

LOUP POWER DISTRICT
BOARD OF DIRECTORS
December 28, 2022

Due to inclement weather, 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 December 28, 2022, postponed from December 22, 2022.

Notification of the meeting was published in the Columbus Telegram and on the Loup Power District website.

Director Drozd presided as Chairman of the meeting and Assistant Secretary Angell Robak recorded the minutes.

Roll call showed:

Present: Donoghue, Zach, Fleming, Cerv, Knott, Aerni, Heesacker, Drozd

Absent: Tooley, Langemeier

Staff Present: Neal Suess, Korey Hobza, Dan Hellbusch, Todd Duren, Amanda Henry

Absent: Walt Williams

Others: Hannah Schrodtt-Columbus Telegram

Chairman Drozd reminded everyone of the open meetings law and stipulated this meeting would be conducted according to the Nebraska open meetings law. Chairman Drozd also stated he would be conducting the meeting based on Robert's Rules of Order.

President/CEO Suess welcomed Ms. Schrodtt to the meeting.

Director Cerv made a motion to excuse the absences of Directors Tooley and Langemeier. Director Aerni seconded the motion and roll was called.

Aye: Donoghue, Zach, Fleming, Cerv, Knott, Aerni, Heesacker, Drozd

Nay: None

Absent: Tooley, Langemeier

The motion carried.

The minutes of the November 22, 2022 meeting were approved.

The following reports were presented to the Directors: the November 2022 Staff Operations Report – Exhibit 22-190; the November 2022 Bank Reconciliation Report – Exhibit 22-191; the November 2022 Vendor Payment Report – Exhibit 22-192. Additional reports presented to the Directors included various financial metrics of the District for November 2022 – Exhibit 22-193; selected financial information – Exhibit 22-194; NPPD's Board of Directors Board Meeting Agendas for the December 7-8, 2022 NPPD Board Meeting – Exhibit 22-195; and NPPD's RRC/PRAB/Customer Meeting Agenda and Presentations for the December 15, 2022 Meeting – Exhibit 22-196.

Executive Committee

The Board information sheet for 2023 is filed as Exhibit 22-197.

Director Cerv made a motion to appoint Walt Williams Deputy Treasurer and Angell Robak Assistant Secretary to the Board for 2023. Director Fleming seconded the motion and roll was called.

Aye: Donoghue, Zach, Fleming, Cerv, Knott, Aerni, Heesacker, Drozd

Nay: None

Absent: Tooley, Langemeier

The motion carried.

Director Fleming made a motion to approve the 2023 Board committees as presented. Director Aerni seconded the motion.

President/CEO Suess reviewed the different committees with the Board, noting the chairman and members of each committee. President/CEO Suess indicated these committees were established in consultation with the incoming Board Chairman, Steve Heesacker.

The question was called.

Aye: Donoghue, Zach, Fleming, Cerv, Knott, Aerni, Heesacker, Drozd

Nay: None

Absent: Tooley, Langemeier

The motion carried.

A letter regarding Discussion and Possible Action on District By-Laws is filed as Exhibit 22-198.

Director Donoghue made a motion to accept management's recommendation to adopt the revised By-Laws reflecting the reduction of Board members from ten to nine, effective January 5, 2023. Director Fleming seconded the motion.

President/CEO Suess indicated that, due to changes in the subdivision boundaries and reducing the number of Board members from ten to nine, the District's By-Laws need to be amended, effective January 5, 2023, when the new Board goes into effect. Mr. Suess stated that management recommends adoption of these revised By-Laws effective January 5, 2023. There was a discussion between management and the Board regarding redistricting and the number of Board members that are necessary to properly represent all areas of the District.

The question was called.

Aye: Donoghue, Zach, Fleming, Cerv, Knott, Aerni, Heesacker, Drozd

Nay: None

Absent: Tooley, Langemeier

The motion carried.

A letter addressing District Water Issues is filed as Exhibit 22-199.

President/CEO Suess indicated that District management is working with the District's attorney on the non-capacity amendment to the District's license, which would address, in addition to other items, the low water flow plan discussed with the Federal Energy Regulatory Commission (FERC) Staff, the United States Fish and Wildlife Service (USFWS), and the Nebraska Game and Parks Commission (NGPC). Mr. Suess stated that it is being discussed whether or not the District would want FERC to review the draft non-capacity amendment, and noted that the USFWS would also be included in the consultation. Mr. Suess stated that this amendment is expected to be filed with FERC in early 2023, with the hope of getting a ruling sometime in 2023. Mr. Suess added that District management is working with New Century Environmental to complete the end-of-year reports.

President/CEO Suess indicated that, on December 12, 2022, the Department of Natural Resources (DNR) ruled that all Objectors to the interbasin water transfer case had no standing to intervene. Mr. Suess noted that the District was an Objector in a filing with the Central Platte Natural Resources District (CPNRD) and the Lower Loup Natural Resources District (LLNRD). Mr. Suess added that there were several other Objectors in this case, including NPPD. Mr. Suess stated that the District, CPNRD, and LLNRD have been in discussions with attorneys to decide how to best move forward with this case. President/CEO Suess and the Board discussed at length the interbasin water transfer case and how it affects the District, and it was decided to file an appeal to the DNR's ruling.

President/CEO Suess reiterated 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 January 2023.

Regarding damage and repair from the mid-March 2019 storm event, President/CEO Suess indicated that the final design drawings were submitted to FERC for review of the overflow structure. Mr. Suess noted that FERC Staff wants to hold a meeting in January to discuss these drawings and provide comments, including a review of the Potential Failure Mode Analysis (PFMA) for this project. Mr. Suess added that, once this meeting is completed, the District would work with the consultant to finalize the design and bid out next spring, with completion expected in late 2023 or early 2024.

Management and the Board discussed several items related to the District's hydroelectric license and other State of Nebraska water issues.

A letter regarding Further Discussion on Broadband in the Loup-Cornhusker Area is filed as Exhibit 22-200.

President/CEO Suess indicated that District management has finalized the Request for Proposal (RFP) regarding broadband in unserved and underserved areas in Platte County, and this RFP was sent to private entities on November 18, 2022. Mr. Suess stated that responses to the RFP will be due in mid-January 2023, and the District and Platte County, with the assistance of Universal Broadband Consulting, will review and score the responses. Mr. Suess noted that

NPPD is paying for half the cost of the consultants. Mr. Suess added the RFP is expected to be awarded near the end of March 2023, with construction beginning in June 2023. Mr. Suess stated that Platte County has indicated they will support an investment of up to \$1 million for rural broadband in Platte County; however, no other county has committed to any dollar amount.

President/CEO Suess indicated that management has executed an agreement with the National Rural Telecommunications Cooperative (NRTC) regarding a Smart Grid Technology Planning Study for the District that will allow the District to see the potential benefits of a partial broadband system in smart grid development. Mr. Suess added that this study is expected to begin in late January or early February 2023 and should be completed by summer 2023.

Management and the Board discussed various items related to the rural broadband issue.

Rates Committee

A letter addressing the 2023 Retail Rates is filed as Exhibit 22-201.

Director Donoghue made a motion to approve the recommended 2023 retail rates as proposed and developed by management and discussed with the Rates Committee. Director Zach seconded the motion.

President/CEO Suess reviewed the retail rate proposal which was discussed in detail during the Rates Committee meeting held on December 14, 2022. Mr. Suess noted that the cost of service study has been completed, and a small base retail rate change of 1.6 percent is being recommended, excluding ADM and the Economic Development Rates which are both tied to NPPD wholesale rates and the District's delivery rates, effective with billing after February 1, 2023. Mr. Suess stated that the District will be able to pay off most obligations, including the principal and construction items budgeted for 2023, and the retail rate change will allow the District to maintain adequate reserve margins. Mr. Suess added that the cost of service reflects no overall change in wholesale purchased power costs; however, the production demand and energy rates and some ancillary service rates did change. Mr. Suess noted that the PCA refund is much smaller than last year. President/CEO Suess indicated that, based on the latest data from APPA in 2020, the District remains one of the lowest costs utilities in the state, being 8.1 percent below the state average and 24.8 percent below the national average.

Management and the Board discussed additional items relating to the retail rates.

The question was called.

Aye: Donoghue, Zach, Fleming, Cerv, Knott, Aerni, Heesacker, Drozd

Nay: None

Absent: Tooley, Langemeier

The motion carried.

A letter on the 2023 Wholesale Rates is filed as Exhibit 22-202.

Director Cerv made a motion to accept management's recommendation on the 2023 LWS-1 and LWD-1 wholesale rates effective February 1, 2023. Director Heesacker seconded the motion.

President/CEO Suess reviewed the wholesale rate proposal and presented a chart showing the rate schedules which were discussed during the Rates Committee meeting on December 14, 2022.

The question was called.

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

Personnel, Safety, and Insurance Committee

The Payroll Changes are filed as Exhibit 22-203.

At 10:21 A.M. Director Aerni made a motion to move into Executive Session to discuss the President/CEO wages and performance evaluation. Director Fleming seconded the motion and roll was called.

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

At 11:15 A.M. Director Aerni made a motion to return to regular session. Director Heesacker seconded the motion and roll was called.

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

Director Aerni stated that the Board consensus was to offer a 7.5 percent salary increase to the District's President/CEO for 2023. Director Aerni made a motion to approve this pay increase for President/CEO Suess. Director Zach seconded the motion and roll was called.

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

Resolution No. 2022-08 regarding Appreciation for Ross Knott's Years of Service on the District's Board of Directors, is filed as Exhibit 22-204.

Director Zach made a motion to adopt Resolution No. 2022-08. Director Aerni seconded the motion and roll was called.

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

President/CEO Suess thanked Director Knott for his service and stated that he enjoyed working with Mr. Knott over the past six years.

At 11:21 A.M. the Board took a brief break and returned at 11:26 A.M.

At this time, President/CEO Suess, in the absence Vice President of Accounting and Finance/CFO Williams, presented the financial report to the Board, which is filed as Exhibit 22-205. Reports to the Board were also presented by Vice President of Engineering Hobza, Vice President of Operations Hellbusch, Vice President of Corporate Services Duren and Human Resource Manager Henry.

The investment letter is filed as Exhibit 22-206.

Director Heesacker recommended the investment letter be approved as presented. Director Aerni seconded the motion and roll was called.

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

The work order letter is filed as Exhibit 22-207.

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

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


The next regular Board meeting is set for January 24, 2023, at 9:00 A.M. at the General Office.

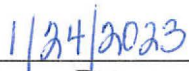
President/CEO Suess stated the water pipe in the old Service Center broke over the Christmas weekend, but the damage was limited.

President/CEO Suess indicated that the Southwest Power Pool was in EEA1 and Conservative Operations mode over the Christmas holiday weekend, noting that there were no real issues during that time. Mr. Suess noted that the Columbus Powerhouse operators continue to do an excellent job in using the shared market price forecast to determine pricing and develop their schedules of operation.

President/CEO Suess stated he hoped everyone had a Merry Christmas and wished everyone a Happy New Year.

Director Knott made a motion to adjourn. Director Aerni seconded the motion. The motion carried by voice vote.


Chairman of the Board


Date


Assistant Secretary