which has been introduced at the national level.

A letter regarding Payments Made to Communities and Community Clubs is filed as Exhibit 19-031.

President/CEO Suess indicated that checks for the ten percent lease payments to cities and villages were delivered in February, as well as payments to various community clubs and organizations.

At this time, Vice President of Administrative Services Williams presented the financial reports for December 2018 and January 2019 filed as Exhibits 19-032 and 19-033, respectively.

The work order letter is filed as Exhibit 19-034.

**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.**

The next Board meeting will be held on Tuesday, March 26, 2019, at 9:00 A.M. in Columbus. Directors are asked to wear casual attire, as they will be touring the new Service Center following the Board meeting.

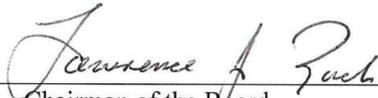
The Board Retreat Committee, Directors Aerni, Fleming, and Knott, were asked to meet on Tuesday, March 26, 2019, at 8:30 A.M., prior to the Board meeting, to discuss this year's Board retreat.

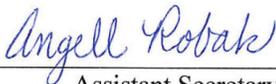
The APPA Annual Conference is set for June 7-12, 2019 in Austin, TX.

A customer satisfaction survey was launched on the District's website. Results will follow as the information is compiled.

**Director Tooley made a motion to adjourn. Director Fleming seconded the motion. Motion carried by voice vote.**

3/26/19  
Date

  
Chairman of the Board

  
Assistant Secretary