

LOUP POWER DISTRICT
BOARD OF DIRECTORS
July 25, 2023

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 25, 2023.

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

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

Roll call showed:

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

Absent: None

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

Absent: None

Others: None

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

The minutes of the June 27, 2023 meeting were approved.

The following reports were presented to the Directors: the June 2023 Staff Operations Report – Exhibit 23-098; the June 2023 Bank Reconciliation Report – Exhibit 23-099; the June 2023 Vendor Payment Report – Exhibit 23-100. Additional reports presented to the Directors included various financial metrics of the District for June 2023 – Exhibit 23-101; selected financial information for June 2023 – Exhibit 23-102; NPPD's Board of Directors Board Meeting Agendas for the July 12-13, 2023 NPPD Board Meeting – Exhibit 23-103; and NPPD's RRC/PRAB/Customer Meeting Agenda and Presentations for the July 20, 2023 Meeting – Exhibit 23-104.

Executive Committee

A letter addressing District Water Issues is filed as Exhibit 23-105.

President/CEO Suess indicated that District management, along with the District's attorney, completed a working draft of the non-capacity amendment to the District's license, and sent it to the United States Fish and Wildlife Service (USFWS) and the Nebraska Game and Parks Commission (NGPC) for comment. Mr. Suess stated that management received comments from the USFWS, and these comments were incorporated into the amendment, which was sent to FERC staff for their review and comment. Mr. Suess added that management will determine its next steps after comments are received from FERC staff.

President/CEO Suess reiterated that the Nebraska Supreme Court/Court of Appeals granted the Objectors' petition to bypass the Court of Appeals regarding the Interbasin Water Transfer Case between the Platte River Basin and the Republican River Basin. Mr. Suess noted that management will decide how to proceed after the Nebraska Supreme Court completes its determination.

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 September 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 the District is waiting on the Federal Emergency Management Agency (FEMA)/Nebraska Emergency Management Agency (NEMA) to approve this project for payment, after which time the project will be bid out, with completion of the construction 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 the Broadband Update is filed as Exhibit 23-106.

President/CEO Suess indicated that the District and Platte County moved forward with the proposal from Stealth Broadband (Stealth) to bring high-speed broadband to rural areas of Platte County.

President/CEO Suess stated that Stealth filed several grant applications through the Nebraska Capital Projects Fund (CPF) program with the hope of leveraging the money from Platte County and obtaining additional funding for this broadband project, and noted that all five of the applications filed for Platte County were accepted by the CPF program.

President/CEO Suess indicated that Stealth was awarded \$7,509,440 from the CPF program, and along with the \$1,000,000 from Platte County, as well as Stealth investing \$1,192,465, the total cost of the project was \$9,701,905. Mr. Suess stated that 656 households in Platte County will be able to be served by Stealth, and Stealth will be able to add 294 miles of broadband to their network.

President/CEO Suess reiterated that management worked with the National Rural Telecommunications Cooperative (NRTC) to perform a Smart Grid Technology Planning Study. Mr. Suess stated that the NRTC submitted its final presentation of this study to management in May 2023, and provided this final report to the Board at the Board retreat in July. Mr. Suess stated that management will develop a team internally to determine its next steps in implementing the recommendations included in this study.

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

President/CEO Suess indicated the Board retreat was held on Wednesday, July 12, 2023. Mr. Suess stated that Patrick Jordan and Steve Hanson from NRTC provided the Board with its final study report.

President/CEO Suess stated that municipal discounts were discussed, and Mr. Suess noted that he now has a better understanding of the Board's point of view regarding this issue, adding that municipal discounts would continue to be reviewed.

President/CEO Suess added the Board traveled to the Monroe Powerhouse to review District-owned bridges, as well as Canal work that was performed over the past year.

Rates Committee

A letter regarding NPPD's Preliminary Wholesale Rate Projection for 2024 is filed as Exhibit 23-107.

President/CEO Suess indicated that NPPD management provided a preliminary estimate of 2024 wholesale rates at the July 13, 2023 NPPD Board meeting, and no increases to overall transmission or wholesale base rates are planned for 2024, although individual rates are changing.

President/CEO Suess stated that NPPD is planning on returning approximately \$56.8 million of excess funds in the Rate Stabilization Account (RSA) through a Production Cost Adjustment (PCA) rate to wholesale customers. Mr. Suess noted that the current PCA level is a negative \$0.002761/kWh while the projected PCA level is a negative \$0.004369/kWh. President/CEO Suess indicated that wholesale customers will see a decrease of approximately 2.8 percent based on the change in the PCA.

President/CEO Suess shared with the Board a table comparing the actual wholesale rate for 2023 and the preliminary 2024 wholesale rate proposal. President/CEO Suess indicated the District will see a decrease of approximately 2.8 percent in wholesale power costs from NPPD, including the PCA, adding that NPPD will provide final numbers to its wholesale customers in September.

President/CEO Suess noted that, at the request of its wholesale customers, these rate changes will become effective with service provided on and after January 1, 2024, as opposed to previous years when the change became effective on February 1.

Management and the Board discussed at length NPPD's 2023 preliminary wholesale rate projections.

Personnel, Safety, and Insurance Committee

The Payroll Changes are filed as Exhibit 23-108.

At 10:10 A.M. the Board took a brief break and returned at 10:25 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 June, filed as Exhibit 23-109.

President/CEO Suess indicated that management sent a letter to its congressional delegates requesting their assistance in expediting the payment of FEMA funds due to the District.

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 23-110.

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

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

President/CEO Suess indicated that Director Langemeier was appointed by Governor Pillen to fill the Subdivision 11 seat on the NPPD Board of Directors. Director Langemeier submitted a letter to Chairman Heesacker, President/CEO Suess, and the Board stating that, after details can be worked out regarding filling the seat on the NPPD Board, Mr. Langemeier will be resigning his position on the Loup River Public Power Board of Directors. This letter is filed as Exhibit 23-111. Mr. Suess added that the determination on how to fill this open Board position will be made at next month's Board meeting.

The next regular Board meeting is set for August 29, 2023, at 9:00 A.M. at the General Office.

The Columbus Days Coronation Celebration is set for Monday, August 7, 2023 at the Ramada. This year's king and queen are Rick Chochon and Jaci Tessendorf. The District has a table reserved for this celebration.

NPPD's annual meeting is set for August 17-18, 2023 in Kearney.

The NPA Annual Conference is scheduled for August 22-23, 2023 in Kearney, NE.

President/CEO Suess stated that Governor Pillen has appointed a task force to look into property tax valuations.

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

Steve Heesacker
Chairman of the Board

8/29/23
Date

Angell (Cobak)
Assistant Secretary