

LOUP POWER DISTRICT

Board Meeting Summary

January 23, 2009

Relicensing Activities —

President/CEO Neal Suess discussed what had occurred during January in regard to the relicensing process. FERC personnel were here to tour the facilities during the day on January 12. FERC held a public meeting during the evening of January 12 on project operations and the Scoping Document. Formal comments were made by NPPD and NOHVA. FERC also held an agency meeting during the morning of January 13. Scoping Document comments are due by February 10, 2009 for both the District and agencies.

Study plan meetings are tentatively scheduled for April 21, May 28 and July 1, 2009. Final study plan study documents will be completed in late July or early August.

Economic Development Models —

President/CEO Neal Suess discussed the economic development model currently being used by the District. The Chamber and the District are at the forefront of economic development activities in the four county area and economic development is one of the District's cornerstones. The current economic development model has been consistent in the past and generally attracts businesses from outside the community. A concern of this model is loyalty to the local facilities by corporate owners.

Certain members of the Chamber have met with HUMANeX Ventures a consulting firm that provides assistance with this type of economic development model. The basic premise of this model is to attract talent, not necessarily businesses.

K.C Belitz, Chamber President will provide additional information at the February or March Board meeting.

President/CEO Performance Evaluation Form —

Director Merrill has formulated the first draft of a President/CEO Performance Evaluation form from APPA materials and asked that each Director have a copy for them to consider until the February Board meeting. This item will be on the February agenda.

Board Retreat —

Several options were discussed for a possible Board retreat in 2009. It was finally decided to have the retreat at the Benedictine Center north of Schuyler. Board Chairman Clausen appointed Directors Thieman, Kumpf and Cerv to form a committee to come up with agenda items for the retreat as well as a time frame for holding the retreat.

Canal Irrigator Rates —

President/CEO Neal Suess discussed the need to raise the canal irrigator rates and gave a brief history of

past irrigation rates from the canal. The recommendation to increase the canal irrigator rate to \$6.00 per acre-foot would cover the cost for lost generation and a portion of the canal operation costs. This increase was approved.

LB 53 —

President/CEO Suess stated that he had testified in support of LB 53 addressing public power district chartered territory at the Natural Resources Subcommittee hearing on January 22, 2009. No one testified in opposition to the bill and only one letter was filed in opposition. This bill would modify state statutes to have in place one set of rules for chartered territory for all public power districts in the state.

Legislative Bills —

Vice President of Marketing and Development Bell informed the Directors of a number of bills that could affect the District in the Legislature. There is a bill dealing with annexation, 20 bills on energy efficiency and bills on renewable energy (wind energy). There is also a bill to extend term limits from two to three terms.

Wind Energy Development —

Director Thieman informed the Board the citizens of Petersburg are getting most of their information regarding wind energy development from Third Planet Windpower. The proposed turbines that NPPD and developers are looking at are 2.5 to 3 megawatts in size. The major problem with wind generation is the lack of transmission in the areas where wind development is occurring. Both NPPD and OPPD are looking at wind in the Petersburg area.

Wage Scale —

The wage scale for the Arborist Foreman position and for the Meter Relay and Equipment Technician II position was reviewed. These two positions had been omitted during the wage scale adjustments last fall. There is currently no one in either of these positions. The recommended wage scale for the Arborist Foreman position, \$26.868 per hour to \$34.424 per hour, and for the Meter Relay and Equipment Technician II position, \$18.528 per hour to \$24.087 per hour, as proposed by management was approved.

Shift Differential —

The need to compensate personnel working different shifts was reviewed. There are several positions in the District that are required to be filled 24 hours a day. This includes the plant operators at the Columbus Powerhouse and the individuals who work on the dredge and as

(Continued on next page.)

gate tenders at the Headworks. There are 5 plant operators and 13 individuals who cover the dredge operations and gate tending duties. This shift differential of \$0.75 per hour was approved and is retroactive to the first of the year.

Safety Banquet —

The annual safety banquet will be held February 13, 2009, at the Albion Country Club.

NPA Annual Conference —

The NPA Annual Conference will be held February 17-18, 2009, in Lincoln.

APPA National Conference —

The APPA National Conference will be June 13-17, 2009, in Salt Lake City, Utah.

Wage Request from the Telegram —

The President/CEOs from NPPD, CPPD and the District met with the Columbus Telegram to discuss information on personnel wages the paper requested. The Telegram requested Box One information from W-2 forms for all District employees. They had also requested this information from the City of Columbus, Platte County, Columbus Public Schools and the Lakeview School District. At this time it is not known what the Telegram plans to do with this data.

Next Board Meeting —

The next board meeting will be held on Tuesday, February 24, 2009.

High Bill Complaint —

The high bill complaint by Ms. Polodna from Howells was addressed. Her usage had almost doubled from November to December. The Directors asked that a District representative make a home visit, try to determine why her usage had gone up so much, and to discuss options with her and to explain about leveled billing.

Bid Discussion —

A brief discussion on some of the work orders ensued. The discussion revolved around how the District bid for vehicles and if local vehicle vendors were used. District management cited lack of competitive bids in the past as a reason bidding is not extended to some dealers in the area.

The following work orders were approved.

W.O. No. Description

2020 Responsibility Area 923 Budget Code 1192 Item No. Contingency

This work is required to relocate an existing 34.5kV overhead transmission structure along Third Avenue south of the Union Pacific Railroad right-of-way in Columbus. This is required by the UPRR to accommodate the construction of a new siding track and the existing structure is located in the construction zone. Included is the hauling of material to the job site, switching out and grounding of the transmission line,

framing and setting of a new structure, and tying into the existing transmission line.

Note: Union Pacific Railroad will be billed for the actual cost.

2021 Responsibility Area 923 Budget Code 1492 Item No. Contingency

This work is required to relocate an existing 12.5kV overhead distribution structure along East 29th Avenue south of the Union Pacific Railroad right-of-way. Also install a 12.5kV double crossarm underbuild assembly on a relocated transmission structure at Third Avenue in Columbus. This is required by the UPRR to accommodate the construction of a new siding track and the existing structures are within the construction zone. Included is the hauling of materials to the job site, framing and setting of the new structure and crossarm assembly, and tying into the existing line.

Note: Union Pacific Railroad will be billed for the actual cost.

2022 Responsibility Area 926 Budget Code 4592 Item No. Contingency

This work order will remove Bridge 31 located one mile east of Genoa near the Platte-Nance county line. This bridge is being removed because it can no longer carry local traffic and cannot be repaired.

It is anticipated that Loup and Platte County will partner in the future to replace this bridge.

PO

40858 Responsibility Area 942 Budget Code 2292 Item No. 1

This purchase order will provide for a new 2009 4-door sedan for use in the Development Department.

PO

40859 Responsibility Area 925 Budget Code 2292 Item No. 5

This purchase order will provide for one utility Body for use on the new M&M pickup chassis.

PO

40860 Responsibility Area 925 Budget Code 2292 Item No. 5

This purchase order will provide for a new 2009 one-ton pickup truck chassis for use in the M&M Department.

PO

40861 Responsibility Area 926 Budget Code 2292 Item No. 6

This purchase order will provide for a new 2009 pickup truck for use of the Canal Crew.

PO

40862 Responsibility Area 926 Budget Code 2292 Item No. 5

This purchase order will provide for a new 2009 crew cab pickup for use at the Genoa Headworks.

PO

40863 Responsibility Area 923 Budget Code 2292 Item No. 3

This purchase order will provide for a new 2009 pickup truck for the Fullerton Superintendent.

PO

40863 Responsibility Area 926 Budget Code 2292 Item No. 2

This purchase order will provide for a new 2009 pickup truck for the Hydro Superintendent.

PO

40864 Responsibility Area 923 Budget Code 2292 Item No. 7

This purchase order will provide for a new 2009 material lift truck to replace the aerial lift truck for the Newman Grove Superintendent.