

## **Loup Power District Board Summary March 28, 2007**

Jim Scow of Scow, Rief, Kruse and Schumacher, PC presented the findings of the 2006 audit. Mr. Scow informed the Board that the District had received a clean audit again for 2006. He also stated that the District is the only audit client who prepares the audit report for them and it is a tribute to the District's staff to employ that kind of expertise.

Dennis Hall and Jack Henderson of NPPD presented three awards to the District for economic development 1) Prospect Ready, 2) Successful Business & Industry Expansion and Retention and 3) New Local Economic Development Organization for the City of Schuyler/Schuyler Department of Utilities/Schuyler Development Company.

Luther Pohlman, Plant Manager for ADM showed a global video of ADM and informed the Directors how ADM was planning for their Columbus expansion. They hope to have the expansion on-line in June 2008. They have received a permit to process up to 400 million gallons of ethanol.

The Director's Policy Manual was updated to have the same policies as the District's By-Laws that were updated at the February Board meeting.

The Clarkson Distribution System was discussed. A negotiating meeting will be held in Clarkson at 7:30 pm on Wednesday, April 4, 2007. Mr. Suess and Mr. White will be attending the meeting.

The Directors were reminded of the early meeting date in April. The Board meeting will be held one week earlier than usual due to a conflict.

The net income analysis was reviewed.

The Directors were presented with the Financial Proforma Update. President/CEO Suess presented the Board with two case studies, one without any new long-term debt and one with some additional long-term debt.

The possible issuance of bonds for the large capital expenditures included in the 2007 Construction Budget was looked at. The Directors were informed of the expected capital outlay in 2007 and 2008 due to the projected large construction budget. Management was authorized to enter into a professional services agreement with Public Financial Management (PFM) as the District's financial consultant. PFM will come back to the Board for approval of a possible long term debt issuance and to develop a scenario with a possible larger rate increase and a smaller debt amount.

Several bills that will be presented at the Legislature were reviewed. C-BED legislation is dominating NPA (Nebraska Power Association) discussions. NPA is working to draft acceptable legislation.

Director Cerv asked about the possible dredging of Lake Babcock. President/CEO Suess plans to meet with Gary Parker of the NE Game and Parks sometime in April.

The sale of Loup history books was discussed.

Scholarship funds and the possibility of presenting scholarships to Northeast Community College future linemen were discussed as a possibility.

The following work orders were approved.

Suppl #1 Responsibility Area 926 Budget Code 4592 Item No. 4

01928 This work order provided for the construction of a crushed limestone bike and walking trail on the south berm of Lake Babcock. This trail is 8,343 feet long and extends from the concrete bike ram located at 48<sup>th</sup> Avenue and 55<sup>th</sup> Street to the parking area located on 18<sup>th</sup> Avenue. This section of trail is a continuation of the Bob Lake Trail. This project came in under-budget because weather conditions during all phases of construction were optimal. This was the second crushed limestone trail constructed by the hydro crew, therefore they were much more effective and efficient.

PO #39233 Responsibility Area 923 Budget Code 2192 Item No. 4

This purchase order will provide for purchasing a Spider System for stringing conductor.

OWP Responsibility Area 923 Budget Code 2192 Item No. 5

00885 This will provide for the installation of a chain link fence and rock for the storage yard located next to the Fullerton Office. This work order will complete the expansion of the Fullerton Office, Service Facility and Storage Yard. Outside contractors will supply and install the new fence and haul the 1 ½" limestone to the site. Loup crews will level the rock and move approximately 6' of existing chain link fence. This is the fence located on the east side of the original yard. It needs to be removed to allow access when the fence is installed. Part of the removed fence will be used to tie the yard fences together on the north yard line.

Director Merrill informed the Board of his trip to Washington, D.C. for his APPA meeting. He stated APPA is making a major effort to fight global warming.

The Columbus Area Chamber of Commerce annual banquet will be held May 7<sup>th</sup>.