

LOUP POWER DISTRICT
BOARD OF DIRECTORS
July 23, 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 July 23, 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 June 25, 2019 meeting were approved.

The following reports were presented to the Directors: the June 2019 Staff Operations Report – Exhibit 19-104; the June 2019 Bank Reconciliation Report – Exhibit 19-105; the June 2019 Vendor Payment Report – Exhibit 19-106. Additional reports presented to the Directors included various financial metrics of the District for June 2019 – Exhibit 19-107; and NPPD's RRC/PRAB/Customer Meeting Agenda and Presentations for the July 18, 2019 Meeting – Exhibit 19-108.

Executive Committee

A letter addressing Damage from the March 12-14 Storm Event is filed as Exhibit 19-109.

President/CEO Suess indicated that work continues on cleanup from the March 12-14 storm event. Mr. Suess stated the road along the north side of the Canal has been rebuilt and the decking on the skimming weir has been put back in place and rebuilt. Mr. Suess noted the District is now allowing 1,500 cfs of water into the Canal, which allows for additional generation and covers exposed sand levels in the Canal. President/CEO Suess indicated repairs continue on the dredge in order to get a new channel dug for winter operation. Mr. Suess stated management continues to work with Olsson, Inc. on repair and design at the Headworks and along the Canal. Mr. Suess stated that the finalized temporary design documents, geotechnical reports, and root cause analysis have been submitted to the Federal Energy Regulatory Commission (FERC), and bidding documents for the wing wall repair will be going out soon. Mr. Suess noted that weekly

repair updates are being submitted to FERC as well. President/CEO Suess indicated that management continues to work with McGill Restoration on a quote for the repair of the concrete weir structure which has suffered substantial erosion through the years. Mr. Suess stated all repairs that can be done have been done to the subtransmission and distribution lines south and west of Columbus, as well as the Headworks line. President/CEO Suess indicated the new site for the St. Edward substation has been selected and purchased, and stated management has written a letter to the St. Edward Mayor and City Council explaining the reasons for the new location of the St. Edward substation and addressing concerns expressed by a few local residents. Management continues to meet with Federal Emergency Management Agency (FEMA) officials to review numerous damage claims from the District, and President/CEO Suess reiterated that it will be many years before any funds are collected from FEMA. Management and the Board discussed at length various issues regarding the March 12-14 storm event.

A letter addressing the Hydroelectric Relicensing Update and Other Water Issues is filed as Exhibit 19-110.

President/CEO Suess indicated that there has been little additional activity at FERC during the past month. Mr. Suess stated the District filed the required progress report with FERC on July 15, specifying how the District was meeting the requirements under the License, particularly those requirements suspended by FERC. Mr. Suess noted the District continues to wait for FERC's ruling on the Article 407-Operations Compliance Plan, and expects this to be delayed until after the emergency repairs associated with the Canal are complete. President/CEO Suess indicated the District continues to hold in abeyance the Eighth Circuit Court of Appeals filing for review of the License Order, and noted it is hoped the case can be cancelled if the final ruling from FERC is acceptable. 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 noted a hearing was held on June 28, 2019 to decide if the entire application should be thrown out. Briefings from all parties are expected in August, with reply briefs due by the end of September. President/CEO Suess stated the District will be working jointly with the Central Platte Natural Resource District and the Lower Loup Natural Resource District on filings and motions. 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 19-111.

President/CEO Suess indicated construction of the District's new Service Center located in the Energy Triangle Addition continues to move forward, and stated most of the outside work is complete, the entire building is enclosed, painting and drywall work is ongoing, and carpeting is scheduled to begin in August. Mr. Suess noted that the plans to move in during the fall of 2019 remain on track, and the current budget estimate of \$5.5 million is being met for the building construction. President/CEO Suess provided the Board with B-D Construction's six-week look ahead schedule. Mr. Suess stated the District has worked with the City on platting for the entire Energy Triangle Addition, including details for the road and sewer layout. President/CEO Suess indicated preliminary approval was received in April from the Planning Commission and City Council, and final approval is expected in August, since the wetlands mitigation issue has been resolved. Mr. Suess noted the wetlands mitigation will take place off-site in the East Industrial Park area, due to the close proximity of the airport and Federal Aviation Administration (FAA) concerns. The District is also working with its attorney on an easement/subdivision agreement for the entry road into the Energy Triangle Addition, and the traffic study required by the City is

complete, with turn lanes being extended on Lost Creek Parkway. 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. President/CEO Suess noted the viaduct construction has been delayed, and management will be communicating with City officials to determine how this delay might affect the District; however, the expected time to move into the new facility remains late September or early October. Management and the Board discussed items related to the new Service Center and the Energy Triangle Addition.

A letter regarding the 2019 Nebraska Power Association Load and Capability Report is filed as Exhibit 19-112.

President/CEO Suess provided the Board with the completed 2019 Nebraska Power Association (NPA) Load and Capability Report, which is required to be filed with the Nebraska Power Review Board annually. This report regards the status of future electrical loads and resources of the entire state over the next 20 years. Within the report, the statewide forecast projects a statewide peak demand increase from 7,060 MW in 2019 to 7,999 MW in 2038, which is a compounded annual growth rate of 0.7 percent. Within the state of Nebraska, there are 7,564 MW of existing creditable generating resource capacity. There are 210 MW of committed resources, with all of this being nameplate wind power, solar power or biomass power. Through the study period, there are no planned resources and 875 MW of studied resources. President/CEO Suess informed the Board that, with committed resources in place, Nebraska is not expected to see a capacity deficit until after 2028. However, of the 7,564 MW of existing generating resource capacity, 1,135 MW has been in service for over 50 years and another 2,656 MW has been in service between 41 and 50 years. Mr. Suess noted that by 2038, approximately 3,791 MW of resources included in the NPA report will be over 60 years of age. Management and the Board discussed details contained in the NPA report.

Personnel, Safety, and Insurance Committee

The Payroll Changes are filed as Exhibit 19-113.

A letter regarding the Vice President-Corporate Services-Salary Level is filed as Exhibit 19-114.

At 9:54 A.M. Director Cerv made a motion to move into Executive Session to discuss the Vice President-Corporate Services salary and compensation package. Director Drozd 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 10:40 A.M. Director Cerv made a motion to return to regular session. Director Drozd 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 Knott made a motion to accept the salary and compensation package for the Vice President-Corporate Services, Todd Duren, as discussed in Executive 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.

At this time, Vice President of Administrative Services Williams presented the financial report for June 2019 filed as Exhibit 19-115.

The work order letter is filed as Exhibit 19-116.

Director Tooley made a motion to approve the work order letter as presented. 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.

The next Board meeting will be held on Tuesday, August 27, 2019, at 9:00 A.M. in Columbus.

NPPD's Board is working on a new Strategic Directive on Sustainable Energy. President/CEO Suess is included in the customer panel for discussion. Meetings are set for the next six months.

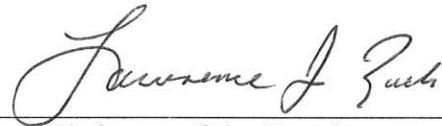
President/CEO stated NPPD is forecasting a large surplus of funds for 2019 and is determining how to give these funds back to its wholesale customers, similar to the Production Cost Adjustment (PCA) discussions last year. At the wholesale meeting held on July 18, more details were discussed, and NPPD indicated it wants to keep some of the surplus to pay down debt. After a lengthy discussion between management and the Board regarding this issue, the Board decided to send a letter to NPPD expressing its strong desire to have the NPPD surplus refunded to its wholesale customers and to not use this funding to retire debt.

NPPD's Annual Customer meeting is set for Wednesday-Thursday, August 28-29 in Gothenburg.

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The Columbus Days coronation ceremony is set for Monday, August 12 at the Ramada Inn. Mike Hanson is King Ferdinand and Jo Suess is Queen Isabella.

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



Chairman of the Board

8/27/19

Date



Assistant Secretary