

LOUP POWER DISTRICT
BOARD OF DIRECTORS
November 22, 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 November 22, 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, Todd Duren, Amanda Henry

Absent: Dan Hellbusch

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 October 25, 2022 meeting were approved.

The following reports were presented to the Directors: the October 2022 Staff Operations Report – Exhibit 22-170; the October 2022 Bank Reconciliation Report – Exhibit 22-171; the October 2022 Vendor Payment Report – Exhibit 22-172. Additional reports presented to the Directors included various financial metrics of the District for October 2022 – Exhibit 22-173; selected financial information – Exhibit 22-174; and NPPD's Board of Directors Board Meeting Agendas for the November 9-10, 2022 NPPD Board Meeting – Exhibit 22-175.

Executive Committee

A letter regarding the proposed 2023 Dates for Board Meetings is filed as Exhibit 22-176.

Director Aerni made a motion to approve the proposed 2023 dates for Board meetings. Director Knott seconded the motion.

President/CEO Suess discussed the proposed dates for the 2023 Board meetings, indicating most meetings will be held on the fourth Tuesday of each month, with two exceptions: (1) the August 2023 Board meeting will be held on the fifth Tuesday, due to the NPA Annual Conference being held the week of August 21, and (2) the December 2023 Board meeting will be held on the third Thursday, due to the Christmas holiday.

The question was called.

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

Nay: None

Absent: None

The motion carried.

The Slate of Officers for 2023 is filed as Exhibit 22-177.

Director Aerni made a motion to approve the 2023 slate of officers as proposed by the nominating committee. Director Zach seconded the motion.

President/CEO Suess recommended the Board approve the 2023 slate of officers as proposed by the nominating committee. The recommended officers are (1) Chairman – Steve Heesacker, (2) First Vice Chairman – Bob Cerv, (3) Second Vice Chairman – Jim Donoghue, (4) Secretary – Mike Fleming and (5) Treasurer – Dick Tooley.

The question was called.

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

Nay: None

Absent: None

The motion carried.

A letter addressing District Water Issues is filed as Exhibit 22-178.

President/CEO Suess indicated that, after a video conference in early November with Federal Energy Regulatory Commission (FERC) Staff to discuss the status of the District's license, it was determined that the best way to move forward was to file a non-capacity amendment to the license, which would provide an indication of low flow operations to both the Loup Power Canal and the Loup River bypass reach. Mr. Suess noted that additional studies may be required. Mr. Suess stated that FERC Staff agreed to review a draft non-capacity amendment and would assist in getting the amendment through FERC in a timely manner, preferably without having to go through further consultation with the United States Fish and Wildlife Service (USFWS), or having the USFWS file an updated Biological Opinion (BO). Mr. Suess noted that the District's attorney is working on this non-capacity amendment and hopes to have a draft available for District management in early December. President/CEO Suess indicated that District management is working with New Century Environmental to complete the end-of-year reports. Mr. Suess stated there has been some movement regarding the District's intervention in the revised interbasin water transfer case, noting that the Department of Natural Resources (DNR) could make a ruling in the next couple of weeks. 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 January 2023. Regarding damage and repair from

the mid-March 2019 storm event, President/CEO Suess stated that the final design drawings on the Canal remediation have been submitted to FERC for review. Mr. Suess added that bids for construction on this project were planned to take place in fall 2022; however, because FERC Staff requires additional information to complete their review, bids will take place in spring of 2023, with completion expected to be in late 2023 or early 2024. Mr. Suess noted that the north side jetties work in the Loup River bypass reach has been completed. Management and the Board discussed several items related to the District's hydroelectric license and other State of Nebraska water issues.

A letter regarding Further Discussion on Broadband in the Loup-Cornhusker Area is filed as Exhibit 22-179.

President/CEO Suess indicated that District management has finalized the Request for Proposal (RFP) regarding broadband in unserved and underserved areas in Platte County, and this RFP was sent to private entities on November 18, 2022. Mr. Suess stated that responses to the RFP will be due in mid-January 2023, and the District and Platte County, with the assistance of Universal Broadband Consulting, will review and score the responses. Mr. Suess noted the RFP is expected to be awarded near the end of March 2023, with construction beginning in June 2023. Mr. Suess added that Platte County has indicated they will support an investment of up to \$1 million for rural broadband in Platte County; however, no other county has committed to any dollar amount. President/CEO Suess indicated 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.

Rates Committee

The Rates Committee set a date for Wednesday, December 14, 2022, at 9:00 A.M. to meet to discuss and review the cost-of-service and rate design for 2023 retail and wholesale rates of the District.

Finance and Budget Committee

The 2023 Construction Budget letter is filed as Exhibit 22-180.

Director Cerv made a motion to approve the 2023 Construction Budget as presented. Director Aerni seconded the motion.

President/CEO Suess reviewed the 2023 Construction Budget that was discussed in detail with the majority of the Board and Staff at the special meeting of the Finance and Budget Committee held on November 15, 2022.

The question was called.

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

Nay: None
Absent: None
The motion carried.

The 2023 Operations Budget letter is filed as Exhibit 22-181.

Director Donoghue made a motion to approve the 2023 Operations Budget as presented.
Director Zach seconded the motion.

President/CEO Suess reviewed the 2023 Operations Budget that was discussed in detail with the majority of the Board and Staff at the special meeting of the Finance and Budget Committee held on November 15, 2022. Mr. Suess noted the 2023 Operations Budget includes a 1.5 percent overall retail base rate change effective in February 2023, not including changes for ADM and BD Medical, which are associated with the change in wholesale billing rates. Mr. Suess stated the 2023 Operations Budget will also include an approximate 6.0 percent increase in wholesale power costs effective in February 2023, with no change in overall base costs, but a reduction in the PCA credit. Mr. Suess added the District is still working on the cost of service study. President/CEO Suess presented a chart detailing the Annual Operations Cost Comparison-Total Operations and Maintenance Costs and Total Retail Energy Sales. Mr. Suess stated the 2023 Budget will lower cash reserves, but the District's overall levels are still good. Mr. Suess added that there will be many moving parts in 2023, including the new hydro sales contract with NPPD and payback from FEMA related to the 2019 mid-March storm event. The Board and management discussed at length details relating to the 2023 Operations Budget, including retail rates, and employee wages and insurance.

The question was called.

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

The 2023 Operating and Construction Budget Reports are filed as Exhibit 22-182.

Personnel, Safety, and Insurance Committee

The Payroll Changes are filed as Exhibit 22-183.

The 2023 Vice President Salary Levels letter is filed as Exhibit 22-184.

At 10:00 A.M. Director Aerni made a motion to move into Executive Session to discuss the 2023 Vice President Salary Levels. Director Fleming 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.

At 10:48 A.M. Director Aerni made a motion to return to regular session. Director Knott 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.

Director Knott made a motion to approve the 2023 Vice President Salary Levels as discussed during the Executive Session and recommended by President/CEO Suess. 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.

A letter discussing Property, Automobile, and Excess Liability Insurance Bids is filed as Exhibit 22-185.

President/CEO Suess requested that the Board accept management's recommendation of accepting renewal quotes, beginning December 1, 2022, received from StarrTech, Allied through UNICO and Starr through UNICO for property, automobile and excess liability insurance respectively.

Director Fleming made a motion to accept the Property, Automobile, and Excess Liability insurance renewal quotes, beginning on December 1, 2022 received from StarrTech, Allied through UNICO and Starr through UNICO for property, automobile and excess liability insurance, respectively. Director Donoghue seconded the motion.

President/CEO Suess and the Board discussed different aspects of the District's insurance coverage.

The question was called.

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

Support Services Committee

A letter regarding the 2022 Election Results is filed as Exhibit 22-186.

President/CEO discussed various 2022 election results with the Board.

At 10:57 A.M. the Board took a brief break and returned at 11:06 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 22-187. Reports to the Board were also presented by Vice President of Engineering Hobza, Vice President of Corporate Services Duren and Human Resource Manager Henry.

The investment letter is filed as Exhibit 22-188.

Director Donoghue recommended the investment letter be approved as presented. Director Tooley seconded the motion.

President/CEO Suess recommended the investment letter be amended to note that funds from certificate of deposit no. 71348 at Brunswick State Bank were reinvested to yield 3.75 percent interest accrued quarterly to mature 11/12/2024.

Director Knott made a motion to amend the investment letter with the exception noted by President/CEO Suess. Director Aerni 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.

Director Zach made a motion to approve the amended investment letter. Director Fleming 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 22-189.

Director Cerv made a motion to approve the work order letter as presented. Director Fleming 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 December 22, 2022, at 9:00 A.M. at the General Office.

The District Christmas party will be held on Saturday, December 10, 2022, at the VFW in Columbus. Social hour begins at 6:00 P.M. with the dinner and program following at 7:00 P.M.

President/CEO Suess stated that a recent financial review from S&P Global reaffirmed the District's "A" financial rating.

President/CEO Suess wished everyone a Happy Thanksgiving.

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



Chairman of the Board

12/28/2022
Date



Assistant Secretary