

LOUP POWER DISTRICT

Board Summary

May 23, 2007

Clarkson —

President/CEO Neal Suess informed the Directors of the status of the Clarkson proposal. On May 3rd a letter was sent to the mayor and city council addressing their concerns. At their regular council meeting on May 8th no action was taken and a special meeting will be held on May 30th to move forward with the proposal.

Industrial Prospect —

An industrial prospect is in the final stages of purchasing District property, the spec building and the Reliance building. Papers should be finalized the first part of June for the sale. In the future, all agreements and contracts with the Columbus Development Corporation will be in writing and a copy kept in the District's corporate files.

PURPA —

PURPA (Public Utility Regulatory Policy Act) has two new standards, smart metering and interconnection rules, which need to be considered by the Board. President/CEO Neal Suess discussed the need for public comments and the public will be invited to attend the July Board Meeting to review the public comments received. These comments will be due to the District by June 30, 2007.

NPPD —

President/CEO Neal Suess discussed NPPD's wholesale rate track. Two scenarios given by NPPD were presented to the Directors. The NPPD Board will make no decisions until later this year.

Bonds —

It was approved for the District to issue approximately \$25 million in bonds and to authorize PFM to assist with the issue.

Insurance —

The Board is pleased at how well the self-insurance is working out for the District.

LB564 —

President/CEO Neal Suess discussed LB564 signed by Governor Heinemann, which protects governmental entities from injuries suffered at public facilities for which no fee is charged. It may mean higher insurance rates in the future but not as high as previously anticipated. It will allow the District to keep offering parks and trail facilities at no cost to users.

Cabins on District Property —

The District has leases for private cabins located on the District's canal property. These leases were discussed. The District will adopt a formal policy to preclude the leasing of District land for use of private cottages or home. Management was authorized to buy-out the three remaining cabins for up to the cabin's

assessed value and then allow the cabin owner to remove the cabin from the property within 12 months.

Wage Consultant —

President/CEO Neal Suess informed the Directors that employees had completed a wage consultant questionnaire in February and the wage consultant interviewed 52 employees. The District's job descriptions will be updated and a survey of other utilities will be performed as the next steps in the process.

APPA Annual Conference —

The APPA (American Public Power Association) annual conference will be held in San Antonio, Texas from June 23-27th. This will be over the time of the regularly scheduled June Board meeting. The June Board meeting will be held the week before on June 20th.

The following work orders were approved.

W.O. No.

Description

01967 Responsibility Area 923 Budget Code 1492 Item No. 5

This work order is to purchase and install regulators on the Cedar Rapids west rural line to improve voltage because of increased load on this circuit.

01969 Responsibility Area 923 Budget Code 1392 Item No. 8

This work order is required to install a second 115/34.5kV 28 MVA transformer, a 115/34.5kV circuit switcher, sectionalizing breaker, 34.5kV middle and end bay and associated equipment at the Genoa 115kV substation.

01970 Responsibility Area 923 Budget Code 1392 Item No. 9

This work order is necessary to replace OCR 5293 bypass and disconnect switches at the Albion East Substation. The existing switches are damaged and obsolete. Replacement parts are unavailable. This work order is over the budgeted amount because it was decided to replace the bypass switches and not just the disconnect switches as was originally budgeted. This also required some additional steel work in the sub.

The following work order was approved by the President/CEO.

01968 Responsibility Area 923 Budget Code 1492 Item No.3

This work will consist of building an in-line transformer mounting on an existing pole. This work is being done to provide service to a 3-tower irrigation pivot for Jerry Neiwoher located in the NW ¼ of Section 27, T20N, R6N, Boone County, near Albion.

Contract 2007-02 for the purchase of single-phase overhead distribution transformers was approved.