

LOUP POWER DISTRICT
BOARD OF DIRECTORS
June 25, 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 June 25, 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, Langemeier, Fleming, Cerv, Drozd, Knott, Aerni, Heesacker, Zach

Absent: Donoghue

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.

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

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

Nay: None

Absent: Donoghue

The motion carried.

The minutes of the May 28, 2019 meeting were approved.

The following reports were presented to the Directors: the May 2019 Staff Operations Report – Exhibit 19-090; the May 2019 Bank Reconciliation Report – Exhibit 19-091; the May 2019 Vendor Payment Report – Exhibit 19-092. Additional reports presented to the Directors included various financial metrics of the District for May 2019 – Exhibit 19-093; and NPPD's Board of Directors Committee Meetings and Board Meeting Agendas for the June 12-13, 2019 NPPD Board Meeting – Exhibit 19-094.

Executive Committee

A letter addressing Damage from the March 12-14 Storm Event is filed as Exhibit 19-095.

President/CEO Suess indicated that work continues on the cleanup from the March 12-14 storm event. Mr. Suess stated the roadway on the north side of the Canal and the decking across the skimming weir has been put back in place, and the gap between the skimming weir and the Loup River has been closed. President/CEO Suess noted that currently the District is able to allow

approximately 1,250 cfs of water into the Canal and will try to increase this to 1,500 cfs over the next several weeks. Mr. Suess stated the District is in the process of repairing water damage to the dredge's pumps and motors, as it is hoped to have the dredge back in operation for the fall in order to clear the channel for winter operation. President/CEO Suess indicated that management continues to work with Olsson, Inc. on repair and design at the Headworks and along the Canal. Draft drawings were submitted to the Federal Energy Regulatory Commission (FERC) for review, and comments have been received from FERC regarding these drawings. Mr. Suess stated that the finalized temporary design documents, geotechnical reports, and root cause analysis have been submitted to FERC. 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, and bidding documents are being prepared for the north wing wall of the intake structure which suffered damage from the storm event. 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 that there had been an issue with relocating the St. Edward substation but, after working with the landowner, the purchase agreement for the substation site has been executed and work should begin soon. Management has been meeting with Federal Emergency Management Agency (FEMA) officials to review numerous damage claims from the District; however, President/CEO Suess reiterated that this will be a lengthy process involving considerable paperwork. 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 19-096.

President/CEO Suess indicated that on June 3, 2019, the District received a letter from FERC granting relief for Articles 404, 405, and 406, which relate to flow requirements and granting relief and delayed consideration of Articles 407 and 408, as well as Article 413. FERC did not grant relief for Article 410, which relates to construction activity with migratory birds. 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, and noted the DNR plans to hold a hearing on June 28, 2019 to decide if the entire application should be thrown out. President/CEO Suess stated that there has been no further discussion of drought monitoring cases along the Platte River, and there may not be for a significant period of time, considering the ongoing water issues in eastern Nebraska. Mr. 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. 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 19-097.

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, the drywall is in place, and painting is ongoing. 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 is working with the City 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. President/CEO Suess indicated preliminary approval was received in April from the Planning Commission and City Council, and final approval is expected in July, since the wetlands mitigation issue has been resolved. The District is also working with its attorney on an easement/subdivision agreement for the entry road into the Energy Triangle Addition. 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. Management and the Board discussed items related to the new Service Center and the Energy Triangle Addition. The Directors and management toured the facilities after the Board meeting.

At 9:53 A.M. Director Knott made a motion to move into Executive Session to discuss Large Customer Concerns. Director Aerni seconded the motion and roll was called.

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

At 10:20 A.M. Director Knott made a motion to return to regular session. Director Aerni seconded the motion and roll was called.

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

Rates Committee

President/CEO Suess indicated that NPPD is forecasting a large surplus of wholesale revenue for 2019, and is determining how to return this surplus to its wholesale customers. Discussions regarding this matter will continue at NPPD's RRC/PRAB/Wholesale Customer meeting on July 18. Management and the Board discussed concerns related to this surplus of wholesale revenue.

Personnel, Safety, and Insurance Committee

The Payroll Changes are filed as Exhibit 19-098.

Support Services Committee

A letter regarding the Legislative Bill Watch is filed as Exhibit 19-099.

President/CEO Suess stated the 2019 Nebraska Unicameral ended its long 90-day session on May 31. The main focus in the Unicameral this year was tax reform, budget concerns, and legalization of medical cannabis. Mr. Suess noted any bill not voted on this year will be included and reviewed as part of the 2020 legislative session.

President/CEO Suess stated the APPA National Conference was held in Austin, TX on June 8-12, 2019, and he noted that the general and breakout sessions were very good. President/CEO Suess indicated that this year's conference was one of the better conferences he

has attended, and stated both the luncheon with NPPD and the reception with HDR went well. The next APPA National Conference will be held on June 5-10, 2020, in Long Beach, CA.

A letter regarding the High Hazard Area Safety and Regulatory Compliance Report is filed as Exhibit 19-100.

The District High Hazard Safety Administrator, who is the Vice President of Engineering, is required by the Federal Energy Regulatory Commission (FERC) to regularly report High Hazard Area safety and regulatory compliance issues to the District President/CEO, who must then report independently of operations to the District Board of Directors. In order to comply with Section 4.4.4 of the High Hazard Area Safety Program, President/CEO Suess submitted a letter to the Board stating there have been no safety or regulatory compliance issues in either High Hazard Area No. 1 or No. 2. Management and the Board discussed items regarding the High Hazard Area Safety Program, and Mr. Suess noted that FERC's report from the mid-March storm event indicated no concern with the High Hazard area in Genoa.

At this time, Vice President of Administrative Services Williams presented the financial report for May 2019 filed as Exhibit 19-101.

The investment letter is filed as Exhibit 19-102.

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

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

The work order letter is filed as Exhibit 19-103.

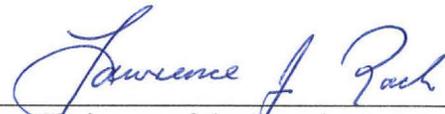
Director Aerni made a motion to approve the work order letter as presented. Director Fleming seconded the motion and roll was called.

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

The next Board meeting will be held on Tuesday, July 23, 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.

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



Chairman of the Board

7-23-19

Date



Assistant Secretary