

Loup Power District February 22, 2006 Board Summary

Chairman Kracl presented Director Pearson with his one-year anniversary gift. Director Pearson expressed his thanks and stated that he had enjoyed his first year on the board.

President/CEO Neal Suess discussed the Clarkson distribution proposal that was presented the city. The presentation was well received by the city council. The cost of the city re-building the electric system infrastructure was discussed. The District is waiting to receive questions from the city's consultant and will respond to those questions.

President/CEO Neal Suess commented on the Loup/Cornhusker/ Nebraska G&T situation. The new management at NPPD was discussed. Ron Asche was appointed to replace Bill Fuhrman's position as CEO and Tracy Bender filling in as CFO.

On February 9, 2006, Archer Daniels Midland (ADM) announced that Columbus had been selected as the first location for its ethanol capacity expansion. ADM is proposing to build a dry corn milling plant with an initial annual capacity of 275 million gallons and to locate this next to the existing facility. In September, ADM announced plans to expand ethanol capacity by 500 million gallons through the addition of two dry milling plants at the existing ADM ethanol facilities.

In addition, ADM also announced it would build a coal-fired cogeneration plant in Columbus to help power the corn milling and ethanol operations. ADM currently operates similar cogeneration facilities in three other Midwest locations.

President/CEO Neal Suess discussed the perceived concerns of some individuals stating there is a small faction in Columbus concerned about the ADM expansion and the impact of the expansion on the environment around Columbus.

The heat helper program was discussed. A follow-up study will be done to see how other utilities are handling a round-up program and will come back to the Board with a recommendation later this spring.

Administrative Services Manager, Kim Grubaugh, discussed the net income analysis. It is a comparative analysis for the past five years.

Director Thieman expressed his hope that the entire board would join PowerPAC.

Operations Manager, Kendall Christensen, discussed the damage done to trees on the Todd property at Howells. An offer will be made to the Todds for \$7500 to settle the claim.

The state law on leased property tax payments was reviewed. The District is working with Nance and Colfax counties to help them understand the law as it pertains to the District and the property it leases out to individuals.

The Board was informed the property had been purchased in Fullerton.

The addition of a temporary part-time intern position in the Administrative Services Department was approved.

A listing of the 10% lease payments to the cities is filed as Exhibit 06-040.

The following work orders were approved.

<u>W.O. No.</u>	<u>Description</u>
01926	<u>Responsibility Area 923 Budget Code 1392 Item No. 10</u> This work order will install a 230kV switch and structure at the Columbus West Substation. This work will prepare the substation for the installation of a second 56MVA transformer. This work is being done in conjunction with the installation of a 230kV breaker that NPPD is installing on the Columbus West to Kelly line.
01927	<u>Responsibility Area 923 Budget Code 1492 Item No. 9</u> This work order is necessary to reconductor a 1.23-mile segment of a 1/0 ACSR three phase underbuild with T2-1/0 ACSR from the Humphrey City Sub to the CPPD 81-8 Substation. This will make the line between Humphrey and Lindsay a 100% T2-1/0 CSR feeder line and allow full capacity under contingency switching conditions. Replacing the 1/0 ACSR will also reduce voltage drop, increasing the efficiency of this line.
01928	<u>Responsibility Area 926 Budget Code 4592 Item No. 4</u> This work order provides for the construction of a crushed limestone bike and walking trail on the south berm of Lake Babcock. This trail will be 8,343 feet long and will extend from the concrete bike ramp located at 48 th Avenue and 66 th Street to the parking area located on 18 th Avenue. This new section will be a continuation of the existing Bob Lake Trail.
01929	<u>Responsibility Area 923 Budget Code 1392 Item No. 3</u> This work order will authorize the purchase and installation of a 28MVA transformer and circuit switcher for future load growth associated with the new ethanol plant and irrigation load in Albion.
P.O. 38347	<u>Responsibility Area 923 Budget Code 1392 Item No. 5</u> The transformers are being purchased due to increased load in the Belgrade area. They are being put on order so they will be available for summer peak. A work order will be prepared for their installation against the subject budget code and item.
P.O. 38386	<u>Responsibility Area 926 Budget Code 2292 Item No. 1</u> This Purchase Order will authorize the purchase of a replacement pickup for the Genoa Headworks. Ernst Auto Center trade-in 91-210 a 1994 GMC.
P.O. 38387	<u>Responsibility Area 923 Budget Code 2292 Item No. 2</u> This Purchase Order will authorize the purchase of a replacement truck for the Columbus meter readers. Gene Steffy Ford trade-in 91-239 a 1996 GMC.
P.O. 38388	<u>Responsibility Area 926 Budget Code 2292 Item No. 3</u> This Purchase Order will authorize the purchase of a replacement pickup for the Headworks Supervisor. Ernst Auto Center trade-in 91-255 a 1997 Chevy pickup.

- P.O. 38389 Responsibility Area 923 Budget Code 2292 Item No. 4
This Purchase Order will authorize the purchase of a replacement pickup for use by the Columbus Utilityman. Ernst Auto Center trade-in 91-256 a 1997 GMC pick up.
- P.O. 38390 Responsibility Area 923 Budget Code 2292 Item No. 4
This Purchase Order will authorize the purchase of a lift gate to be used on the utilityman's truck at Columbus. Matt Friend Trucking, Hastings, NE.
- P.O. 38391 Responsibility Area 923 Budget Code 2292 Item No. 7
This Purchase Order will authorize the purchase of a replacement truck for use on the underground crew in Columbus. Ernst Auto Center trade-in 93-146 a 1986 GMC flatbed.
- P.O. 38392 Responsibility Area 923 Budget Code 2292 Item No. 5
This Purchase Order will authorize the purchase of a replacement digger/derrick for the Albion line crew. Altec Industries, St. Jo, MO. trade-in 95-236
- P.O. 38393 Responsibility Area 923 Budget Code 2292 Item No. 7
This Purchase Order will authorize the purchase of a lite dump body to be used on the Columbus underground truck. Matt Friend Trucking, Hastings, NE.
- P.O. 38394 Responsibility Area 923 Budget Code 2292 Item No. 8
This Purchase Order will authorize the purchase of a new wood chipper to be used in the Columbus Division. The existing chipper will be moved to the Fullerton Division to replace a chipper that is no longer serviceable. Vermeer Equip. of Nebraska, Lincoln, NE.
- P.O. 38395 Responsibility Area 926 Budget Code 2292 Item No. 10
This Purchase Order will authorize the purchase of a new International chassis for replacing an existing 10-yard dump truck. Hansen International Truck, Grand Island, NE. trade-in 95-230 a 1995 International 10-yard dump truck.
- P.O. 38396 Responsibility Area 926 Budget Code 2292 Item No. 10
This Purchase Order will authorize the purchase of the 10-yard box to be mounted on a new International chassis. LCL Truck and Equipment, Hastings, NE.

Operations Manager Kendall Christensen stated that in the future specifications for the large vehicles would be sent out for bids after the budget is approved in November. This will allow Board approval to take place in December so the District can get the vehicle orders in on a more timely basis.

The re-winding of Monroe Unit 3 was discussed. A special request for approval of this project will be sent out in early April.