

# LOUP POWER DISTRICT

## Board Meeting Summary

September 24, 2008

### Community Issues —

Columbus City Administrator Joe Mangiamelli addressed the issues facing several entities in the Columbus community. Some of these entities are: YMCA, Armory, Daycare Center, Library, Senior Center, and Conference Center. A new armory will be built east of East 14<sup>th</sup> Street. The Columbus Public School system has also purchased property in this area. After the Armory moves, it will free up the space the Armory is currently in.

As of this time no concrete plans have been developed for the existing Armory or any other facilities in Columbus. A study group is looking for feedback from various boards around the city. Their next meeting will be September 30, 2008 to discuss what information has been gathered by the committee.

Mr. Mangiamelli discussed a package deal which would maximize and share spaces, similar to that of the Family Resource Center. The committee is trying to identify what the community needs are. The hospital and library have gotten on board and it would be beneficial if Loup Power got on board. The more partners there are, the more information gathered and therefore a better decision can be made.

Ag Park is looking at expansion to accommodate larger conferences. Loup's help could be financial assistance and/or leadership in the community.

Cost estimates for a study by HDR is approximately \$95,000. After all needs have been assessed HDR would present several options which would then be presented to the community to decide what the community thought would be the best direction for the city to proceed.

### District Facilities —

The state of District-owned facilities in Columbus was presented to the Board. President/CEO Neal Suess offered different options to the Board, mainly renovating the General Office and the Service Center or building a new facility which would combine the service center and the general office in one location.

The reasoning for building a new facility include the G.O. inability to handle technological updates, limited size of the Board room, the G.O. and service center being non-compliant with the American Disabilities Act, synergies of combined operations, land availability, parking concerns for both the G.O. and the service center and the 12<sup>th</sup> Avenue viaduct project.

The District needs to be proactive. The process needs to get started now instead of waiting until something happens.

The Directors asked to tour the District's facilities in Columbus at a later date.

### NPPD Chartered Territory Review —

NPPD's chartered territory was reviewed. President/CEO Neal Suess informed the Board the legislature has different rules for those utilities serving 50 counties or more (NPPD) and those utilities serving less than 50 counties (all the other electric utilities). There is a feeling of disproportionate representation on the NPPD Board.

NPPD has an ad hoc committee addressing five basic issues:

- 1) What is 'wholesale' and how is it included in chartered territory?  
The ad hoc committee believes a 50% purchase requirement is a reasonable level.
- 2) Should any unserved areas be included?  
The ad hoc committee view is no.
- 3) Should areas around major generating facilities be included?  
The ad hoc committee view is no.
- 4) Should transmission only customers be included?  
The ad hoc committee view is no.
- 5) What transition period should be used if legislation is changed?  
The ad hoc committee believes nothing should be done before 2012.

Management has prepared a letter to be sent to NPPD's management regarding NPPD's view of chartered territory. The Board approved the sending of this letter.

### Rate Review —

The District will send a letter to NPPD indicating the District will not file for a rate hearing on the 2008 GFPS (General Firm Power Service) rate study summary report, however, the letter will keep the District's options open if another wholesale customer does file for a rate hearing.

The NPPD 2008 GFPS rate study summary report was discussed. President/CEO Neal Suess informed the Board that based on 2007 loads of the District the increase to the District will be 7.19 percent, 7.20 percent

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for blend customers and 7.04 percent for gen station customers. NPPD is giving three reasons for the overall 7.0 percent increase.

- 1) Increases in nuclear fuel costs and inflation in operating costs.
- 2) Lack of funds in the rate stabilization account.
- 3) Current rates are not sufficient to cover current costs.

#### **Power Demand —**

The District's purchased power demand during the summer of 2008 was reviewed. President/CEO Neal Suess informed the board the District is very close to reaching peak demand on Saturday and/or Sunday. Peak billing demand can occur on Monday through Saturday. Additionally, NPPD had the ability to bill on a Sunday during 2008, which NPPD implemented. The District does not control irrigation on Saturday or Sunday. In the future the District may want to add Saturday as a control day. This may not be as critical once ADM's new expansion comes on line.

#### **Genoa Headworks Park —**

The Genoa Headworks Park is generally at full or over full capacity on the weekends during the summer. It is a very popular camping site in the spring, summer and fall.

#### **Howells Reader/Cashier —**

The temporary part-time meter reader/cashier position in Howells was reviewed. The Directors were informed of the limited amount of time this position works each month in Howells. With the AMR meters installed in Howells this has basically eliminated the need for this position. It was approved to eliminate this position in 2009.

#### **Apprentice Linemen —**

The ability of the District to keep temporary part-time apprentice linemen on the payroll to be used during the school year on Friday and in December when they have time off from school if the workload of the District presents itself to use these individuals was approved.

#### **November Board Meeting —**

President/CEO Neal Suess discussed the November Board meeting and the need to possibly have two meetings that month due to the budget and payroll discussions that will be held. The operations and construction budgets will be ready to be reviewed at that time and will be gone over line item by line item and the payroll recommendations will also be ready for Board discussion and approval at that time. The Board will meet on Wednesday, November 19<sup>th</sup> and again on Tuesday, November 25<sup>th</sup> to conclude the November business.

#### **Wind Power vs. Hydro Power —**

Wind power versus hydro power was discussed. England is putting a 10 MW wind tower off shore.

#### **Lindsay Manufacturing —**

Fortune magazine lists Lindsay Manufacturing as the 38<sup>th</sup> fastest growing company in the United States.

#### **Tour Suggestions —**

The Directors expressed their desire to tour ADM and the sand plant at Genoa.

#### **Board Meeting Off-Site —**

The Directors discussed the possibility of having a board meeting held in Clarkson one month.

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The following work orders were approved.

<u>W.O. No.</u>	<u>Description</u>
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<b>2006</b>	<b>Responsibility Area 923 Budget Code 1192 Item No. 5</b>
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This work order is required to extend T.L. 3434 from the existing Howells City Sub north then west then north to the new Howells City Substation.

<b>2007</b>	<b>Responsibility Area 923 Budget Code 1492 Item No. 4</b>
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This work will consist of installing 33 poles and stringing 22,396 feet of T2 1/0 conductor and neutral. This work is being done to increase the ampacity of the existing rural line to improve reliability.

The budget amount is more than anticipated because the line route will have limited right-of-way access which will delay working conditions and a farm tap replacement is going to be added to the work order which will improve service.

**PO**

<b>40618</b>	<b>Responsibility Area 923 Budget Code 1392 Item No. 6</b>
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This purchase order will provide for the substation bus construction at the Co-Gen Substation at ADM.