

LOUP POWER DISTRICT  
BOARD OF DIRECTORS  
May 28, 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 May 28, 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: Dana Schultz**

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.

President/CEO Suess welcomed Mr. Schultz to the meeting.

**The minutes of the April 23, 2024 meeting were approved.**

The following reports were presented to the Directors: the April 2024 Staff Operations Report – Exhibit 24-073; the April 2024 Bank Reconciliation Report – Exhibit 24-074; the April 2024 Vendor Payment Report – Exhibit 24-075. Additional reports presented to the Directors included various financial metrics of the District for April 2024 – Exhibit 24-076; selected financial information for April 2024 – Exhibit 24-077; NPPD's RRC/PRAB/Customer Meeting Agenda and Presentations for the April 24, 2024 Meeting – Exhibit 24-078; NPPD's Board of Directors Board Meeting Agendas for the May 8-9, 2024, NPPD Board Meeting – Exhibit 24-079; and NPPD's RRC/PRAB/Customer Meeting Agenda and Presentations for the May 16, 2024 Meeting – Exhibit 24-080.

**Executive Committee**

A letter addressing District Water Issues is filed as Exhibit 24-081.

President/CEO Suess indicated that management is finalizing the non-capacity license amendment to be filed with the Federal Energy Regulatory Commission (FERC). Mr. Suess stated that the District received a waiver on the Water Quality Certificate (WQC) from the Nebraska Department of Environment and Energy (NDEE) for the District's proposed changes to water flow in the Loup and Platte Rivers, and noted that management is working with FERC Staff to make sure all data is contained in the amendment, after which time it will be submitted to FERC.

President/CEO Suess indicated that the District has drafted a five-year monitoring summary report of the Interior Least Tern, Piping Plover and Rufa Red Knot species, which is a requirement of the District's license. This report is under review by the United States Fish and Wildlife Service (USFWS) and the Nebraska Game and Parks Commission (NGPC) and will then be submitted to FERC. Mr. Suess noted that this may complete the monitoring of these species.

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 June 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. Mr. Suess stated that a meeting was held with officials from the Nebraska Emergency Management Agency (NEMA) and with new NEMA consultants. Mr. Suess noted that some movement is occurring, although progress is slow.

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 FEMA/NEMA will be providing letters to move forward with this project, and bidding and construction could begin yet in 2024.

Management and the Board held a discussion concerning the public hearing that took place on May 23, 2024, regarding the Interbasin Water Transfer case between the Platte River Basin and the Republican River Basin. President/CEO Suess stated that, although the Nebraska Supreme Court upheld the decision of the Department of Natural Resources (DNR) that the District and the other intervenors in the case had no standing and cannot object to this water transfer application, the District did file comments related to this case.

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

A letter regarding an Executive Session to Discuss the Fishing Pier at Lake North is filed as Exhibit 24-082.

**At 9:27 A.M. Director Heesacker made a motion to move into Executive Session to discuss the Fishing Pier at Lake North. 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 9:50 A.M. Director Fleming made a motion to return to regular session. Director Donoghue 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 a Discussion of Upstream Water Users is filed as Exhibit 24-083.

President/CEO Suess indicated that discussions continue with water law attorney, Don Blankenau, and the Department of Natural Resources (DNR) regarding upstream water users of Loup River water to determine the best method to move forward with collection of money from these water users.

President/CEO Suess stated that all of the District's diversion agreements with upstream water users are post mid-1972, and questioned what to do with those prior to mid-1972. Mr. Suess shared with the Board a table in which the DNR listed each water user based on "Purpose of Use" and "Flow Type". Mr. Suess noted that the District only has diversion agreements with entities that have a Direct Flow "Flow Type" and a Domestic, Irrigation, Manufacturing and Wetlands "Purpose of Use".

President/CEO Suess indicated that the DNR has been very helpful during discussions with the District and are willing to help the District in determining its options regarding diversion agreements.

President/CEO Suess stated that the District's plan is to send out letters to upstream water users later this summer which will describe the process for new diversion agreements as well as payment provisions. Mr. Suess noted these letters would be sent out after the Board retreat in July and after further discussion with Mr. Blankenau. Mr. Suess added that management is looking to begin the new program in 2026.

Management and the Board discussed details related to upstream water users.

A letter regarding the 2022 Comparison of Revenue per Kilowatt Hour is filed as Exhibit 24-084.

President/CEO Suess provides this APPA report to the Board each year as APPA completes the compilation of this data. Mr. Suess presented a table illustrating the 2022 comparison of revenue per kWh for residential, commercial, industrial, and overall classes of customers, which showed the District remains one of the lower-cost electric utilities in the state and the nation.

President/CEO Suess and the Board discussed different aspects of the APPA report.

### **Finance and Budget Committee**

A letter regarding Discussion of Customer Contribution-in-Aid of Construction is filed as Exhibit 24-085.

President/CEO Suess indicated that management is looking at contribution-in-aid of construction (CIAC) for new large customers. Mr. Suess stated that the current Customer Service Policy splits

a fifty-fifty share of estimated costs between the District and developers of both residential and commercial properties.

President/CEO Suess stated that for large loads in excess of 100kW, the Customer Service Policy allows the District to determine contribution on a case-by-case basis.

President/CEO Suess noted that new large loads will require upgrades and, possibly, new 34.5kV subtransmission lines, in addition to extending or building new 115kV/34.5kV transmission substations or 34.5kV/12.5kV subtransmission substations.

President/CEO Suess stated that management believes a fifty-fifty cost share of these upgrades is reasonable as it the same as the existing policy with other developers. Mr. Suess added that this fifty-percent payment will help with cash flow and financial performance and will be received upfront with a true-up done to actual costs after construction is completed.

Management and the Board discussed this issue at length.

A letter regarding the Sale of Facilities to the Village of Lindsay is filed as Exhibit 24-086.

President/CEO recommended the Board approve the sale of distribution facilities to the Village of Lindsay.

**Director Zach made a motion to approve the sale of distribution facilities to the Village of Lindsay. Director Aerni seconded the motion.**

President/CEO Suess indicated that management has been working with officials from the Village of Lindsay regarding the possible sale of distribution facilities being installed to service the new Lindsay Academy, which has recently been annexed into the Village of Lindsay.

President/CEO Suess stated that, per an agreement between the Village of Lindsay and Lindsay Area Development (the developers of Lindsay Academy), the Village of Lindsay is paying for the developer's half of the new facilities. Mr. Suess added that the Village would like to pay for the other half of the facilities, which would allow the Village to receive the eleven percent payment from revenue from this facility.

President/CEO Suess indicated that management is working with Cornhusker Public Power District and the Power Review Board to include this area in the District's service territory.

Management and the Board discussed details related to the sale of facilities to the Village of Lindsay.

**The question was called.**

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

**Nay: None**

**Absent: None**

**The motion carried.**

**Personnel, Safety, and Insurance Committee**

The Payroll Changes are filed as Exhibit 24-087.

**Support Services Committee**

A letter regarding Payments Made to Communities is filed as Exhibit 24-088.

President/CEO Suess informed the Directors that in mid-May, the District made payments totaling \$1,626,754.95 to all twenty-two communities under its Professional Retail Operations Agreement and Franchise with each community. Mr. Suess stated that these payments are made quarterly and are based on eleven percent of the adjusted inside revenue for each community.

Management and the Board discussed matters regarding these payments to communities.

At 10:40 A.M. the Board took a brief break and returned at 10:50 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 April 2024, filed as Exhibit 24-089. 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 24-090.

**Director Donoghue 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, Heesacker, Aerni, Drozd, Cerv**

**Nay: None**

**Absent: None**

**The motion carried.**

A letter regarding the Purchase of a 90MVA 115kV/34.5kV Transformer is filed as Exhibit 24-091.

Management recommended the District purchase a 90MVA 115kV/34.5kV transformer for the ADM Dry Grind substation from WEG for a base price of \$3,343,500.

**Director Aerni made a motion to purchase a 90MVA 115kV/34.5kV transformer for the ADM Dry Grind substation from WEG for a base price of \$3,343,500. Director Heesacker seconded the motion.**

President/Suess stated that the Board previously approved moving forward with bidding for a new transformer to be located in the ADM Dry Grind substation to help meet two new loads in southeast Columbus.

President/CEO Suess indicated that bids for this transformer were submitted by Virginia Transformer, WEG, and TTE. After evaluating all three bids, management recommended

purchasing the WEG transformer for a base price of \$3,343,500. Mr. Suess noted that a progressive payment structure would be used for the purchase of this transformer.

Management and Board discussed details related to the purchase of the transformer.

**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, June 25, 2024, at 9:00 A.M. at the General Office.

President/CEO Suess stated that discussions continue with NPPD on its new Wholesale Power Contract, New Load Queue process and Transmission Interconnection process, and noted that many changes are coming.

President/CEO stated that options for potential modifications for those wanting behind-the-meter generation greater than 25kW are being reviewed.

The APPA Annual Conference is set for June 7-12, 2024, in San Diego, CA.

President/CEO Suess stated the Board Retreat is set for July 31, 2024, at Dusters.

President/CEO Suess stated that management held a meeting with Platte County officials regarding Bridge 8, which is currently closed due to bridge damage. The County wants to replace the bridge and is looking for the District to assist in paying for the replacement. Mr. Suess added that the County will be sending an offer to management.

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

4/25/2024  
Date

  
Chairman of the Board  
  
Assistant Secretary