

LOUP POWER DISTRICT

Board Summary

June 18, 2008

Sloughing Repair —

President/CEO Neal Suess discussed an emergency action – Sloughing Repair at the Columbus Powerhouse. The area of the canal downstream of the Columbus Powerhouse where the sloughing occurred needed to be repaired. Diamond Engineering was brought in to create a new toe where the sloughing occurred. Operations Manager Kendall Christensen discussed the progress being made at CPH. Diamond is doing some experimental procedures right now. The piling easily went in 20 feet but will not go any deeper. The sloughing has been reported to FERC.

The directors ratified the actions of the Staff on the emergency action taken on the Columbus Powerhouse sloughing that occurred on May 31, 2008.

Climate Change Legislation Ad —

President/CEO Neal Suess reviewed a proposed ad from Cornhusker PPD dealing with climate change legislation. The Cornhusker Board thought it might be appropriate to have the District Board jointly sign the ad and then it placed in local newspapers as an editorial regarding climate change legislation. It was decided at this time to contact APPA to see if there were concerns regarding the ad. This item will be put on an agenda for future action.

Hydro Relicensing —

President/CEO Neal Suess brought the Board up to date on the hydro relicensing. Open houses were held in Columbus and Genoa on June 10th and 11th. In Columbus 33 people attended and in Genoa 10 people attended the open house. Canal irrigators were concerned about their water rights and want to help the District in the relicensing process. In addition to the open house meetings, there was a governmental agencies meeting on May 7 with another meeting scheduled for June 25. More meetings with governmental agencies are planned for July, August, and September.

PURPA Standards —

President/CEO Neal Suess discussed the PURPA Standards from the Energy Policy Act of 2005. A public hearing will need to be held during the July Board meeting to ask for public input regarding these standards. An ad will be placed in the paper asking for public comments.

The procedure for public hearings to be held on net metering, fuel sources and fossil fuel generation efficiency for PURPA Standards was approved.

Proforma —

President/CEO Neal Suess provided the Directors a comparison of proforma results with actual results as the Directors had asked for this information at the May Board meeting. The Directors asked for additional comparisons to be made at future board meetings.

Retirement —

The retirement request of James D. Raitt III asking for early retirement effective August 19, 2008 was approved.

Insurance —

President/CEO Neal Suess reviewed the employee health and life insurance renewal. Although the renewal price went up, due to the Board's approval of management's recommendation to accrue the amount of the decrease per month in last year's renewal, the increase in this year's insurance increase will be offset because of the accrual. The renewal this year will have the increased spouse life insurance benefit increase from \$5,000 to \$10,000 and dependent children life insurance will increase from \$2,000 to \$10,000. There is expected to be \$73,017 in the insurance reserve account at the end of July 2009 based on the current employee census to offset future increases in health and life insurance.

The Directors renewed the proposal for health and life insurance through the NRECA and to direct management to offset the cost of the increase with the money accrued during the past year from the health and life insurance account and to continue to accrue the additional funds in the life and health insurance fund in order to offset future cost increases.

75th Anniversary Celebration Events —

Development/Marketing Manager David Bell informed the board of the activities planned to celebrate the District's 75th anniversary over the next several week-ends.

Article —

Director Gonka referenced an article in the NPPD Insight magazine using good judgment when making decisions to spend District funds. He asked staff to remind all District personnel to perform all work as though they were using their own money and not company money.

Katana-Summit —

President/CEO Neal Suess, Development/Marketing Manager David Bell and Director Gonka attended the Katana Summit ribbon cutting on June 17, 2008 and expressed their awe at how the wind towers are constructed.

(Continued on next page.)

Board Summary (continued)

The following work orders were approved.

W.O. No. Description

01998 Responsibility Area 923 Budget Code 1292 Item No. 5

This work will consist of installing eight padmounted transformers, two secondary pedestals, two 3 PH cubicles, and trenching 1120 feet of 1/0 UG cable and 1920 feet of 4/0 UG cable. This work is needed to provide service to the new Prairie Homes Addition being developed in southeast Columbus.

Suppl #1

1881 Responsibility Area 923 Budget Code 3192 Item No. 2

This work order was to purchase and install generator and transformer relay panels and high side circuit on T-1 at the Monroe Hydro.

This supplement is required because additional labor was required due to the complex nature of the project. Also, the project was delayed to coordinate with the hydro refurbishment causing some cost increased. The cost of the relay panels and circuit switcher were \$10,000 more than estimated.

PO

40357 Responsibility Area 926

Emergency repair of canal slough below Columbus Powerhouse on the east side.

This purchase order will provide for the installation of approximately 100 feet of 40 foot sheet piling to establish toe for repair of canal bank slough on the east side downstream of the Columbus Powerhouse. This work will include providing approximately \$100,000 of sheet piling and \$75,000 in labor and equipment cost for approximately three weeks to make the necessary repairs. If work can be completed in less time the charges for labor and equipment will be adjusted accordingly as per Fred Goering.

01997 Responsibility Area 923 Budget Code 1292 Item No. 1

This work order will convert the overhead power line to an underground near the Boone Central High School. This work was requested by Boone Central High school because this area is being paved to develop a bus loading and unloading area.