

LOUP POWER DISTRICT
BOARD OF DIRECTORS
July 26, 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 July 26, 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, Donoghue, Zach, Fleming, Cerv, Knott, Langemeier, Aerni, Heesacker, Drozd

Absent: None

Staff Present: Neal Suess, Korey Hobza, Walt Williams, Dan Hellbusch, Todd Duren, 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 June 28, 2022 meeting were approved.

The following reports were presented to the Directors: the June 2022 Staff Operations Report – Exhibit 22-106; the June 2022 Bank Reconciliation Report – Exhibit 22-107; the June 2022 Vendor Payment Report – Exhibit 22-108. Additional reports presented to the Directors included various financial metrics of the District for June 2022 – Exhibit 22-109; selected financial information – Exhibit 22-110; and NPPD's Board of Directors Board Meeting Agendas for the July 13-14, 2022 NPPD Board Meeting – Exhibit 22-111.

Executive Committee

A letter addressing District Water Issues is filed as Exhibit 22-112.

President/CEO Suess indicated that, regarding license compliance, there has been no activity during the past month. Mr. Suess stated that management is awaiting approval of the Revised Loup River Bypass Reach Streambank Monitoring Plan which was submitted to the Federal Energy Regulatory Commission (FERC) in February. Mr. Suess noted that management and the District's attorney are working on a letter to FERC which will provide an update on the District operations compliance plan and the United States Fish and Wildlife Service (USFWS) Biological Opinion (BO), and management expects to file this letter with FERC in the near future. President/CEO Suess indicated that the water temperature in the Platte River near Louisville, NE

reached 93 degrees Fahrenheit on July 18, 2022, which, per the District's License, requires the District to cease diversion into the Loup Power Canal. However, Mr. Suess noted that since the Temporary Variance issued by FERC from the July 2017 occurrence was still in place, the District went to run-of-canal mode when the temperature limit was reached. Mr. Suess stated that a letter was sent to FERC informing them of the operation modification, but a response to the letter has not yet been received. President/CEO Suess indicated 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. Mr. 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 September 2022. Mr. Suess added that management and the District's attorney are working to determine what costs and likely outcomes may be associated with moving forward with this case. Regarding damage and repair from the mid-March 2019 storm event, President/CEO Suess stated that the final design drawings on the Canal remediation should be completed in late July, and District management has set up a conference call with FERC in early August to discuss the final design. Mr. Suess added that bids for construction on this project are planned to take place in fall 2022, with completion expected in summer 2023. Management and the Board discussed several items related to the District's hydroelectric license.

A letter regarding Further Discussion on Broadband in the Loup-Cornhusker Area is filed as Exhibit 22-113.

President/CEO Suess indicated that a Memorandum of Understanding (MOU) has been signed by the District, CPPD, and NPPD, as well as Boone, Colfax, Nance and Platte Counties. Mr. Suess stated that Pat Pope and an attorney with Universal Broadband Consultants (UBC) have developed a funding resolution regarding a potential backbone fiber network in the District's four-county area. Mr. Suess noted that the resolution would be executed by each public entity that has entered into the (MOU) and would include each entity's level of commitment in dollars, with a separate funding resolution executed by each county in the four-county area. President/CEO Suess indicated that a Request for Proposal (RFP) from private entities would then be developed to determine what interest there may be in partnering to establish the backbone network and assist in bringing broadband to the rural four-county areas. Mr. Suess added that Platte County has committed up to \$1 million for rural broadband, but there has been no commitment from the other counties. Mr. Suess stated that Mr. Pope has also been working with other groups outside the four-county area to determine where each group stands in the process and to bring private developers to the table to discuss their interest in partnering to bring broadband to rural parts of Nebraska. Mr. Suess noted 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 not expected to begin until spring 2023. Management and the Board discussed various items related to the rural broadband issue.

A letter regarding the 2022 Nebraska Power Association Load and Capability Report is filed as Exhibit 22-114.

President/CEO Suess provided the Board with the completed 2022 Nebraska Power Association (NPA) Load and Capability Report, which is required to be filed with the Nebraska Power Review Board annually. This report regards the status of future electrical loads and resources of the entire state over the next 20 years. Within the report, the statewide forecast projects a statewide non-coincident peak (NCP) compounded annual growth rate of 0.4 percent which is down from last year's 0.7 percent. Within the state of Nebraska, there are 7,701 MW of existing creditable generating resource capacity, 649 MW of committed resources, 356 MW of planned resources, and 60 MW of studied resources. President/CEO Suess informed the Board that, with the existing and committed resources in place, Nebraska is not expected to see a capacity deficit until after 2041; however, there is some concern with aging units. Management and the Board discussed details contained in the NPA report.

President/CEO Suess and the Board discussed the Board Retreat that was held on Wednesday, July 13, 2022. Mr. Suess indicated that there was a great dialogue with NPPD Dispatch, including an in-detail explanation of the Southwest Power Pool Integrated Market (SPP IM), and a long discussion regarding the role the District's hydros play in the SPP IM. Mr. Suess stated that management and the Board toured the Headworks and sand pile area, and the Board enjoyed seeing how the operation works, as well as viewing the damage repair from the 2019 storm event.

Rates Committee

A letter regarding NPPD's 2023-2028 Rate Outlook Update is filed as Exhibit 20-115.

President/CEO Suess indicated that NPPD management presented a rate outlook update to the NPPD Board of Directors for the period from 2023-2028, which included a review of both wholesale and retail rates for that time period. Mr. Suess stated that, for 2023, NPPD is projecting no overall base rate increase and no change in transmission rates, as well as maintaining base production rates. Mr. Suess added that NPPD is also projecting a one-year production cost adjustment (PCA) refund of \$33.9 million based on the dollar amount at the end of the year 2021. In the 2022 wholesale rates developed by NPPD, the PCA refund included was \$74.2 million. Mr. Suess stated that, based on the review of this proposal, purchased power costs could increase approximately 6.5 percent for 2023. President/CEO Suess indicated that NPPD is currently estimating some surplus for the end of 2022, which would affect the PCA for 2024. Mr. Suess noted that the District has only returned the PCA refund to its wholesale customer, Schuyler, and ADM. President/CEO Suess indicated that, other than the expected surplus at the end of 2022 which would be refunded in 2024, NPPD is projecting no overall change in base rates or any additional PCA refund beyond 2023. Management and the Board discussed NPPD's 2023-2028 rate outlook update in further detail.

At 10:37 A.M. the Board took a brief break and returned at 10:45 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 22-116. 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 22-117.

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 22-118.

Director Cerv made a motion to approve the work order letter as presented. 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.

The next regular Board meeting is set for August 23, 2022, at 9:00 A.M. at the General Office.

The Nebraska Power Association (NPA) is planning on having a conference this year to discuss utilities issues on August 30-31, 2022 in Kearney, NE. President/CEO Suess extended an invitation to the Board to attend this conference.

The Columbus Days Coronation Celebration is set for Tuesday, August 9, 2022 at the Ramada. This year's king and queen are Dennis Grennan and Hollie Olk. The District has two tables reserved for this celebration.

President/CEO Suess noted the following candidates for Directors seats for the 2022 general election:

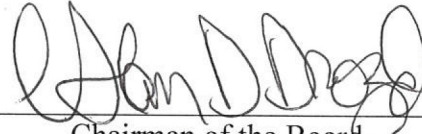
Subdivision 2 – Alan Drozd (I), Ross Knott (I)

Subdivision 3 – Jim Donoghue (I), Brian Oppliger

Subdivision 6 – Larry Zach (I), Chuck Gonka

President/CEO Suess indicated Lindsay has performed an annexation north and west of its current city limits. This annexation is outside of the District service area, and there are no CPPD facilities in this area. Mr. Suess stated management is working with its attorneys and CPPD to get this area in the District's service territory and will be filing paperwork with Power Review Board.

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


Chairman of the Board

8/23/2022
Date


Assistant Secretary