

LOUP POWER DISTRICT
BOARD OF DIRECTORS
January 23, 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 January 23, 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 December 21, 2023 meeting were approved.

The following reports were presented to the Directors: the December 2023 Staff Operations Report – Exhibit 24-001; the December 2023 Bank Reconciliation Report – Exhibit 23-002; the December 2023 Vendor Payment Report – Exhibit 24-003. Additional reports presented to the Directors included various financial metrics of the District for November 2023 – Exhibit 24-004; selected financial information for November 2023 – Exhibit 24-005; and NPPD's Board of Directors Board Meeting Agendas for the January 10-11, 2024 NPPD Board Meeting – Exhibit 24-006.

Executive Committee

President/CEO Suess indicated that the District has held several Board retreats in the past, including in 2022 and 2023, as they can be helpful and informative for the Directors. Mr. Suess recommended a Board Retreat Committee be formed to decide whether or not to hold a retreat this year and, if it is decided to hold a retreat, help management develop an agenda and set a date for the retreat. The Board agreed, and Chairman Cerv asked for volunteers to serve on the Board Retreat Committee. Directors Zach, Aerni, and Heesacker volunteered to serve on this committee, which will meet on February 27, 2024, prior to the February Board meeting.

A letter addressing District Water Issues is filed as Exhibit 24-007.

President/CEO Suess indicated that management is working 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 studies needed to finalize this non-capacity amendment are expected to be completed in early 2024 and then submitted to FERC Staff for approval, with the final application filing with the Commission expected to take place sometime in 2024.

President/CEO Suess stated that the District is working with New Century Environmental to complete the required end-of-year reports for FERC, which are due by February 28, 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.

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

A letter regarding Hydroelectric Generation in 2023 is filed as Exhibit 24-008.

President/CEO Suess indicated 2023 was an above average year for hydroelectric generation for the District, noting that generation was 154,117 MWh, approximately 11.4 percent above the annual average. Mr. Suess stated that October was the peak month in 2023 with a generation of 18,003 MWh.

President/CEO Suess indicated that the District continues to operate under the flow restrictions contained in the District's License issued by FERC, which affects the amount of generation possible.

President/CEO Suess presented a graph showing the monthly hydroelectric generation for the years 2010, 2019, and 2023, 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 Generation is filed as Exhibit 24-009.

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 has worked with Bluestem to sell the renewable energy credits (REC's) being generated from the wind farm; however, under a

contract negotiated between the District and BD Medical Systems (BD), all REC's generated from 2023 to 2030 will be sold to BD.

Management and the Board discussed various aspects of the wind farm project.

A letter regarding the Monroe Hydro under NPPD Contract is filed as Exhibit 24-010.

President/CEO Suess indicated that the Wholesale Power Contract (WPC) and Hydroelectric Power Purchase Contract (HPPC) was signed with NPPD in 2015, with the WPC becoming effective on January 1, 2016. Mr. Suess stated that a new HPPC with NPPD became effective on January 1, 2022, noting that the pricing was based on the energy market in the Southwest Power Pool (SPP), and included a capacity charge.

President/CEO Suess indicated that a provision with the HPPC allows for the District to make the Monroe Powerhouse (MPH) part of the District's Qualified Local Generation (QLG). Mr. Suess added that the WPC allows each wholesale customer up to ten percent QLG. Mr. Suess noted that, when added to the QLG for Creston Ridge I and II wind farms, using the MPH as QLG would bring the District's QLG level to right at ten percent. Mr. Suess also stated that the provision to use the MPH at QLG could be exercised at any time; however, once exercised, the MPH would no longer be a part of the HPPC.

President/CEO supplied the Board with an analysis developed by management for both 2022 and 2023, which indicated that the MPH was better off under contract in 2022 and would have been better off as QLG in 2023, noting that the benefit between both years was practically equal.

Management and the Board held further discussion regarding this issue.

A letter regarding an Executive Session to Discuss Upstream Water Users is filed as Exhibit 24-011.

At 9:50 A.M. Director Heesacker made a motion to move into Executive Session to discuss Upstream Water Users. Director Aerni seconded the motion and roll was called.

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

Nay: None

Absent: None

The motion carried.

At 10:32 A.M. Director Drozd made a motion to return to regular session. Director Heesacker seconded the motion and roll was called.

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

Nay: None

Absent: None

The motion carried.

Rates Committee

A letter regarding Discussion and Possible Action on the 2024 Canal Water Use Rates is filed as Exhibit 24-012.

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 2023 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 2024.

Personnel, Safety, and Insurance Committee

The Payroll Changes are filed as Exhibit 24-013.

Support Services Committee

The Legislative Bill Watch letter is filed as Exhibit 24-014.

President/CEO Suess stated the 108th Legislature of the 2024 Nebraska Unicameral officially began its regular 60-day session on January 3, and this session is expected to end on April 18. Mr. Suess stated the Unicameral this year will focus on a number of issues, noting that the Natural Resources Committee handles most of the electric utility matters. Mr. Suess added that the legislature held a debate regarding the permanent rules of the session, and stated that, with carry over bills, there are more than 1,000 bills in the system.

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. 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.

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 for November 2023, filed as Exhibits 24-015. 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 work order letter is filed as Exhibit 24-016.

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

Management and the Board discussed an item 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.

The next regular Board meeting is set for Tuesday, February 27, 2024, at 9:00 A.M. at the General Office.

The District Safety Banquet is set for Saturday, February 17, 2024, in Columbus at the VFW. Cocktails begin at 6:00 P.M. with the dinner and program to follow at 7:00 P.M.

President/CEO Suess stated the District is working with Congressman Flood's office on a weatherization project in Clarkson. There is a meeting set for Thursday, January 25, 2024, which will be held in conjunction with a housing meeting for Columbus on Tuesday, January 23, 2024.

NPPD's RRC/PRAB Wholesale Customer meeting is set for Thursday, February 15, 2024 starting at 9:30 A.M. in Kearney.

President/CEO Suess stated there will be three Directors running for re-election in 2024: Director Heesacker in Subdivision 1, Director Cerv in Subdivision 4, and Director Fleming in Subdivision 7. There is also an open seat for Subdivision 5, which is currently vacant due to the resignation of Chris Langemeier. Incumbents must file 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.

President/CEO Suess noted that the District has been approached by the City of Columbus to participate in a BRIC grant application regarding a flood mitigation study for the Loup River.

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


Chairman of the Board


Assistant Secretary


Date