

LOUP POWER DISTRICT

Board Summary

September 26, 2007

Board and Staff Retreat —

President/CEO Neal Suess and board members considered the retreat held earlier in September to have been positive and future retreats would be beneficial.

Legacy Project —

The status of the Legacy Project at the Headworks in Genoa was discussed.

Clarkson —

The District will install new electric meters and begin retail services to the City of Clarkson on October 1, 2007.

Rate Increase —

The projected NPPD 2008 wholesale rate increase was reviewed. After much discussion it was decided to have Board President Sand send a letter to the NPPD Board President expressing the District's concern over NPPD's methodology for their developing wholesale rates and how the change in methodology has affected the District over the past several years.

The timing of the District's 2008 retail rate increase was discussed. After discussion the Directors felt they could make a more informed decision on this matter if management would provide additional information on the anticipated increase under various scenarios. Management will present these to the Board in October.

APPA —

A request from APPA for additional funding for the Electric Market Reform Initiative was not approved. The pros and cons of supporting this effort were discussed.

Health Insurance Reserve Fund —

Management recommended placing approximately \$21,200 each month into a health insurance reserve fund starting with the August 2007 financials to offset future increases in health insurance costs. This funding to levelize future insurance increases was approved.

EnergyFest —

EnergyFest will be held October 9th at the Lake North shelter. Three Eagles Communications does advertising of the event and also holds a remote at the shelter.

Lease Payments —

The 10% lease payment checks have been delivered to the cities. Pictures of the checks being presented to city officials have been in all of the local papers.

Contracts —

A cost reduction for contract 2007-06, substation control buildings for the ADM expansion project was reviewed.

Contract 2007-07, relay and control panels for the ADM expansion project was approved.

Railroad —

A discussion regarding the Union Pacific Railroad, KATANA, and ADM ensued. A rail spur to KATANA depends on what ADM does with their anticipated rail spur.

Other Items —

The Directors received information regarding an NRECA Director's winter school and an APPA Power Supply Primer school.

CFL —

Each Director was also given a mini-spiral CFL (compact fluorescent lightbulb) 20-watt lamp and information on energy conservation.

Clausen —

Director Clausen thanked the Board, staff, and employees for all of the cards, flowers and phone calls for Connie since she suffered a stroke the end of August. Mrs. Clausen is improving slowly and should return to full function with time and physical therapy.

The following work orders were approved.

<u>W.O. No.</u>	<u>Description</u>
01981	Responsibility Area 923 Budget Code 1392 Item No. 6 This work order will construct the Columbus Co-Gen Substation located at the ADM Ethanol Plant.
01982	Responsibility Area 923 Budget Code 1392 Item No. 10 This work order is required to install reclosers bypass switches on the west rural and the east rural distribution lines of the Cedar Rapids City Sub and also reroute jumpers to distribution cutouts.
01983	Responsibility Area 923 Budget Code 1492 Item No. 6 This work will consist of installing one mile of 2-phase underbuild on T.L. 3426A along Hwy 91 west of Leigh. This is necessary due to the construction of a new reservoir and park by the Lower Elkhorn NRD. T2-1/0 ACSR conductor will be installed on new 10 ft. crossarms. Also included is the relocation of 3,400 ft of 7.2kV single-phase line along Road 1A west of Leigh, which is being closed to accommodate the new reservoir. The line will be relocated to the east side of the new reservoir and associated park and will feed the fairgrounds. This work order is over the budgeted amount due to additional system upgrades to provide for the future and increased material costs.
01984	Responsibility Area 923 Budget Code 1192 Item No. 3 This work order is required to install lightning arresters on TL3399 and TL3404 north and west of Genoa. These are unshielded lines and installing arresters will reduce line outages and improve reliability to the towns of St. Edward and Genoa.