

LOUP POWER DISTRICT
BOARD OF DIRECTORS
February 27, 2024

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 February 27, 2024.

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

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

Roll call showed:

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

Absent: None

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

Absent: None

Others: None

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

The minutes of the January 23, 2024 meeting were approved.

The following reports were presented to the Directors: the January 2024 Staff Operations Report – Exhibit 24-017; the January 2024 Bank Reconciliation Report – Exhibit 24-018; the January 2024 Vendor Payment Report – Exhibit 24-019. Additional reports presented to the Directors included various financial metrics of the District for December 2023 and January 2024 – Exhibits 24-020 and 24-021, respectively; selected financial information for December 2023 and January 2024 – Exhibits 24-022 and 24-023, respectively; NPPD's Board of Directors Board Meeting Agendas for the February 7-8, 2024 NPPD Board Meeting – Exhibit 24-024; and NPPD's RRC/PRAB/Customer Meeting Agenda and Presentations for the February 15, 2024 Meeting – Exhibit 24-025.

Executive Committee

A letter addressing District Water Issues is filed as Exhibit 24-026.

President/CEO Suess indicated that management continues to work with the District's attorney to finalize a non-capacity license amendment to be filed with the Federal Energy Regulatory Commission (FERC). Mr. Suess stated that the District is waiting on the Nebraska Department of Environment and Energy (NDEE) to complete a revised Water Quality Certificate (WQC) for the District's planned changes to water flow in the Loup and Platte Rivers. This WQC is expected to be completed in March 2024, after which time the District will finalize this non-capacity agreement and send it to FERC for approval. Mr. Suess added the final approval with FERC is expected to occur sometime in 2024.

President/CEO Suess stated that management worked with New Century Environmental (NCE) to complete the District's end-of-year reports which were due by February 28, 2024, and these reports were submitted on February 26, 2024.

President/CEO Suess indicated 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 March 2024.

President/CEO Suess reiterated that the District continues to work with the Nebraska federal delegation on collecting money from the Federal Emergency Management Agency (FEMA) related to the mid-March 2019 storm event.

Regarding damage and repair from the mid-March 2019 storm event, President/CEO Suess indicated that the final design drawings on the overflow structure were submitted to and approved by FERC. Mr. Suess noted that the District is waiting on FEMA/NEMA to approve this project before moving forward.

President/CEO Suess indicated that management has been reviewing existing contracts in place with upstream water users. Mr. Suess stated that management held a meeting with the Department of Natural Resources (DNR) regarding surface water management; however, no specific plan has been developed yet, as management begins to evaluate the number of upstream water users and the amount of water being taken out of the Loup River and its tributaries.

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

Finance and Budget Committee

A letter regarding NPPD Load Additions, Generation Planning and Rate Outlook is filed as Exhibit 24-027.

President/CEO Suess indicated that, at NPPD's RRC/PRAB Wholesale Customer meeting on February 15, 2024, NPPD provided an update regarding new load activity that NPPD and its wholesale customers can expect to see over the next several years.

Mr. Suess explained that, because of these load additions, NPPD will be exploring new generation additions and previewing rate changes. Mr. Suess discussed in detail these generation additions and potential rate changes with the Board. Mr. Suess noted that the current information is only an estimate, and more formal data will be provided later this summer.

A letter regarding 2022 Utility Operating Ratios is filed as Exhibit 24-028.

President/CEO Suess indicated the American Public Power Association (APPA) recently filed a report which compares the operating ratios of various public power systems, and he reviewed this report with the Board, noting that this is a good way to measure and benchmark the District to other public power systems. Mr. Suess stated the APPA report included specific information about the District in the years 2019, 2020, 2021, and 2022.

Mr. Suess presented tables illustrating the District is below or equal to the first quartile in most classes of customers and is below the median for all customer classes regarding revenue per kwh.

President/CEO Suess noted that the District is lower than the mean and median in labor expense per worker-hour, not including benefits, and expressed that this shows the District may be falling behind where it needs to be in wages compared to other utilities; however, management will need to review data over the next couple of years to make that determination.

Management and the Board discussed information included in the APPA report.

President/CEO Suess and the Board set Tuesday, March 19, 2024, at 9:00 A.M. as the date for the Finance and Budget Committee to meet and review the 2023 audit.

Personnel, Safety, and Insurance Committee

The 2023 Annual Safety Report is filed as Exhibit 24-029.

President/CEO Suess indicated that, overall, 2023 was another good year for safety at the District, considering the amount of work being performed by District personnel.

President/CEO Suess stated that there were four personal injury accidents, one lost-time accident, and one vehicle accident in 2023. Mr. Suess presented a graph illustrating the Personal Injury and Vehicle Accident Reports from 1967 to 2023, which showed a substantial drop in accidents over the last forty years. Mr. Suess also presented a chart which showed the District's Personal Injury and Vehicle Accident Reports for the years 2006 through 2023.

Management and the Board discussed information contained in the 2023 Safety Report.

Support Services Committee

The Legislative Bill Watch letter is filed as Exhibit 24-030.

Vice President of Corporate Services Duren stated the 108th Legislature of the 2024 Nebraska Unicameral is on day 34 of its 60-day session. Mr. Duren discussed with the Board various bills that have been introduced by the State Senators, particularly those related to the electric utility industry. Vice President Duren noted that Nebraska workforce challenges, including housing and childcare, will be key issues addressed in this legislative session. Several bills are being closely watched by organizations of which the District is a member, including the Nebraska Power Association (NPA), the Nebraska Economic Development Association (NEDA), and the Columbus and State of Nebraska Chambers of Commerce.

Management and the Board discussed further items related to the 2024 Nebraska Unicameral session.

A letter regarding Payments Made to Communities and Community Clubs is filed as Exhibit 24-031.

President/CEO Suess informed the Directors that in mid-February, the District made payments to all twenty-two communities under a new Professional Retail Operations Agreement and

Franchise with each community. Mr. Suess noted that these payments are made quarterly and are based on eleven percent of the adjusted inside revenue for each community.

President/CEO Suess stated that payments were also made to various community clubs and organizations in February.

At 10:30 A.M. the Board took a brief break and returned at 10:40 A.M.

At this time, Vice President of Accounting and Finance/CFO Williams presented his report to the Board, which included the financial reports for December 2023 and January 2024, filed as Exhibits 24-032 and 24-033, respectively. 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 24-034.

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

Aye: Tooley, Donoghue, Zach, Fleming, Heesacker, Aerni, Drozd

Nay: None

Abstain: Cerv

Absent: None

The motion carried.

The work order letter is filed as Exhibit 24-035.

Director Donoghue made a motion to approve the work order letter as presented. Director Zach seconded the motion.

Management and the Board briefly discussed an item contained in the work order letter.

The question was called.

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

Nay: None

Absent: None

The motion carried.

A memo requesting Permission to Seek Bids for an 83 MVA Transformer is filed as Exhibit 24-036.

President/CEO Suess requested that the Board grant approval for District management to seek bids for a new 83 MVA 115kv/34.5kV transformer.

Director Donoghue made a motion to grant approval for District management to seek bids for a new 83MVA 115kV/34.5kV transformer. Director Aerni seconded the motion.

President/CEO Suess indicated that with the new Tallgrass pumping load and Project Hexagon load, there is a need to purchase an 83 MVA transformer which would be located in the ADM Dry Grind substation. Mr. Suess noted that, due to lead time, it is necessary to bid the project now for completion during 2026, adding that this will be included as part of the 2026 budget.

The question was called.

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

Nay: None

Absent: None

The motion carried.

The next regular Board meeting is set for Tuesday, March 26, 2024, at 9:00 A.M. at the General Office.

President/CEO Suess stated there is currently one person filed in each subdivision for the upcoming election: Director Heesacker in Subdivision 1, Director Cerv in Subdivision 4, and Director Fleming in Subdivision 7. Dana Schultz has filed for the vacant director's seat in Subdivision 5. Incumbents needed to have filed by February 15, 2024, and non-incumbents must file by March 1, 2024.

All Directors and officers of the District are required to file their NADC Form C-1 with the Nebraska Accountability and Disclosure Commission. The Directors were asked to let management know when their forms have been mailed. These forms can now also be submitted online and must be received by the State no later than March 1, 2024.

The APPA Annual Conference is set for June 7-12, 2024 in San Diego, CA.

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

3/26/2024
Date

Robert J. Cerv
Chairman of the Board

Angelle Robak
Assistant Secretary