

Loup Power District April 26, 2006 Board Summary

The Board approved entering into an agreement with American Hydro and Wood Group regarding the cost increases to the hydro rehabilitation contract in the amount of \$100,000 with absolute assurance of all parties signing off on the agreement.

The Board approved entering into a lease with Harwest Industrial Minerals for the removal of sand from the Headworks.

A presentation was made to the Clarkson City council. The District is still in discussions with the City of Clarkson and the City is reviewing the District's proposal to decide if they wish to pursue becoming a retail town of the District.

The Nebraska G&T, Cornhusker, Loup contract status was reviewed. The District is currently waiting for a response to of the offer the District made for future wholesale service to the NE G&T.

President/CEO Neal Suess and Administrative Services Manager, Kim Grubaugh attended the NPPD rate review committee meeting. NPPD has indicated they expect to have 4% per year rate increases on average for the next six years for wholesale customers. The District hopes to have a proforma of future operations completed by the June Board meeting.

The renewal premium of \$8,722 by Cincinnati Insurance Company through UNICO to retain the directors and officers liability insurance coverage was approved.

A monetary settlement and underground service to the Todd's residence in Howells was approved on two conditions: (1) that they release Loup from any damage to trees, lawn or otherwise while burying the line to the house and (2) they would remove the trees that were recently planted directly under the District's line was approved.

It was approved for management to offer \$1,000 to buy out the Bokelman cabin lease.

New summer employees will be:

Chase Davis, Apprentice Lineman for Operations - Retail at Columbus.

Rolland Golden, Apprentice Lineman for Operations - Retail at Humphrey.

Craig Baxa, Groundman for Operations - Hydro at the Genoa Headworks.

Ben Mlinar, Groundman for Operations - Hydro at Columbus.

Benjamin Beller, Groundman for Operations - Hydro at Columbus.

Joseph Held, Jr., Groundman for Operations - Hydro at Columbus.

Tim Mlinar, Groundman for Operations - Retail at Columbus.

The Trustees of the Retirement Plan were changed with Kim Grubaugh remaining a Trustee, David Bell and Robert White removed as Trustees and the current President and CEO, Neal Suess added as a Trustee.

The following work orders were approved.

| <u>W.O. No.</u> | <u>Description</u> |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 01933 | <u>Responsibility Area 927 Budget Code 3192 Item No. 3</u> This work order will provide for the necessary labor and materials to replace the stator coils in Generator 3 at the Monroe Hydro. The unit has stator coils cut out because of individual coil failures and the blocking associated with the stator coils in poor repair. |
| 01934 | <u>Responsibility Area 923 Budget Code 1392 Item No. 4</u> This work order is necessary to install a reclosure foundation, three reclosure bypass switches, and associated equipment in the Genoa City Substation. The reclosure will be transferred from the Columbus Industrial Substation. This will decrease outages on the south circuit, which feeds the hospital, school, and other customers. A new substation fence will be installed around the perimeter of the existing sub fence, allowing room for the new reclosure foundation, provide more working room clearances and easier access into and around the sub. |
| 01935 | <u>Responsibility Area 923 Budget Code 1392 Item No. 5</u> This work order will provide for the purchase and installation of 833 KVA transformers and new voltage regulators. Extend existing transformer footing. These transformers are needed due to the increase in irrigation load. |
| 01936 | <u>Responsibility Area 923 Budget Code 1492 Item No. 5</u> This work will consist of installing nine new poles, stringing 8136 ft. of 4 ACSR conductor and building a 3-phase transformer mounting. This work is needed to replace rotted poles and replace conductor to improve reliability to the distribution line located on 4 th St. from Commercial St. to the east rural area of Primrose. |
| Suppl #1 01896 | <u>Responsibility Area 923 Budget Code 1292 Item No. 9</u> This work order is required to build a new 3-phase 12.5kV primary circuit on the north side of 25 th St. 3 blocks west to the west side of 33 rd Ave. then north to 27 th St. The distribution circuit will be built below the 34.5kV transmission line. This work is being done because of the street widening project on 33 rd Ave. from 23 rd St. to 27 th St. in Columbus. This supplement is required to reduce funds because material, labor and transportation costs were less than estimated. Because the scope of the project changed after the work order was prepared. |
| Suppl #1 01898 | <u>Responsibility Area 923 Budget Code 1292 Item No. 12</u> This work was to consist of installing three new poles, building an underground riser and trenching 1400 ft. of 1/0 underground cable to provide a more reliable system to the St. Francis School in Humphrey. This supplement is needed to adjust the authorized amount to reflect actual cost. Labor and transportation costs were higher than anticipated as a result of boring the underground cable rather than trenching as originally planned. The school determined that a safety issue could arise from trenching across the school's sports practice area. |
| P.O. #38534 | <u>Responsibility Area 925 Budget Code 2192 Item No. Contingency</u> This purchase order will provide for the purchase of a GPS handheld 416 MHZ processor and arceditor concurrent use license to be used for mapping purposes in the Engineering Department. |

President/CEO Neal Suess reminded the Directors that next month they will need to bring their laptops to the meeting as the Board packets and Board books will only be on their laptops.