

LOUP POWER DISTRICT  
BOARD OF DIRECTORS  
November 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 November 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, Ron Ziola, Walt Williams, Dan Hellbusch, Todd Duren, and Amanda Henry**

**Absent: David Bell**

**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 October 22, 2019 meeting were approved.**

The following reports were presented to the Directors: the October 2019 Staff Operations Report – Exhibit 19-178; the October 2019 Bank Reconciliation Report – Exhibit 19-179; the October 2019 Vendor Payment Report – Exhibit 19-180. Additional reports presented to the Directors included various financial metrics of the District for October 2019 – Exhibit 19-181; and NPPD's Board of Directors Committee Meetings and Board Meeting Agendas for the November 13-14, 2019 NPPD Board Meeting – Exhibit 19-182.

**Executive Committee**

A letter regarding the proposed 2020 Dates for Board Meetings is filed as Exhibit 19-183.

**Director Fleming made a motion to approve the proposed 2020 dates for Board meetings. 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 Slate of Officers for 2020 is filed as Exhibit 19-184.

President/CEO Suess recommended the Board approve the 2020 slate of officers as proposed by the nominating committee. The recommended officers are (1) Chairman – Chris Langemeier, (2) First Vice Chairman – Ross Knott, (3) Second Vice Chairman – Alan Drozd, (4) Secretary – Steve Heesacker, and (5) Treasurer – Dick Tooley.

**Director Aerni made a motion to approve the 2020 slate of officers as proposed by the nominating committee. Director Fleming 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 19-185.

President/CEO Suess indicated that work continues on cleanup from the March 12-14 storm event. Mr. Suess stated B-D Construction has been authorized to do the repairs of the wing wall at the intake structure, and the District has submitted information regarding the proposed earthen cofferdam to the Federal Energy Regulatory Commission (FERC) for comment. Regarding the filling in and compaction of breaches along the Canal, President/CEO Suess stated that HB Construction is at the site and working on these areas. Mr. Suess noted that there has been some concern with the compaction testing results, but Olsson, Inc. has assured the District that the work being performed by HB Construction is being performed properly. President/CEO Suess indicated that work on the St. Edward substation is nearing completion and the substation should be in service by late November or early December. Mr. Suess stated the District continues to monitor water flows into the Canal, noting that flows will fluctuate due to the weather and ongoing repairs. President/CEO Suess noted that the location for the new Operator House at the Headworks has been determined and construction is hoped to begin soon. Mr. Suess used Google Earth to show the Board where the location for the new Operator House is as opposed to where the old house was, noting that the new house will be located above the flood plain. President/CEO Suess indicated progress is being made with FEMA officials and the paperwork filing process has begun. 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 19-186.

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 the 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 notification from the Nebraska Game and Parks Commission (NGPC) that a Pallid Sturgeon was caught and released near the Headworks. District management had Mike Gutzmer of New Century Environmental prepare a report and the District submitted the report to FERC which indicated that this catch was an outlier due to the high water flows in the Loup River during the spring and summer months. 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. President/CEO Suess reminded the Board that management entered into a Joint Defense Agreement with the Lower Loup Natural Resources District and the Central Platte Natural Resources District, which will help with costs of fighting this case. Mr. Suess stated that all parties are waiting on a final ruling from the DNR. 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 19-187.

President/CEO Suess stated construction of the District's new Service Center located in the Energy Triangle Addition is almost complete. District management indicated to employees that the District should be moved in by January 2, 2020; however, it may be a bit later than January 2 due to the roadwork and fencing work that may take longer to complete due to weather conditions. Mr. Suess noted the water lines and sewer system have been checked and are ready for use. Mr. Suess noted the wetlands mitigation plan for the Energy Triangle location has been approved and will likely take place off-site in the East Industrial Park area which is currently owned by the District, due to airport concerns. President/.CEO Suess indicated there is little movement on the sale of the property in the Energy Triangle Addition, in addition to the sale of the existing Service Center building because the roadwork is not yet completed at the new facility and it is uncertain when the District will be completely moved out of the existing Service Center building. Mr. Suess noted that the District is beginning to see additional inquiries for the land at both the Energy Triangle Addition and the old Service Center. Management and the Board discussed items related to the new Service Center and the Energy Triangle Addition.

A letter regarding Discussion and Action-Resolution No. 2019-09 – Village of Belgrade PRO Agreement and Franchise is filed as Exhibit 19-188.

Resolution No. 2019-09 – Village of Belgrade – PRO Agreement and Franchise is filed as Exhibit 19-189.

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 November 12, 2019, the Village of Belgrade 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 Belgrade once every three months instead of every six months; and, beginning in 2021, the lease payment to the Village of Belgrade will be increased from ten to eleven percent. All these terms are similar to those with the Cities of Columbus and Genoa, and the Villages of Creston, Lindsay, Newman Grove, Leigh, and Petersburg. Management recommended the Board adopt Resolution No. 2019-09, which approves the proposed changes to the PRO Agreement and Franchise with the Village of Belgrade.

**Director Aerni made a motion to adopt Resolution No. 2019-09. 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 regarding Discussion and Action-Resolution No. 2019-10 – City of St. Edward PRO Agreement and Franchise is filed as Exhibit 19-190.

Resolution No. 2019-10 – City of St. Edward – PRO Agreement and Franchise is filed as Exhibit 19-191.

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 November 4, 2019, the City of St. Edward 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 St. Edward once every three months instead of every six months; and, beginning in 2021, the lease payment to the City of St. Edward will be increased from ten to eleven percent. All these terms are similar to those with the Cities of Columbus and Genoa, and the Villages of Creston, Lindsay, Newman Grove, Leigh, and Petersburg. Management recommended the Board adopt Resolution No. 2019-10, which approves the proposed changes to the PRO Agreement and Franchise with the City of St. Edward.

**Director Donoghue made a motion to adopt Resolution No. 2019-10. 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.**

### **Rates Committee**

A letter regarding the 2018 Comparison of Revenue per Kilowatt Hour is filed as Exhibit 19-192.

President/CEO Suess provides this APPA report to the Board each year as APPA completes the compilation of this data. President/CEO Suess presented a table illustrating the 2018 comparison of revenue per kWh for residential, commercial, industrial, and overall classes of customers, which showed the District is still one of the lower cost electric utilities in the state and the nation. President/CEO Suess and the Board discussed different aspects of the APPA report, including electricity pricing.

President/CEO Suess indicated that, due to a ruling by the Nebraska Accountability and Disclosure Commission regarding irrigation and farm leases directly controlled by Board members, Director Donoghue should not participate in any vote related to rates associated with the water taken from the canal for irrigation purposes until this action is resolved.

**Finance and Budget Committee**

The 2020 Construction Budget letter is filed as Exhibit 19-193.

Director Knott exited the meeting at 9:42 A.M.

President/CEO Suess reviewed the 2020 Construction Budget that was discussed in detail with the Board and Staff at the special meeting of the Finance and Budget Committee held on November 19, 2019.

**Director Fleming made a motion to approve the 2020 Construction Budget as presented. Director Cerv seconded the motion and roll was called.**

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

The 2020 Operations Budget letter is filed as Exhibit 19-194.

Director Knott reentered the meeting at 9:48 A.M.

President/CEO Suess reviewed the 2020 Operations Budget that was discussed in detail with the Board and Staff at the special meeting of the Finance and Budget Committee held on November 19, 2019. Mr. Suess presented a chart detailing the Annual Operations Cost Comparison-Total O & M and Total Retail Energy Sales. President/CEO Suess noted the 2020 Operations Budget includes no base retail rate change, with the exception of retail rates for ADM, and a small base wholesale rate change in February 2020, which tracks the NPPD wholesale rate change.

**Director Fleming made a motion to approve the 2020 Operations Budget 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 2020 Operating and Construction Budget Reports are filed as Exhibit 19-195.

**Personnel, Safety, and Insurance Committee**

The Payroll Changes are filed as Exhibit 19-196.

The 2020 Vice President Salary Levels letter is filed as Exhibit 19-197.

**At 9:52 A.M. Director Cerv made a motion to move into Executive Session to discuss the 2020 Vice President Salary Levels. 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 Knott 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 made a motion to approve the 2020 Vice President Salary Levels as discussed during the Executive Session and recommended by President/CEO Suess. Director Fleming 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 discussing the Property, Automobile, and Excess Liability Insurance Bids is filed as Exhibit 19-198.

President/CEO Suess and the Board discussed different aspects of the District's insurance coverage.

**Director Cerv made a motion to accept the Property, Automobile, and Excess Liability insurance renewal quotes, beginning on December 1, 2019 received from StarrTech, Allied through UNICO and Starr through UNICO for property, automobile and excess liability insurance, respectively. Director Fleming seconded the motion.**

Director Zach asked about the possibility of getting group insurance for property, automobile and excess liability coverage in the future. President/CEO Suess said management would look into this.

**The question was called.**

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

Resolution No. 2019-08 regarding the retirement of David Bell is filed as Exhibit 19-199.

**Director Cerv made a motion to adopt Resolution No. 2019-08. 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.**

President/CEO Suess complimented Vice President of Development/Marketing Bell, calling Mr. Bell a true champion of economic development in our community who represented the District well. Several Board members expressed their thanks to Mr. Bell for his contributions to the District and the community.

A letter regarding the 2020 Wage Scale Adjustment for Engineering Tech Positions is filed as Exhibit 19-200.

President/CEO Suess indicated that HR Manager Henry has been reviewing several job positions to ensure that salaries are in line with the job requirements for each position. Mr. Suess noted that most salaries lined up well with job requirements, with the exception of two engineering positions which should be modified. President/CEO Suess requested that the Board accept management's recommendation to change the wage scale for the Engineering Tech II position to a 5M and the Engineering Tech I position to a 7M.

**Director Cerv made a motion to accept management's recommendation to change the wage scale for the Engineering Tech II position to a 5M and the Engineering Tech I position to a 7M. Director Drozd seconded the motion.**

Management and the Board further discussed the requirements for these engineering positions, including minimum education requirements.

**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 October 2019, filed as Exhibit 19-201.

The investment letter is filed as Exhibit 19-202.

**Director Langemeier made a motion to approve the investment letter as presented. Director Heesacker seconded the motion.**

Management and the Board briefly discussed the investment letter and how decisions are made regarding certificates of deposits.

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

The work order letter is filed as Exhibit 19-203.

**Director Donoghue made a motion to approve the work order letter as presented. Director Langemeier 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 Thursday, December 19, 2019, at 9:00 A.M. in Columbus.

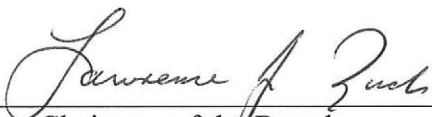
The 2019 Columbus Area Business Hall of Fame is tonight, November 26, 2019 at the Ramada Inn in Columbus.

The District Christmas party will be held on Saturday, December 14, 2019, at the VFW in Columbus. Cocktail hour begins at 6:00 P.M. with the dinner and program beginning 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 Happy Thanksgiving.

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

  
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Chairman of the Board

  
\_\_\_\_\_  
Assistant Secretary

12/19/19  
Date