

LOUP POWER DISTRICT

Board Meeting Summary

September 30, 2009

Senator Langemeier —

Senator Langemeier was introduced. President/CEO Neal Suess gave a brief description of Legislative District 23, which Senator Langemeier represents and of the committees he has served on and currently serves on in the Legislature by way of introducing him to the Board.

Senator Langemeier expounded on what President/CEO Suess had said, giving a brief description of the duties of each committee he serves on. Senator Langemeier discussed several topics with the Board. Much of the initial discussion surrounded wind energy in Nebraska. The Natural Resources Subcommittee, which Senator Langemeier chairs, has an ongoing study LR83 that will look at potential wind energy export in the state. The National Renewable Energy Laboratory (NREL) has suggested Nebraska has a potential to produce 7,800 MW of wind powered generation. The initial study for LR83 is how this amount of wind powered generation would be dealt with by Nebraska utilities. Senator Langemeier also discussed numerous bills that were passed in the Legislature during 2009 that dealt with the electric utility industry, including the net metering bill.

President/CEO Suess gave Senator Langemeier a brief description of the hydroelectric relicensing process. The Senator indicated he has received the filed documents from the District and is aware of the relicensing effort. Senator Langemeier appreciates the updates from the District. He also discussed the DNR involvement in relicensing.

Other topics discussed by Senator Langemeier included his consideration of running for state treasurer, the pros and cons of term limits for state offices and the pay issue for state senators.

Relicensing Update —

President/CEO Suess informed the Board FERC's Study Plan Determination (SPD) was filed on August 26, 2009. FERC accepted the District's Revised Study Plan (RSP) with exceptions to some of the studies.

The District's estimated cost to perform the studies as originally filed in the RSP is between \$1,630,000 and \$1,755,000. Based on the adjustments from FERC in the SPD, an additional \$700,000 could be added to the cost to conduct these studies.

RMEL Convention —

President/CEO Suess informed the Directors that he had attended the RMEL fall convention. The main topic of the RMEL fall convention was climate change and legislation that might result at the federal level. Many good presenters were at the fall convention. All of the presentations are available for review at the General Office.

Rates Committee —

The NPPD 2009 GFPS (General Firm Power Service) Rate Study Summary Report was reviewed by President/CEO Suess. NPPD's proposed wholesale rates will be implemented January 1, 2010 if there are no calls for a rate hearing. The Board approved sending a letter to NPPD indicating the District would not request a rate hearing but if someone else filed for a rate hearing the District could still participate.

Recreation Committee —

Chairman Clausen informed the Board that almost every Saturday there is a wedding party taking pictures on and near the Castner Crossing Bridge that crosses the Loup Power canal. This past Saturday a wedding party was climbing on top of the bridge. Vice President – Operations Christensen stated there are signs posted as you enter the parking area.

Claims Committee —

The Board approved a recommendation to enter into a Buyer's Agent agreement to be used for the possible purchase of land at the Headworks. President/CEO Suess discussed the need for additional land at the Headworks. President/CEO Suess had help from Director Kumpf on the Buyer's Agent agreement due to his knowledge of real estate matters.

Personnel and Safety Committee —

President/CEO Suess informed the Board the position of Human Resource Manager would be filled without the need for any increase in payroll dollars. The Board discussed the positions within the District that had been eliminated in 2009 and other positions that will be eliminated or modified in 2010. A detailed discussion ensued on the duties and responsibilities of a Human Resource Manager. The Board then approved the addition of the position of Human Resource Manager to the organizational chart.

(Continued on next page.)

Committee Meeting Schedule —

President/CEO Suess informed the Directors there would need to be five committee meetings during the months of October, November and December.

Personnel and Safety Committee:

Tooley, Kracl, Thieman and Merrill

October 21, 2009 10:00 A.M.

- lunch will be provided

November 18, 2009 8:00 A.M. prior to Board meeting in the upstairs meeting room

Finance and Budget Committee:

Sand, Merrill, Tooley and Kumpf

November 4, 2009 10:00 A.M.

Construction Budget - lunch will be provided

November 10, 2009 10:00 A.M.

Operations Budget – lunch will be provided

Rates Committee:

Pearson, Tooley, Sand and Cerv

December 15, 2009 10:00 A.M.

– lunch will be provided

Other Items —

Senator Dubas will be attending the November 24, 2009, Board meeting. Senators Sullivan, Stuthman and Flood will be asked if they would like to attend a Board meeting this fall.

Each Director received a copy of the official statement for the bond refunding. The sale went very well and the District maintained their AA rating.

The Telegram gave the District a “D” rating on accessibility to Board of Director information contained on the District’s website in an editorial. The District’s web site will be updated to list the Director’s home phone number and their District email address.

October Meeting —

The October Board Meeting will be held on Wednesday, October 28, 2009, at 9:00 A.M.

The following work orders were approved.

W.O. No. Description

2044 Responsibility Area 923 Item No. Contingency

This work order is required to remove the old 34.5/4.16kV substation at Clarkson, Nebraska.

2045 Responsibility Area 923 Budget Code 4592 Item No. 4

The work order will install 400 feet of sheet piling in the NW corner of Lake North. The northwest corner of the bank at Lake North has additional erosion and the existing wave wall needs to be extended.

The work order is over the budgeted amount because the amount of wave wall needed to resolve the erosion problem is more than estimated.