

LOUP POWER DISTRICT
BOARD OF DIRECTORS
January 27, 2021

The regular meeting of the Board of Directors of the Loup River Public Power District was held at Loup Power District's Service Center, Columbus, Nebraska on January 27, 2021, after being postponed from January 26, 2021, due to inclement weather conditions.

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, Langemeier, Heesacker, Knott

Absent: Aerni

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 will be conducting the meeting based on Robert's Rules of Order.

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

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

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

Nay: None

Absent: Aerni

The motion carried.

The minutes of the December 22, 2020 meeting were approved.

The following reports were presented to the Directors: the December 2020 Staff Operations Report – Exhibit 21-001; the December 2020 Bank Reconciliation Report – Exhibit 21-002; the December 2020 Vendor Payment Report – Exhibit 21-003. Additional reports presented to the Directors included various financial metrics of the District for December 2020 – Exhibit 21-004; selected financial information – Exhibit 21-005; NPPD's Board of Directors Board Meeting Agendas for the January 13-14, 2021 NPPD Board Meeting – Exhibit 21-006; and NPPD's Virtual RRC/PRAB/Customer Meeting Agenda and Presentations for the January 21, 2021 Microsoft TEAMS Meeting – Exhibit 21-007.

Executive Committee

President/CEO Suess indicated that the District has held Board retreats in the past as it can be helpful and informative for the Directors. Although it has been several years since the last retreat, Mr. Suess recommended a Board Retreat Committee be formed to decide whether or not to hold a retreat in 2021 and, if so, develop an agenda and set a date for the retreat. The Board agreed, and Chairman Knott asked for volunteers to serve on the Board Retreat Committee. Directors Fleming, Drozd, and Heesacker volunteered to serve on this committee.

A letter addressing District Water Issues is filed as Exhibit 21-008.

President/CEO Suess indicated that there has been no activity during the last month regarding the compliance process of the District's hydroelectric license, and stated that the year-end reports for the interior least tern/piping plover and rufa red knot (ILT/PP/RRK) monitoring plan and recreation management plan have been submitted to the Federal Energy Regulatory Commission (FERC). Mr. Suess noted that the interior least tern (ILT) has been delisted as a threatened and endangered species under the Endangered Species Act (ESA), effective February 12, 2021. Mr. Suess reiterated that on October 13, 2020, the United States Fish and Wildlife Service (USFWS) sent a letter to the Federal Energy Regulatory Commission (FERC) which agreed with some of the District's proposed language changes to the USFWS Biological Opinion. The District continues to work on its comments to this letter. President/CEO Suess indicated that the District filed its intervention in the revised interbasin water transfer case, along with Central Platte NRD and Lower Loup NRD, and is waiting on the Department of Natural Resources (DNR) to set a hearing schedule associated with this case. Mr. Suess stated the District continues to hold in abeyance the Eighth Circuit Court of Appeals filing for review of the License Order, noting the District's next filing will be due March 1, 2021. President/CEO Suess indicated the wing wall reconstruction is complete, and the District is putting together the final report on the intake wing wall, which is due by March 10, 2021. Mr. Suess stated the District's Water Management Plan is on file with FERC, and that management is working with FERC personnel to decide how to fill the Canal back to normal levels while meeting the terms of the License. President/CEO Suess indicated that a Canal remediation plan ensuring that the events from the mid-March 2019 storm do not recur has been developed by Olsson, Inc. in consultation with District management. This plan has been submitted to FERC, and management plans to have further discussions with FERC Staff regarding the development of a finalized construction design. Management and the Board discussed several items related to the District's hydroelectric license, including specifics associated with the Canal's remediation plan. President/CEO Suess shared a short video of a dam in Serbia where tons of garbage had accumulated as a result of poor waste management.

A letter regarding Hydroelectric Generation in 2020 is filed as Exhibit 21-009.

President/CEO Suess indicated 2020 was an average year for hydroelectric generation for the District, which continues to deal with the effects from the mid-March 2019 storm event. Generation in 2020 was 137,852 MWh, compared to 95,245 in 2019, with a peak month of 16,276 MWh in October. Mr. Suess stated there were no record-high or record-low amounts of generation in 2020, and noted that operating under the flow restrictions contained in the District's License issued by the Federal Energy Regulatory Commission (FERC) affects the amount of generation possible. President/CEO Suess shared a table detailing the generation of the hydroelectric facilities from the commercial operation date in 1938 to the end of 2020, and

presented a graph showing the monthly hydroelectric generation for the years 2010, 2019, and 2020. Management and the Board discussed the information provided by President/CEO Suess.

A letter regarding the Creston Ridge Wind Farm Update is filed as Exhibit 21-010.

President/CEO shared with the Board tables and charts detailing monthly data from the Creston Ridge Wind Farm since both wind farms began commercial operation. President/CEO Suess stated that District management continues to work with Bluestem to sell the renewable energy credits (REC's) being generated from the wind farm as they become available. Management and the Board discussed various aspects of the wind farm project.

A letter regarding Resolution No. 2021-01 – City of Fullerton PRO Agreement and Franchise is filed as Exhibit 21-011.

Resolution No. 2021-01 – City of Fullerton – PRO Agreement and Franchise is filed as Exhibit 21-012.

President/CEO Suess stated that management is working with all the cities, towns, and villages within the District's service territory to obtain new Professional Retail Operations (PRO) Agreements and Franchises. Mr. Suess informed the Board that on December 15, 2020, the City of Fullerton voted unanimously to accept a new PRO Agreement and Franchise with the District with the following changes: the PRO Agreement and Franchise will be combined into one document; the PRO Agreement and Franchise will be extended through December 31, 2040, with the ability to renew; lease payments will be made to the City of Fullerton once every three months instead of every six months; and, beginning in 2021, the lease payments to the City of Fullerton will be increased from ten to eleven percent. All these terms are similar to those with other cities, towns and villages served at retail by the District. Management recommended the Board adopt Resolution No. 2021-01, which approves the proposed changes to the PRO Agreement and Franchise with the City of Fullerton.

Director Fleming made a motion to adopt Resolution No. 2021-01. Director Donoghue seconded the motion and roll was called.

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

A letter regarding Resolution No. 2021-03 – Village of Howells PRO Agreement and Franchise is filed as Exhibit 21-013.

Resolution No. 2021-03 – Village of Howells – PRO Agreement and Franchise is filed as Exhibit 21-014.

President/CEO Suess stated that management is working with all the cities, towns, and villages within the District's service territory to obtain new Professional Retail Operations (PRO) Agreements and Franchises. Mr. Suess informed the Board that on January 5, 2021, the Village of Howells voted unanimously to accept a new PRO Agreement and Franchise with the District

with the following changes: the PRO Agreement and Franchise will be combined into one document; the PRO Agreement and Franchise will be extended through December 31, 2040, with the ability to renew; lease payments will be made to the Village of Howells once every three months instead of every six months; and beginning this year, 2021, the lease payments to the Village of Howells will be increased from ten to eleven percent. All these terms are similar to those with other cities, towns and villages served at retail by the District. Management recommended the Board adopt Resolution No. 2021-03, which approves the proposed changes to the PRO Agreement and Franchise with the Village of Howells.

Director Fleming made a motion to adopt Resolution No. 2021-03. Director Donoghue seconded the motion and roll was called.

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

A letter regarding Resolution No. 2021-04 – Village of Monroe PRO Agreement and Franchise is filed as Exhibit 21-015.

Resolution No. 2021-04 – Village of Monroe – PRO Agreement and Franchise is filed as Exhibit 21-016.

President/CEO Suess stated that management is working with all the cities, towns, and villages within the District's service territory to obtain new Professional Retail Operations (PRO) Agreements and Franchises. Mr. Suess informed the Board that on January 6, 2021, the Village of Monroe voted unanimously to accept a new PRO Agreement and Franchise with the District with the following changes: the PRO Agreement and Franchise will be combined into one document; the PRO Agreement and Franchise will be extended through December 31, 2040, with the ability to renew; lease payments will be made to the Village of Monroe once every three months instead of every six months; and, beginning this year, 2021, the lease payments to the Village of Monroe will be increased from ten to eleven percent. All these terms are similar to those with other cities, towns and villages served at retail by the District. Management recommended the Board adopt Resolution No. 2021-04, which approves the proposed changes to the PRO Agreement and Franchise with the Village of Monroe.

Director Fleming made a motion to adopt Resolution No. 2021-04. Director Langemeier seconded the motion and roll was called.

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

A letter regarding Resolution No. 2021-05 – Village of Primrose PRO Agreement and Franchise is filed as Exhibit 21-017.

Resolution No. 2021-05 – Village of Primrose – PRO Agreement and Franchise is filed as Exhibit 21-018.

President/CEO Suess stated that management is working with all the cities, towns, and villages within the District's service territory to obtain new Professional Retail Operations (PRO) Agreements and Franchises. Mr. Suess informed the Board that on January 11, 2021, the Village of Primrose voted unanimously to accept a new PRO Agreement and Franchise with the District with the following changes: the PRO Agreement and Franchise will be combined into one document; the PRO Agreement and Franchise will be extended through December 31, 2040, with the ability to renew; lease payments will be made to the Village of Primrose once every three months instead of every six months; and, beginning this year, 2021, the lease payments to the Village of Primrose will be increased from ten to eleven percent. All these terms are similar to those with other cities, towns and villages served at retail by the District. Management recommended the Board adopt Resolution No. 2021-05, which approves the proposed changes to the PRO Agreement and Franchise with the Village of Primrose.

Director Fleming made a motion to adopt Resolution No. 2021-05. Director Donoghue seconded the motion and roll was called.

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

Nay: None

Absent: Aerni

The motion carried.

Rates Committee

A letter regarding Discussion and Possible Action on the 2021 Canal Water Use Rates is filed as Exhibit 21-019.

President/CEO Suess discussed the current canal water use rates. Using the current cost-of-service study as a guide, management feels that maintaining the canal water use rate at the same level as 2020 would continue to slowly recover prior years' deficits and recommends no change to the current rate of \$10.00 per acre foot. After a discussion between management and the Board regarding allocation of the cost of service and recovery of past years' under-collections, the Board decided to accept management's recommendation and leave the canal water use rate at \$10.00 per acre foot for 2021.

Personnel, Safety, and Insurance Committee

The Payroll Changes are filed as Exhibit 21-020.

Resolution No. 2021-02 regarding the retirement of Dale Oberhauser is filed as Exhibit 21-021.

Director Donoghue made a motion to adopt Resolution No. 2021-02. Director Zach seconded the motion and roll was called.

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

Nay: None

Absent: Aerni

The motion carried.

Support Services Committee

The Legislative Bill Watch letter is filed as Exhibit 21-022.

President/CEO Suess stated the 2021 Nebraska Unicameral officially began its long 90-day session on January 6, and this session is expected to end on June 10, if not sooner. The main focus in the Unicameral this year will be tax reform and incentives, prisons, and other budget concerns. Vice President of Corporate Services Duren discussed with the Board various bills that have been introduced by the State Senators, including those addressing net metering, COVID-19, the Open Meetings Act, and others; and noted that a number of bills are related to the electric utility industry. 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 items related to the 2021 Nebraska Unicameral session.

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 21-023. Reports to the Board were also presented by Vice President of Engineering Hobza and Vice President of Operations Hellbusch. Vice President of Corporate Services Duren presented his report to the Board, which included a Covid-19 update as it relates to the District. A report was also presented by Human Resource Manager Henry.

The investment letter is filed as Exhibit 21-024.

Director Langemeier made a motion to approve the investment letter as presented. Director Zach seconded the motion and roll was called.

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

The work order letter is filed as Exhibit 21-025.

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

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


The next regular Board meeting is set for February 23, 2021 at 9:00 A.M.

All Directors and officers of the District are required to file their C-1 form with the Nebraska Accountability and Disclosure Commission. The Directors were asked to let management know when their forms have been mailed. These forms must be received by the State no later than March 1, 2021.

President/CEO Suess indicated that, because of COVID-19 concerns, the Safety Banquet, Staff-Supervisor's Meeting, Non-Supervisor's Meeting and Office Skills Workshop have been postponed indefinitely.

The APPA Annual Conference is set for June 18-23, 2021 in Chicago, IL, with a virtual portion scheduled for July.

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



Chairman of the Board

2/23/2021

Date



Assistant Secretary