

LOUP POWER DISTRICT

Board Summary

August 22, 2007

Board and Staff Retreat —

President/CEO Neal Suess discussed the Board retreat scheduled for September 12-13 at Mahoney State Park. Items for the agenda were discussed. Directors Thieman, Merrill, and Kumpf comprise the retreat agenda committee. The committee will meet following the Board meeting. A public notice will be placed in the Columbus Telegram in regard to the retreat.

Harwest —

President/CEO Neal Suess discussed the current status of Harwest, the Headworks sandpile, and the Legacy project. The District receives a royalty payment for all shipped sand. There have been some ongoing problems between the owners of the Project; Harwest and Pioneer Natural Resources. Legacy has no unresolved problems with District operations. Per Legacy (Steve Herron) no further delays of payments should happen.

A tour of the facility is trying to be arranged for the Board but due to problems it has been difficult to get the tour set.

Clarkson —

President/CEO Neal Suess informed the Board Clarkson had passed an ordinance at their August 20, 2007 City council meeting to approve a 20-year franchise with the District and had executed a Transfer of Service Area Agreement.

Clarkson will be served at retail commencing October 1, 2007 if all goes according to plan.

New customer packets will be going out to all Clarkson residents in mid-September.

2008 Budget Schedule —

The 2008 budget preparation schedule was approved.

Legislative Bill —

A telecommunications bill before the legislature was discussed.

NPPD RRC/PRAC Meeting —

Director Merrill informed the Board of his attendance at the NPPD RRC/PRAC (Rate Review Committee / Power Resources Advisory Committee) meeting on August 17, 2007. An update was given on co-generation and wind generation. Also discussed was taking care of emissions from coal-fired plants.

Bond Issue —

Administrative Services Manager Grubaugh informed the Directors the bond issue closed and the funds had been distributed this morning. So far earnings have been 5.25 percent and above.

EnergyFest —

Each Director should have received an EnergyFest

insert. EnergyFest will be held October 9, 2007 at Lake North.

Other Items —

President/CEO Neal Suess discussed several items. Last month's dinner with the Nebraska Game and Parks Commission was successful.

The following work orders were approved.

W.O. No. Description

01977 Responsibility Area 923 Budget Code 1192 Item No. 2

This work will consist of rebuilding one mile of 34.5kV transmission line along Hwy 91 west of Leigh. This is an old unshielded line serving the towns of Creston and Leigh. Also, the Lower Elkhorn NRD is constructing a new dam and associated reservoir and part of this line needs to be relocated during construction. It will be of vertical construction, utilizing T2-4/0 ACSR conductor and a 3/8" EHS shield wire. It is designed for T2-1/0 ACSR distribution underbuild. This work will upgrade the line and improve reliability.

This work order is under the budgeted amount as it was decided to shorten the project length due to the timing and construction of the dam project and existing workload at Albion.

01978 Responsibility Area 926 Budget Code 4592 Item No. 6

This work order provides for the construction of a permanent docking station for the dredge. The existing station is constructed of wooden piling with earth fill. This station requires constant maintenance and is often too unstable to safely operate the dragline. The new docking station will be constructed using steel sheet piling with a steel cap. A whaler running the entire length of the station will be used to attach anchor points which will run back to dead men constructed with H-piles. Total length of the new station will be 80 feet. An independent contractor will be utilized to complete this project.

01979 Responsibility Area 923 Budget Code 1392 Item No. 3

This work order is required to construct a new 34.5kV/12.5kV substation at Howells. This substation is required to provide a more standard voltage in the Howells area. The area is being converted to 12.5kV.

01980 Responsibility Area 923 Budget Code 1292 Item No. 7

This work will consist of changing insulators, dead end hardware, and tying in conductor. This work is needed to convert the Village of Howells from a 4.16kV system to a 12.5kV system to improve reliability and decrease system losses for Howells.

PO

39602 Responsibility Area 923 Budget Code 1392 Item No. 7

This purchase order will provide for the laminated poles needed for the ADM expansion. These poles will be used in critical locations for the two 115kV lines between the Dry Grind Substation and the Co-Gen Substation.

Contract 2007-06 was awarded to Atkinson Industries for the purchase of substation control buildings.