

LOUP POWER DISTRICT
BOARD OF DIRECTORS
May 28, 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 May 28, 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, Aerni, Heesacker, Zach

Absent: Knott (via phone)

Staff Present: Neal Suess, David Bell, Ron Ziola, Walt Williams, Dan Hellbusch, and Amanda Henry

Absent: None

Others Present: John Keck-St. Edward, NE

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.

President/CEO Suess introduced Mr. John Keck, who presented a petition to the Board to Stop Loup Power District from building an electric substation in a residential area in Saint Edward, Nebraska, filed as Exhibit 19-071.

Mr. Keck exited the meeting at 9:04 A.M.

Director Cerv made a motion to excuse the absence of Director Knott. Director Aerni 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 minutes of the April 23, 2019 meeting were approved.

The following reports were presented to the Directors: the April 2019 Staff Operations Report – Exhibit 19-072; the April 2019 Bank Reconciliation Report – Exhibit 19-073; the April 2019 Vendor Payment Report – Exhibit 19-074. Additional reports presented to the Directors included various financial metrics of the District for April 2019 – Exhibit 19-075; NPPD's Board of Directors Committee Meetings and Board Meeting Agendas for the May 8-9, 2019 NPPD Board Meeting – Exhibit 19-076; and NPPD's RRC/PRAB/Customer Meeting Agenda and Presentations for the May 23, 2019 Meeting – Exhibit 19-077.

President/CEO Suess discussed with the Board two fatality accidents that occurred over the Memorial Day weekend within the District's hydroelectric project.

Executive Committee

A letter addressing Damage from the March 12-14 Storm Event is filed as Exhibit 19-078.

President/CEO Suess indicated that work continues on the cleanup from the March 12-14 storm event. Mr. Suess stated the work this past month focused on fixing the roadway system at the Headworks, repairing the decking structure on the skimming weir, and closing the gap between the skimming weir and the Loup River. President/CEO Suess indicated management is working with Olsson, Inc. on the repairs and design at the Headworks and along the Canal, and the draft design plans were submitted to the Federal Energy Regulatory Commission (FERC) at the end of April. Mr. Suess stated the District has received comments back from FERC regarding the design plans, and management and Olsson are incorporating these comments in the final design plans for submittal to FERC. Mr. Suess stated the concrete weir structure has suffered significant erosion through the years and the north wing wall of the intake structure suffered damage from the storm event, and management is working with McGill Restoration on a quote for this project. President/CEO Suess indicated 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. Mr. Suess noted a new site for the St. Edward substation has been located; however, there are issues of contention with surrounding landowners who have presented a petition to stop the District from building this substation in a residential neighborhood. Mr. Suess and Vice President of Engineering Ziola utilized Google Earth to illustrate the proposed St. Edward substation location as it relates to nearby landowners, and compared the costs involved to build the substation in the proposed location as opposed to an alternate location. The District continues to use NPPD's mobile substation until a new substation can be built. President/CEO Suess indicated management met with the Federal Emergency Management Agency (FEMA) officials on May 20, 2019, to begin the documentation process of receiving reimbursement from the storm event, and stated that it will be a very long process involving much paperwork. Mr. Suess shared with the Board a spreadsheet that the District provided to FEMA detailing damages that have occurred and the costs associated with the repairs of these damages. Mr. Suess informed the Board that the initial assessment from the District's insurance company is to not pay for damages, since they consider this a flood event, and all the damage occurred within a flood way. The District plans to challenge this assessment. 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 19-079.

President/CEO Suess stated that on April 12, 2019, the District sent a letter to FERC declaring a suspension of Articles 405, 406, 407, 408, 410 and 413, and noted there has been no response from FERC as of yet regarding this request. Mr. Suess stated the Recreation Management Plan quarterly report has been filed, and discussions regarding the opening of the Headworks OHV area will be delayed until a better assessment of storm damages has been made. Mr. Suess used Google Earth to show the access road to the Headworks OHV riding area and discussed the liability issues associated with this road. President/CEO Suess stated the District continues to wait on FERC to rule on the Operation Compliance Plan. 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 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 an update needs to be filed by the end of June. 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 19-080.

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, and completion of work on the interior walls and features is the current focus of project. 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 June, if the wetlands mitigation issue can be resolved. Mr. Suess noted the District has submitted its finalized wetlands mitigation plan to the Army Corps of Engineers, but has not yet received a final approval. A letter has been sent to federal representatives requesting their help in this matter. 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 planned tour of the facilities by the Board was postponed due to muddy conditions.

Personnel, Safety, and Insurance Committee

The Payroll Changes are filed as Exhibit 19-081.

A letter regarding Organizational Changes is filed as Exhibit 19-082.

The proposed Organizational Chart is filed as Exhibit 19-083.

President/CEO Suess indicated District management had provided some interim and proposed organizational structure changes at the April Board meeting. Mr. Suess stated that upon further discussion with Staff and input from the Board, management recommended foregoing the interim changes and moving forward with the proposed final structural changes presented, effective January 1, 2020. Mr. Suess added the goal is to hire the new Vice President of Corporate Services by the end of August so the new Vice President can begin developing this department. Management and the Board discussed in detail the proposed organizational changes presented by President/CEO Suess, noting the importance of development and marketing within the District.

Director Fleming made a motion to approve the Organizational Chart changes as proposed by President/CEO Suess, effective January 1, 2020. Director Donoghue seconded the motion and roll was called.

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

Support Services Committee

A letter regarding the Legislative Bill Watch is filed as Exhibit 19-084.

President/CEO Suess stated the 2019 Nebraska Unicameral was originally expected to end its long 90-day session on June 6; however, it is now planned to close on May 31. The main focus in the Unicameral this year is tax reform, budget concerns, and legalization of medical cannabis. 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 various bills that may bear further watching and action.

A letter regarding Payments Made to Communities is filed as Exhibit 19-085.

President/CEO Suess informed the Directors that in mid-May, the District made payments to several communities for the first quarter of 2019, as part of the revised lease agreements the District signed with these communities in 2015, 2016, and 2018. Management continues to work on renewing lease agreements and franchises with other communities served by the District and will contact the remaining communities to begin discussions regarding new lease agreements and franchises.

A letter regarding the Customer Satisfaction Survey is filed as Exhibit 19-086.

President/CEO Suess indicated that, over the past several months, the District conducted a short, online customer satisfaction survey. Mr. Suess stated that, although the number of respondents was a bit disappointing, the survey showed that the majority of District customers are satisfied or very satisfied with the service it receives from the District. Management and the Board discussed topics covered in this survey, as well as comments made by District customers.

A letter regarding the APPA National Conference which will be held in Austin, TX, on June 8-12, 2019, is filed as Exhibit 19-087.

President/CEO Suess outlined several events that will be taking place at the conference and noted that the topics covered in the breakout sessions should be of interest to those attending.

At this time, Vice President of Administrative Services Williams presented the financial report for April 2019 filed as Exhibit 19-088.

President/CEO Suess shared the FEMA Public Assistance Timeline with the Board. Management and the Board discussed at length various items associated with the financial report.

The work order letter is filed as Exhibit 19-089.

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

**Aye: Tooley, Donoghue, Langemeier, Fleming, Cerv, Drozd, Aerni, Heesacker, Zach
Nay: None**

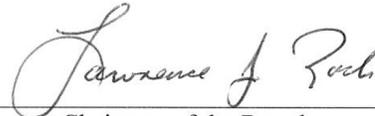
Absent: Knott

The motion carried.

The next Board meeting will be held on Tuesday, June 25, 2019, at 9:00 A.M. in Columbus.

NPPD's Board is working on a new Strategic Directive on Sustainable Energy. President/CEO Sues is included in the customer panel for discussion. The next meeting is set for late June to begin discussions.

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



Chairman of the Board

6-25-19

Date



Assistant Secretary