

LOUP POWER DISTRICT

Board Summary

March 26, 2008

Guests —

Mr. Jim Scow of Scow, Rief, Kruse and Schumacher, PC (SRKS) and Ms. Shirley Petsche were guests at the board meeting.

NPPD Board Candidate —

Ms. Petsche spoke giving the Directors her background and why she would be a good representative on the NPPD Board of Directors.

Economic Development Awards from NPPD —

President/CEO Neal Suess showed the Directors the awards the District had received from NPPD for Economic Development and congratulated the staff on their continued good work. The two awards were for 1) Prospect Ready and 2) Successful Business and Industry Attraction and Expansion. Development/Marketing Manager David Bell provided additional detail on the awards.

Audit —

Jim Scow of SRKS presented the 2007 annual audit giving the District a clean opinion. The ice storm damage and FEMA funds were discussed. The single audit is completed and is part of the packaged audit. Mr. Scow informed the Directors the District's staff has excellent knowledge and is very cooperative during the audit. The audit was approved.

Water Issues —

President/CEO Neal Suess discussed the Loup River Basin water issues stating it will be a regular item on the agenda for some time. The District has 924 subordination agreements with upstream water users. They are revocable by either party. Mr. Suess, Ron Ziola and Jim Frear held a meeting with NPPD on water issues since NPPD is dealing with similar water issues on the Niobrara River.

The District and the Department of Natural Resources (DNR) have had several lines of communication open in the last several months discussing water issues in the Loup River Basin. The District placed a call on the water in the Loup River Basin in 1955, asking the DNR to protect its water right. The DNR has provided administrative support to the District since that time, however, the DNR has indicated some of this support will not be available in the future, starting in 2008. The District has a meeting with the DNR scheduled for March 27th to clarify several of these issues.

May Board Meeting —

The May board meeting date was changed to May 21, 2008 due to conflicts.

Rate Schedules —

The wholesale rate schedules LWS-1 and LWD-1 were approved with an effective date of April 1, 2008. This rate will affect Leigh, Schuyler and Cornhusker PPD. The LWS-1 rate schedule is for full requirements wholesale service and the LWD-1 rate schedule is for wholesale delivery service.

LP-2 rate schedule was approved with an effective date of April 1, 2008. There is currently only one customer on this rate.

Rate and Power Supply —

President/CEO Suess discussed NPPD Rate and Power Supply Issues. The District is a member of the Rate Review Committee (RRC) and the Power Resource Advisory Board (PRAB) which were formed by NPPD as part of the new wholesale contracts in 2004. NPPD held an RRC and PRAB meeting on March 5th. During the RRC and PRAB meeting a presentation on future wholesale rate increases from NPPD was provided. Future wind generation was also discussed at this meeting, as was future environmental regulations that might affect NPPD.

Legislative Bills —

Development/Marketing Manager Bell reviewed several bills currently in the Legislature citing the scrap metal bill, budgets for school aid and the death penalty. The petition to allow public power districts to provide support for broadband that has been promoted by Community Internet seems to be dead.

Lost Creek Siphon —

President/CEO Suess, Engineering Manager Ziola and Operations Manager Christensen discussed the Lost Creek siphon southeast of ADM. The District has in the past allowed canal water into Lost Creek to flush the siphon and for farmers to be able to use the water. This winter there has been a lot of low land flooding down by Schuyler. Sand bags at the siphon closed off all water to Lost Creek but shut off water to farmers for cattle watering. The District would like to set up a meeting with all parties concerned.

Investment Letter —

The Investment Letter was accepted.

APPA Policymakers Council —

Board Chairman Merrill informed the Directors of several issues important to the APPA Policymakers Council on which he serves. These issues include 1) coal transportation and 2) broadband. If any Director would like more information on these issues Chairman Merrill would be glad to give them further information.

(Continued on next page.)

The following work orders were approved.

W.O. No. Description

01992 Responsibility Area 923 Budget Code 1392 Item No. 10

This work order is required to install a new substation fence and fence grounding around the Belgrade Distribution Substation. This work order is over the budgeted amount because the installation of the fence grounding was not figured on the estimate.

01993 Responsibility Area 923 Budget Code 1492 Item No. 3

This work order will include setting 45 poles, stringing 44,764 ft. of 4 ACSR conductor and building four transformer mountings with C-T metering. This work is being done to provide service to five new irrigation customers located west of Cedar Rapids.

01994 Responsibility Area 923 Budget Code 1192 Item No. 4

This work order is required to relocate a transmission pole on the southeast side of the Columbus viaduct. This is necessary because of the viaduct project on 33rd Avenue in Columbus.

Suppl. No. 1

1394 Responsibility Area 923 Budget Code 1292 Item No. 9

This work was to include setting twenty-three transformers, boring 8164 ft. of new 15kV cable, and building ten riser structures throughout Columbus.

This supplement is needed to adjust the authorized amount to reflect actual cost. Labor and Transportation costs were higher than anticipated due to poor working conditions in established residential areas that required hand digging near trees and shrubbery, removing and replacing privacy fences and resetting transformers by hand. This work also was done over a ten year span which resulted in increased labor and transportation costs.

Suppl. No. 1

1913 Responsibility Area 923 Budget Code 1292 Item No. 5

This work order was needed to set four padmounted transformers, three secondary peds, trenching 1200 ft. of UG cable and installing five street lights to provide service to the new Fox Hollow Addition in Columbus.

This supplement is needed to adjust the budget amount to reflect the actual costs. Labor and Transportation costs were higher than anticipated due to wet ground conditions that required extra equipment and man hours to back fill and pack cable trenches.

PO

40135 Responsibility Area 925 Budget Code 1392 Item No. 9

This purchase order will provide for the paving assessment by the City of Columbus for street work done by the Maple Park Substation. Street Improvement District #169, lots 1, 2 Block C, Lost Creek 1st Addition.