

LOUP POWER DISTRICT
BOARD OF DIRECTORS
June 27, 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 June 27, 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 May 23, 2023 meeting were approved.

The following reports were presented to the Directors: the May 2023 Staff Operations Report – Exhibit 23-083; the May 2023 Bank Reconciliation Report – Exhibit 23-084; the May 2023 Vendor Payment Report – Exhibit 23-085. Additional reports presented to the Directors included various financial metrics of the District for May 2023 – Exhibit 23-086; selected financial information for May 2023 – Exhibit 23-087; and NPPD's Board of Directors Board Meeting Agendas for the June 7-8, 2023 NPPD Board Meeting – Exhibit 23-088.

Executive Committee

A letter addressing District Water Issues is filed as Exhibit 23-089.

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 added that the District's attorneys are working to incorporate these comments into a final amendment to be filed with FERC sometime this summer.

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 determine its next steps after a decision is received from the Nebraska Supreme Court.

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 July 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 agree that this project meets all requirements for funding before proceeding any further. Mr. Suess stated that once FEMA/NEMA is onboard, 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 23-090.

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 within rural Platte County 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 these grants are to be awarded on June 27, 2023.

President/CEO Suess indicated that, after the grant applications were submitted by Stealth, other broadband companies filed challenges to these applications, but most were able to be worked through. Mr. Suess stated that Stealth feels comfortable that the unserved areas of Platte County will be granted an award.

President/CEO Suess noted that the District continues to work with Universal Broadband Consulting (UBC) to help align goals and put agreements together. Mr. Suess added that the District, Platte County and Stealth are looking for additional funding opportunities for construction of the broadband backbone and hope to have other counties make a commitment in the future.

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 added that the NRTC will provide this final report to the Board at the Board retreat in July.

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

President/CEO Suess indicated the Board Retreat is set for Wednesday, July 12, 2023, at Dusters, beginning at 8:30 A.M. Mr. Suess stated that Steve Hanson and Patrick Jordan from NRTC will attend to discuss the Smart Grid Technology Planning Study with the Board. Another item on the agenda will be a discussion on municipal discounts. Mr. Suess noted that, following lunch, management and the Board will head to Monroe to review work on the bridge west of the Monroe Powerhouse and canal sloughing activity.

Rates Committee

A letter regarding the PURPA Standards Consideration Update and Setting a Public Hearing Date and Time is filed as Exhibit 23-091.

President/CEO Suess indicated that, at the October 2022 Board meeting, management began the process of reviewing two new PURPA standards: 1) Demand Response Practices and 2) Electric Vehicle Charging Programs.

President/CEO Suess stated that a public notice and hearing are required, and a written determination based on the hearing's findings must be made available to the public. Mr. Suess noted that the District may adopt the standards as written, adopt a modified standard, or reject the standard.

President/CEO Suess indicated that management has been working with NPPD on the consideration process which consists of: 1) analysis of the standards and development of reports, 2) communication with customers and the public and 3) a public hearing to share the recommended response and receive public input.

President/CEO Suess noted the standard on Demand Response Practices states that each utility shall promote the use of demand-response and demand flexibility practices by commercial, residential and industrial consumers to reduce electric consumption during periods of unusually high demand.

President/CEO Suess indicated that the District has a long history of offering rates that promote demand response, including: 1) time-of-use rates, 2) a demand waiver program, 3) interruptible service rates (available, but not used) and 4) a Demand Response Resource program (available, but not used).

Regarding EV charging, President/CEO Suess stated that the standard reads that each State shall consider measures to promote greater electrification of the transportation section, including the establishment of rates that: 1) promote affordable and equitable EV charging options, 2) improve customer experience with EV charging, 3) accelerate third party investment in EV charging, and 4) recover marginal costs of delivering energy to EV and EV chargers.

President/CEO Suess stated that, working with NPPD, the District has introduced 1) incentives for Level 2 chargers and installation for wiring of EV chargers on residential, 2) incentives for

Level 2 and Level 3 EV chargers and wiring on commercial and 3) review of time-of-use rates designed to incentivize EV charging at low-cost hours.

President/CEO Suess indicated that, initially, District management is recommending a modified standard to continue to review and evaluate options for both of these PURPA standards. Mr. Suess added that NPPD will be submitting management reports that the District will provide to the Board as well as the public, in late June 2023. Mr. Suess noted that, if approved by the Board, a public hearing will be held on September 26, 2023, with a final determination made at the October 24, 2023 Board meeting.

Management and the Board discussed at length the PURPA Standards Consideration.

President/CEO Suess recommended that a public hearing of the PURPA standards related to demand response and electric vehicle (EV) charging be set for September 26, 2023, at 10:00 A.M.

Director Langemeier made a motion that a public hearing of the PURPA standards related to demand response and EV charging be set for September 26, 2023, at 10:00 A.M. Director Drozd seconded the motion and roll was called.

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

Nay: None

Absent: None

The motion carried.

Finance and Budget Committee

A letter regarding Resolution No. 2023-04 – Participation in Nebraska CLASS is filed as 23-092.

President/CEO Suess indicated that the District has been offered the chance to participate in the Nebraska Cooperative Liquid Asset Securities System (Nebraska CLASS), which is a comingled investment pool formed in 2023 that allows local governments to pool funds for investment in a professionally-managed investment program.

President/CEO Suess stated that participation in the Nebraska CLASS would benefit the District by providing same day availability of funds, a professionally managed portfolio, competitive daily yields, and no transaction fees or minimum balance requirements. Mr. Suess added that this would be audited annually. Mr. Suess also noted that participation in the Nebraska CLASS would offer the safety of public funds, liquidity, convenience, flexibility, as well as competitive returns.

President/CEO Suess indicated that, in order to participate in the Nebraska CLASS, the District must 1) pass a resolution authorizing participation, 2) complete the registration package, 3) submit the registration package for processing and 4) receive confirmation of acceptance as a participant.

Vice President of Accounting and Finance/CFO Williams explained the details and answered questions by the Board relating to the District's participation in the Nebraska CLASS.

President/CEO Suess recommended that the Board adopt Resolution No. 2023-04 authorizing the District's participation in the Nebraska CLASS.

Director Aerni made a motion to adopt Resolution No. 2023-04 authorizing the District's participation in the Nebraska CLASS. Director Drozd seconded the motion and roll was called.

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

Nay: Tooley, Cerv

Absent: None

The motion carried.

Personnel, Safety, and Insurance Committee

The Payroll Change is filed as Exhibit 23-093.

Support Services Committee

The Legislative Bill Watch letter is filed as Exhibit 23-094.

President/CEO Suess indicated the 108th Legislature of the 2023 Nebraska Unicameral adjourned sine die on June 1, 2023, adding that 88 days of the 90-day session were held. Mr. Suess noted that everything slowed due to philosophic issues within the Unicameral. Mr. Suess stated that bills dealing with electricity had hearings before the Natural Resources Committee.

Vice President Duren discussed with the Board key bills that were passed by the Legislature, noting that despite the filibusters, it was a productive session with 291 bills passed.

Management and the Board discussed further items related to the 2023 Nebraska Unicameral session.

President/CEO Suess stated the APPA National Conference was held in Seattle, WA on June 16-21, 2023 and he noted that Director Aerni and Vice President of Corporate Services Duren attended this conference. Director Aerni and Mr. Duren shared their thoughts on the conference, stating that there were many informative breakout sessions that took place, including those related to cybersecurity, the economic outlook, artificial intelligence (AI), and electric vehicles (EV). The next APPA National Conference will be held on June 7-12, 2024, in San Diego, CA.

A letter regarding the High Hazard Area Safety and Regulatory Compliance Report is filed as Exhibit 23-095.

The District High Hazard Safety Administrator, who is the Vice President of Engineering, is required by FERC to regularly report High Hazard Area safety and regulatory compliance issues

to the District President/CEO, who must then report independently of operations to the District Board of Directors. In order to comply with Section 4.4.4 of the High Hazard Area Safety Program, President/CEO Suess submitted a letter to the Board stating there have been no safety or regulatory compliance issues in either High Hazard Area No. 1 or No. 2. The last report was provided in June 2022. Management and the Board briefly discussed items regarding the High Hazard Area Safety Program.

At 10:38 A.M. the Board took a brief break and returned at 10:46 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 May, filed as Exhibit 23-096. 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 23-097.

Director Tooley made a motion to approve the work order letter as presented. Director Zach 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 reiterated that management was contacted by BD Medical regarding purchasing Renewable Energy Credits (REC's) from the Creston Ridge Wind Farm. Mr. Suess stated that a contract for the sale of these REC's was executed with BD, which is all a part of BD's corporate sustainable goals.

President/CEO Suess discussed with the Board federal money that is available through various programs due to the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA).

President/CEO Suess indicated that management received the Loup Power District Ratings Report from S&P Global, noting that the District has maintained its A rating. Mr. Suess stated that this report will be discussed in more detail with the Board at the July Board meeting.

President/CEO Suess stated that NPPD is holding its Rate Outlook Customer Meeting today, June 27, 2023.

The next regular Board meeting is set for July 25, 2023, at 9:00 A.M. at the General Office.

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

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

Steve Heesoden
Chairman of the Board

7/25/2023
Date

Angell Polak
Assistant Secretary