

LOUP POWER DISTRICT
BOARD OF DIRECTORS
January 25, 2022

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 January 25, 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: Tooley, Fleming, Donoghue, Zach, Cerv, Knott, Langemeier, Aerni, Heesacker, Drozd

Absent: None

Staff Present: Neal Suess, Korey Hobza, Walt Williams, Dan Hellbusch, Todd Duren (via phone), and Amanda Henry

Absent: None

Others: None

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.

The minutes of the December 21, 2021 meeting were approved.

The following reports were presented to the Directors: the December 2021 Staff Operations Report – Exhibit 22-001; the December 2021 Bank Reconciliation Report – Exhibit 22-002; the December 2021 Vendor Payment Report – Exhibit 22-003. Additional reports presented to the Directors included various financial metrics of the District for December 2021 – Exhibit 22-004; selected financial information – Exhibit 22-005; and NPPD's Board of Directors Board Meeting Agendas for the January 12-13, 2022 NPPD Board Meeting – Exhibit 22-006.

Executive Committee

President/CEO Suess indicated that the District has held Board retreats in the past as it can be helpful and informative for the Directors. The consensus by the Board was to hold a Board retreat this year. Mr. Suess recommended a Board Retreat Committee be formed to develop an agenda and set a date for the retreat. The Board agreed, and Chairman Drozd asked for volunteers to serve on the Board Retreat Committee. Directors Fleming, Aerni, and Heesacker volunteered to serve on this committee, which will meet on February 22, 2022, at 8:30 A.M., prior to the February Board meeting.

A letter addressing District Water Issues is filed as Exhibit 22-007.

President/CEO Suess indicated that, regarding license compliance, there has been little activity during the past month. Mr. Suess stated that management has filed the District's annual Recreation Management Plan construction report and annual Interior Least Tern/Piping Plover/Rufa Red Knott (ILT/PP/RRK) Monitoring report, and are finalizing the Canal Bank Monitoring report, Bypass Reach Streambank Monitoring report, and Invasive Species Monitoring report, for submittal by the end of February. Mr. Suess added management submitted the revised Bypass Reach Streambank Monitoring Plan to the Nebraska Game and Parks Commission (NGPC) for review and comment, after which time it will be submitted to the Federal Energy Regulatory Commission (FERC) for approval. President/CEO Suess stated that management held a meeting with FERC Staff regarding the District's Operation Compliance Monitoring Plan and the United States Fish and Wildlife Service (USFWS) Biological Opinion (BO), and FERC Staff has requested that management submit an update on where the process is to date. President/CEO Suess stated the District's intervention in the revised interbasin water transfer case continues to wait on the Department of Natural Resources (DNR) who is reviewing the information and hearing transcripts. Mr. Suess stated the DNR could make a ruling at any time, and once that ruling is made, further discussion will take place regarding the next steps to be taken. 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 2022. Regarding damage and repair from the mid-March 2019 storm event, Mr. Suess indicated that management is waiting on comments from FERC regarding its sixty percent design drawings and calculations for Canal remediation associated with water flows overtopping the Canal. Mr. Suess added that, if approved by FERC, bids for this project could take place in spring 2022, with completion expected in fall 2022. President/CEO Suess stated that south side work on the damaged jetties is complete and work on the north side is expected to be completed in 2022. Mr. Suess also stated that, later in the Board meeting, the District will be requesting approval of a bid for additional sheet piling to finalize the work near the Headworks that was damaged during the mid-March 2019 storm event. Management and the Board discussed several items related to the District's hydroelectric license.

A letter regarding Hydroelectric Generation in 2021 is filed as Exhibit 22-008.

President/CEO Suess indicated 2021 was a better than average year for hydroelectric generation for the District, stating that generation in 2021 was 150,001 MWh, compared to 137,852 MWh in 2020, with a peak month of 19,592 MWh in November. Mr. Suess added there were no record-high or record-low amounts of generation in 2021, but noted that the October and November generation was the District's fourth-highest combined two consecutive months of generation. President/CEO Suess indicated that the District continues to operate under the flow restrictions contained in the District's License issued by the Federal Energy Regulatory Commission (FERC) which affects the amount of generation possible. President/CEO Suess shared a table detailing the generation of the hydroelectric facilities from the commercial operation date in 1938 to the end of 2021, and presented a graph showing the monthly hydroelectric generation for the years 2010, 2020, and 2021, as well as maximum, minimum and average monthly generation. Management and the Board discussed the information provided by President/CEO Suess.

A letter regarding the Creston Ridge Wind Farm Update is filed as Exhibit 22-009.

President/CEO shared with the Board tables and charts detailing monthly data from the Creston Ridge Wind Farm since both wind farms began commercial operation. President/CEO Suess stated that District management continues to work with Bluestem to sell the renewable energy credits (REC's) being generated from the wind farm as they become available. Management and the Board discussed various aspects of the wind farm project.

A letter regarding Further Discussion on Broadband in the Loup-Cornhusker Area is filed as Exhibit 22-010.

President/CEO Suess indicated that six different public entities: the District, NPPD, Boone County, Colfax County, Nance County, and Platte County have entered into a Memorandum of Understanding (MOU) which would allow public entities to work together to explore funding options to bring broadband service to rural areas of the District's service area and begin discussions with private entities who could deliver end-use service. Mr. Suess added that Pat Pope, former President/CEO of NPPD, who is leading this effort, has invited Cornhusker Public Power District (CPPD) to enter into this MOU, and is also in discussions with the Lower Loup Natural Resources District (LLNRD) regarding potential rural broadband assistance. Mr. Suess stated that the counties involved in this effort have American Relief Plan Act (ARPA) money that is available to use for rural broadband. President/CEO Suess indicated that on January 20, 2022, the public entities who joined the MOU met to examine what the next potential steps might be to further this effort, as each party sees the benefits of moving forward. Management and the Board briefly discussed various items related to the rural broadband issue.

Rates Committee

A letter regarding Discussion and Possible Action on the 2022 Canal Water Use Rates is filed as Exhibit 22-011.

President/CEO Suess discussed the current canal water use rates. Using the current cost-of-service study as a guide, management feels that maintaining the canal water use rate at the same level as 2021 would continue to slowly recover prior years' deficits and recommends no change to the current rate of \$10.00 per acre foot. After a discussion between management and the Board regarding allocation of the cost of service and recovery of past years' under-collections, the Board decided to accept management's recommendation and leave the canal water use rate at \$10.00 per acre foot for 2022.

A letter regarding Modification of Rate Schedule LM-10-(A) – District-Owned Street Lighting Systems is filed as Exhibit 22-012.

District management recommended the Board approve changes to Rate Schedule LM-10-(A) for District-owned Street Lighting Systems, as there was found to be some types of lighting for which no rate exists.

Director Knott made a motion to approve changes to Rate Schedule LM-10-(A) for District-owned Street Lighting Systems. Director Donoghue seconded the motion.

President/CEO Suess indicated that management has been reviewing District street lighting for several years. Mr. Suess stated that, while updating the District's mapping system, it was

discovered that certain characteristics of street lighting were not labeled in the District's current rate structure; therefore, management has decided to modify Rate Schedule LM-10-(A) to include the four types of streets light characteristics not currently labeled under this schedule: 1) 5,000 Lumen, Metal, Enclosed, EML-5,000-\$9.26 per month; 2) 10,000 Lumen, Wood, Enclosed, EMLU-10,000-\$14.83 per month; 3) 10,000 Lumen, Metal, Enclosed-EML-10,000-\$12.85 per month; and 4) 10,000 Lumen, Wood, Enclosed, EMILU-10,000-\$19.97 per month. President/CEO Suess noted that this modification will cause no major changes to billing.

The question was called.

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

Nay: None

Absent: None

The motion carried.

Personnel, Safety, and Insurance Committee

The Payroll Changes are filed as Exhibit 22-013.

At this time, President/CEO Suess requested that the Board enter into Executive Session to discuss a personnel issue.

At 9:55 A.M. Director Langemeier made a motion to move into Executive Session to discuss a personnel issue. Director Knott seconded the motion and roll was called.

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

Nay: None

Absent: None

The motion carried.

At 10:15 A.M. Director Aerni made a motion to return to regular session. Director Heesacker seconded the motion and roll was called.

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

Nay: None

Absent: None

The motion carried.

Resolution No. 2022-01 regarding the retirement of John Yrkoski is filed as Exhibit 22-014.

Director Aerni made a motion to adopt Resolution No. 2022-01. Director Donoghue seconded the motion and roll was called.

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

Nay: None

Absent: None

The motion carried.

Support Services Committee

The Legislative Bill Watch letter is filed as Exhibit 22-015.

President/CEO Suess stated the 107th Legislature of the 2022 Nebraska Unicameral officially began its short 60-day session on January 5, and this session is expected to end on April 20. The main focus in the Unicameral this year will be on bills related to the American Rescue Plan Act (ARPA), which has allocated \$1 billion for the State of Nebraska. This session will also focus on public safety and water resources issues. Vice President of Corporate Services Duren discussed with the Board various bills that have been introduced by the State Senators, particularly those related to the electric utility industry. 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. President/CEO Suess discussed with the Board details regarding LB 1045, which would change the qualifications to be eligible to serve on a public power district board of directors; and LB 1047, which would require public power districts to add a reliability report to its annual reports submitted to the Power Review Board. Mr. Suess and the Board discussed at length LB 1046, which among other things, would provide for the appointment of certain directors and chief executive officers of public power districts by the Governor. In this discussion, the Board expressed its strong opposition to LB 1046. President/CEO Suess stated that on Thursday, January 27, 2022, he will be addressing the Natural Resources Committee of the Legislature, representing the District as a wholesale customer of NPPD, and he will make the Board's opposition and concerns known at that time. Management and the Board discussed further items related to the 2022 Nebraska Unicameral session.

A letter regarding Resolution No. 2022-02 – Purchase of Customers and Facilities from Cornhusker Public Power District, is filed as Exhibit 22-016.

District management requested that the Board adopt Resolution No. 2022-02 which authorizes the President/CEO to purchase facilities from Cornhusker Public Power District (Cornhusker) and transfer Cornhusker customers to the District for a price of \$1,000,000.00.

Resolution No. 2022-02 – Purchase of Customers and Facilities from Cornhusker Public Power District, is filed as Exhibit 22-017.

Director Zach made a motion to adopt Resolution No. 2022-02. Director Aerni seconded the motion.

President/CEO Suess informed the Board that, in December 2020, the Village of Humphrey annexed areas north and east of the current service area between the District and Cornhusker, where twenty-nine customers are serviced by Cornhusker. Mr. Suess stated that, according to Nebraska State Statutes, the District is able to transfer the electric service from these customers

serviced by Cornhusker to the District, by paying Cornhusker an amount based on specific formulas contained within the Nebraska State Statutes. Mr. Sues indicated that the District and Cornhusker have agreed to a price of \$1,000,000.00, which includes \$579,389.18 for revenue, \$176,958.80 for facilities purchased, \$175,437.58 for integration costs, and a contingency of \$68,214.44 above the formula amount, to allow for increased costs for material to complete the transfer. President/CEO Sues stated that the District and Cornhusker have agreed to a transfer date of October 1, 2022. Management and the Board discussed details related to this issue.

The question was called.

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

Nay: None

Absent: None

The motion carried.

At 10:50 A.M. the Board took a brief break and returned at 11:00 A.M.

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 22-018. 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 via telephone, which included a COVID-19 pandemic update as it relates to the District. A report was also presented by Human Resource Manager Henry.

The investment letter is filed as Exhibit 22-019.

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

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

Nay: None

Absent: None

The motion carried.

The work order letter is filed as Exhibit 22-020.

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

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

Nay: None

Absent: None

The motion carried.

A letter regarding Contract No. 2021-02 – Settling Basin Sea Wall Design and Construction is filed as Exhibit 22-021.

Management recommended that Contract No. 2021-02 – Settling Basin Sea Wall Design and Construction be awarded to Midwest Infrastructures in the amount of \$869,808.00.

Director Knott made a motion to approve management’s recommendation to award Contract No. 2021-02 – Settling Basin Sea Wall Design and Construction to Midwest Infrastructures in the amount of \$869,808.00. Director Heesacker seconded the motion.

President/CEO Suess indicated that the District received bids from two companies for the 2019 storm damage repairs to the Headworks settling basin bank adjacent to the intake structure: 1) Midwest Infrastructures in the amount of \$869,808.00 and 2) Simon in the amount of \$997,000.00. Mr. Suess noted that the District will be able to cut approximately \$71,312.00 of the cost from Midwest Infrastructures by supplying fill material from the District’s sand pile. Management and the Board briefly discussed the bids received.

The question was called.

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

Nay: None

Absent: None

The motion carried.

The next regular Board meeting is set for February 22, 2022, at 9:00 A.M., at the General Office.

NPPD’s RRC/PRAB Customer meeting will be held on February 17, 2022, at 9:30 A.M. at the Ramada Inn in Columbus.

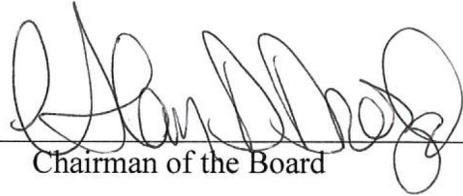
President/CEO Suess stated there are currently no plans to have the safety banquet due to high COVID-19 numbers in the four-county area.

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 must be received by the State no later than March 1, 2022.

The APPA Annual Conference is set for June 10-15, 2022 in Nashville, TN.

President/CEO Suess stated there will be four Directors vying for three Director’s seats open for election in 2022: Directors Drozd and Knott in Subdivision 2, Director Donoghue in Subdivision 3 and Director Zach in Subdivision 6. Incumbents must file by February 15, 2022, and non-incumbents must file by March 1, 2022.

Director Fleming made a motion to adjourn. Director Cerv seconded the motion. The motion carried by voice vote.


Chairman of the Board

2/22/2022
Date


Assistant Secretary