

LOUP POWER DISTRICT  
BOARD OF DIRECTORS  
March 23, 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 March 23, 2021.

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, Aerni, Heesacker, Knott**

**Absent: None**

**Staff Present: Neal Suess, Korey Hobza, Walt Williams, Dan Hellbusch, Todd Duren, and Amanda Henry**

**Absent: None**

**Others: None**

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.

**The minutes of the February 23, 2021 meeting were approved.**

The following reports were presented to the Directors: the February 2021 Staff Operations Report – Exhibit 21-044; the February 2021 Bank Reconciliation Report – Exhibit 21-045; the February 2021 Vendor Payment Report – Exhibit 21-046. Additional reports presented to the Directors included various financial metrics of the District for February 2021 – Exhibit 21-047; selected financial information – Exhibit 21-048; NPPD's Board of Directors Board Meeting Agendas for the March 10-11, 2021 NPPD Board Meeting – Exhibit 21-049; and NPPD's RRC/PRAB/Customer Meeting Agenda and Presentations for the March 18, 2021 Microsoft TEAMS Meeting – Exhibit 21-050.

**Finance and Budget Committee**

A letter addressing the Years 2021, 2022, and 2023 Audit Proposal is filed as Exhibit 21-051.

President/CEO Suess stated Dana F. Cole & Company, LLC (Dana Cole) has been performing the District's year-end financial audit for the past 12 years with good service and in a professional manner. Dana Cole submitted a proposal for a three-year contract to perform the District's financial audits for the years 2021, 2022, and 2023 with an increase of approximately 6.9 percent as compared to 2020's audit, for the initial year of the contract and an average yearly increase of 3.1 percent during the term of the contract. Some discussion took place between management and the Board regarding the cost increase. Management assured the Board that the

costs being proposed by Dana Cole are reasonable when compared to other firms performing these types of audits. Management recommended acceptance of Dana Cole's proposal.

**Director Zach made a motion to approve the Years 2021, 2022, and 2023 Audit Proposal. Director Aerni seconded the motion and roll was called.**

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

**Nay: None**

**Absent: None**

**The motion carried.**

### **Executive Committee**

A letter addressing District Water Issues is filed as Exhibit 21-052.

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 Canal Bank monitoring plan, Loup River Bypass reach streambank monitoring plan and Invasive Species monitoring plan have been submitted to the Federal Energy Regulatory Commission (FERC). Mr. Suess stated that the District has had three minor flow deviation events which were filed with FERC, and noted that nothing is expected to come from these deviation reports. Mr. Suess stated that the District continues to work on its response to the October 13, 2020 United States Fish and Wildlife Service (USFWS) letter to FERC which agreed with some of the District's proposed language changes to the USFWS Biological Opinion. President/CEO Suess reiterated 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 take further action on this case. Mr. Suess noted the District continues to hold in abeyance the Eighth Circuit Court of Appeals filing for review of the License Order, with the next filing expected to take place in early May. President/CEO Suess indicated the completed construction report on the intake wing wall has been finalized and submitted to FERC. 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 the District has submitted to FERC a Canal remediation plan ensuring that there is not a recurrence of the events from the mid-March 2019 storm. Mr. Suess noted that management held a meeting with FERC on February 16, 2021 regarding this plan, and management is utilizing comments from this meeting to develop the next set of design drawings which need to be submitted to FERC by April 13, 2021. Management and the Board discussed several items related to the District's hydroelectric license.

### **Finance and Budget Committee**

Bob Beran of Dana Cole entered the meeting at 9:10 A.M.

A letter addressing the 2020 Audit is filed as Exhibit 21-053.

President/CEO Suess stated the Finance and Budget Committee met on March 16, 2021, with the District's auditor, Dana Cole, to review the District's 2020 audit in depth. He then turned the meeting over to Mr. Beran to inform the Board of the audit results.

The 2020 Audit report is filed as Exhibit 21-054.

Mr. Beran indicated the auditors received great cooperation from the Accounting and Finance Department and the Vice President of Accounting and Finance/CFO Walt Williams, and stated that it was a very good audit. There was some discussion between the Board and Mr. Beran regarding various aspects of the audit. At this time, Chairman of the Finance and Budget Committee, Director Fleming, thanked Mr. Beran and his staff and Vice President Williams and his department for all of their help in securing a good 2020 audit.

Mr. Beran exited the meeting at 9:23 A.M.

**Director Aerni made a motion to adopt the 2020 Audit as presented. Director Heesacker seconded the motion and roll was called.**

Management and the Board held an additional brief discussion regarding an item in the audit.

**The question was called.**

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

**Nay: None**

**Absent: None**

**The motion carried.**

#### **Executive Committee**

A letter regarding Continuing Discussions on Monroe Powerhouse as Qualifying Local Generation is filed as Exhibit 21-055.

President/CEO Suess reiterated that the District's new Wholesale Power Contract (WPC) was signed with NPPD in 2015, and became effective on January 1, 2016. Mr. Suess stated that the District also signed a new Hydroelectric Power Purchase Contract (HPPC) which will become effective on January 1, 2022. As was stated at last month's Board meeting, Mr. Suess noted the pricing was based on the energy market in the Southwest Power Pool (SPP) and included a capacity charge. President/CEO Suess recapped that there is a provision within the Hydroelectric Power Purchase Contract (HPPC) with NPPD that allows the District to make the Monroe Powerhouse (MPH) part of the District's Qualifying Local Generation (QLG). Mr. Suess indicated that, at the February 2021 Board meeting, management presented the Board with a one-year analysis using the energy output from the Monroe Powerhouse (MPH) as part of the District's Qualifying Local Generation (QLG) under the District's Wholesale Power contract (WPC) with NPPD. Per the Board's request, management compiled data from January 2016 through February 2021 to provide the Board with a broader analysis in comparing the benefits of MPH as QLG versus the sale of power to NPPD. President/CEO Suess shared this analysis with the Board and indicated that, with the exception of the partial 2021 year, the data shows that

using MPH as QLG would provide a benefit to the District. Mr. Suess reiterated that once a decision is made to use MPH as QLG, it cannot be reversed. Management and the Board discussed at length various aspects of using the Monroe Powerhouse as Qualifying Local Generation, including how the use of battery storage could affect the benefits of QLG for the District. President/CEO Suess noted that this discussion will be continued at the May or June Board meeting.

**At 10:20 A.M., Director Langemeier made a motion to move into Executive Session to discuss possible action on the Sale of the Old Service Center. Director Aerni seconded the motion and roll was called.**

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

**At 10:38 A.M., Director Drozd made a motion to return to regular session. Director Langemeier seconded the motion and roll was called.**

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

No action was taken.

**Personnel, Safety, and Insurance Committee**

The Payroll Changes are filed as Exhibit 21-056.

**Support Services Committee**

A letter regarding the 2020 NPPD EnergyWise Annual Report is filed as Exhibit 21-057.

Vice President of Corporate Services Duren indicated that NPPD has provided a copy of the 2020 EnergyWise Annual Report which contains information regarding energy efficiency programs supported by NPPD and its wholesale customers. 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. Mr. Duren noted the District is one of the largest users of dollars in the EnergyWise program and is providing the most savings of all wholesale customers. Management and the Board discussed various aspects of the EnergyWise program.

Director Fleming exited the meeting at 10:45 A.M.

The Legislative Bill Watch letter is filed as Exhibit 21-058.

President/CEO Suess stated that as of March 23, 2021, the Nebraska Unicameral was in day 48 of the 90-day session, which is expected to run through June 10, 2021. The main focus in the Unicameral this year is 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 funding for broadband services and appropriation of funds for highway construction. 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. Vice President Duren stated that on March 3, 2021, the Natural Resources committee held a hearing on LR48 regarding the rolling blackouts that occurred throughout Nebraska during the cold weather event in mid-February. Mr. Duren noted that representatives from LES, OPPD, NPPD, and the Southwest Power Pool all testified at this meeting, although it is still uncertain what the outcome of this hearing will be. 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 21-059. 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 21-060.

**Director Donoghue made a motion to approve the investment letter as presented. Director Tooley seconded the motion and roll was called.**

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

The work order letter is filed as Exhibit 21-061.

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

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

A letter regarding Rescindment of Board Action from February and New Approval of Contract No. 2020-01 – Three Phase Power Transformer is filed as Exhibit 21-062.

President/CEO Suess noted that at the February 2021 Board meeting, bids were presented for Contract No. 2021-01 – Three Phase Power Transformer to be used in the new Genoa City substation. After management's evaluation of bids and acceptance of management's

recommendation, the Board approved the bid from Virginia Transformer Corporation (Virginia) from Roanoke, VA, in the base bid amount of \$313,682, plus tax. After further review, it was determined that the evaluated bid received from Moehn Electrical Sales Company (Moehn) for a WEG Transformers USA transformer in the base bid amount of \$337,500, plus tax, was actually \$2,000 less than the evaluated bid from Virginia Transformer Corporation, as the bid from Moehn included shipping while Virginia's did not. Mr. Suess noted that Moehn Electrical Sales Company was the low evaluated bidder and has supplied similar equipment to the District which has operated satisfactorily. Because of this determination, President/CEO Suess stated that management recommended the Board rescind the action taken at the February 2021 Board meeting which awarded Contract 2020-01 – Three Phase Power Transformer to Virginia Transformers Corporation in the base bid amount of \$313,682 plus tax.

**Director Aerni made a motion to approve management's recommendation to rescind the action taken at the February 2021 Board meeting which awarded Contract No. 2020-01 – Three Phase Power Transformer to Virginia Transformer Corporation in the base bid amount of \$313,682 plus tax. Director Langemeier seconded the motion and roll was called.**

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

President/CEO Suess then requested that the Board accept management's recommendation to award Contract 2020-01 – Three Phase Power Transformer to Moehn Electrical Sales for a WEG Transformers USA transformer from Washington, MO in the amount of \$337,500 plus tax.

**Director Langemeier made a motion to accept management's recommendation to award Contract 2020-01 – Three Phase Power Transformer to Moehn Electrical Sales for a WEG Transformers USA transformer from Washington, MO in the amount of \$337,500 plus tax. Director Drozd seconded the motion and roll was called.**

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

The next regular Board meeting is set for April 27, 2021 at 9:00 A.M.

The APPA Annual Conference is set for June 20-23, 2021 in Orlando, FL, with a virtual portion scheduled for July 13-14, 2021. The conference was moved from Chicago, IL, to Orlando, FL, due to Covid-19 concerns.

President/CEO Suess had a discussion with the Board regarding the sale of solar panels in the Columbus area.

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

*Paul A. Kroll*

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Chairman of the Board

*Angell Robak*

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Assistant Secretary

*4/27/21*

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Date