

**SOUTHERN PUBLIC POWER DISTRICT
BOARD OF DIRECTORS MEETING
*April 8th, 2020***

The Board of Directors of Southern Public Power District met virtually via video conferencing, which was facilitated in the District's corporate office at 4550 West Husker Highway, Grand Island, Nebraska, on April 8, 2020, at 9:00 a.m. pursuant to the mailed notice of the meeting sent to all Directors of the District and notice posted. Dean Klute, Chairman of the District, called the meeting to order.

Directors present via videoconferencing were as follows: Larry Benson, Neal Katzberg, Kevin Choquette, Mike Lowry, Dean Klute, Rick Bergman, Lee Grove, Marvin Fishler, Dirk Nickel, Wayne Anderbery, Dana Meyer and Arlon Jacobitz. President/CEO Neal Niedfeldt and attorney Dave Jarecke were also present via videoconferencing.

Directors absent: Kevan Reeson

Chairman Klute publicly stated to all in attendance that a current copy of the Nebraska Open Meetings Act was available for review and indicated the location of such copy in the room where the meeting was being conducted.

AGENDA

There were no additions requested to the agenda.

MINUTES

There were no revisions made to the minutes of the March 11th, 2020 regular Board meeting.

A motion was duly moved by Director Fishler, seconded by Director Grove, to adopt the following resolution:

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the minutes of the March 11th, 2020 regular Board meeting.

Roll call vote: Yes 12, No 0, Absent 1 (Director Reeson)

BILLS AND CLAIMS

Management and staff answered questions regarding bills and claims.

A motion was duly moved by Director Nickel, seconded by Director Bergman, to adopt the following resolution:

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves all bills and claims.

Roll call vote: Yes 12, No 0, Absent 1 (Director Reeson)

COMMENTS FROM THE PUBLIC

There were no comments from the public.

DIRECTOR AND MANAGEMENT REPORTS

DIRECTOR REPORTS:

- None

MANAGEMENT REPORTS:

President's comments:

- CEO Niedfeldt attended the following meetings and activities during the past month:
 - Southern Public Power Meetings – Safety meetings and attendance at Village Board meetings were cancelled due to the measures dealing with COVID-19. Audit Committee met virtually via video conference on March 31st.
 - NPPD – Participated telephonically in the Wholesale Customer meeting on March 31st. MDM meetings have been cancelled for March and April.
 - NPA – The March Board meeting was cancelled. The Board is submitting weekly updates to the Governor's office on our response to COVID-19.
- Response to the Coronavirus – The District has been proactive in responding to the COVID-19 pandemic. All District facilities were closed to the public on March 19th. Customers have been informed of their options to pay bills and contact us for service. Operations personnel are restricted to their respective operating areas. The District's linemen responsible for maintenance have been assigned trucks and are working from home with minimal contact with other personnel. On March 30th office personnel were divided into two groups to alternate working from home on a weekly basis. Employees have been encouraged to practice personal hygiene methods, social distancing and limit their personal travel.
- Families First Coronavirus Response Act – The District has implemented two key provisions of the FFCRA. First, the District will be providing two weeks of paid emergency sick leave because of a qualifying need related to the coronavirus emergency. Secondly, the District will be providing a 10-week benefit for employees impacted by the closure of schools and child-care facilities due to the coronavirus. Both of these provisions are set to expire on December 31, 2020.
- Operations and Construction – Personnel are concentrating on winter maintenance, replacing Landis and Gyr load control devices and installing motor savers in the irrigation control boxes in order to protect the load control devices. The subtransmission crew is working on the Oswald to Aurora West Tap, a 3-mile project that was carried over from the 2019 Workplan.
- Irrigation Horsepower Billing – The bills were mailed March 27th. Total HP charges were \$10,105,000 as compared to \$10,082,000.
- Personnel – Luke Hannon, subtransmission crew member, has accepted the Lineman position in Hastings. The District has started a search for Luke's replacement.

Financial Reports:

- Summary of Revenues. CFO Kool provided a comparison of revenues between February 2019 and 2020. Year-to-date revenue ending the month of February 2020 amounted to \$10.75 million compared to \$11.20 million in 2019.
- Power Costs. CFO Kool provided a summary of the power bill for February 2020 indicating a peak demand of 146,676 kW as compared to 147,349 kW recorded in

February 2019. The District purchased 80.0 million kWh's in February 2020 as compared to 82.0 million kWh's in February 2019.

- Balance Sheet and Income Statement. CFO Kool provided a comparison of income statements from February 2020 and February 2019. Year-to-date net margins as of February 29, 2020 were (\$1,710,008) as compared to (\$1,663,461) as of February 29, 2019. CFO Kool also reviewed balance sheets from February 2020 and February 2019.
- Cash Flow Summary. CFO Kool provided a summary of the statements of cash flows.

Customer Service and Collection Report:

- The production cost adjustment reflected on customers' bills for January 2020 was (\$180,970).
- The District's disconnect day was Thursday, March 26th. District personnel worked 57 accounts with 56 being disconnected.

Engineering/Operations Report:

- Engineering/Operations Manager Aaron Brown provided a report regarding the installation of motor savers in the control boxes to help protect the load control switches from failing.
- Contractors continue to work on the Elm Creek sub-transmission river crossing. The new Atlanta and Northwest substation elevation drawings were completed. The District awarded the dirt work bid to Nelson Land Development. The District has converted all of the streetlights in Phillips to LED lighting.

Marketing Report:

- Energy Services Manager Sam Reinke provided a report on the attendance at Village Board meetings by various District staff and Board members.
- The District issued 5 water heaters and provided \$17,320.33 to customers for incentives under the EnergyWise Program during the month of March.

Communications Report:

- Public Relations Manager LeAnne Doose provided a report regarding COVID-19 materials that relate to social distancing and other measures allowing employees of the District to work safely in their work environment. An internal newsletter will be distributed weekly, or as needed, to keep employees informed. A webpage dedicated to COVID-19 measures is also active on the District's website which will also be adapted to announce further measures as needed.
- The agenda for the current Board meeting has been placed on the District's website and will appear as a sequential list going forward.
- The May/June magazine is being developed to include information on COVID-19.
- The next Operation ROUND UP meeting will be held on Tuesday, April 14th. The meeting will be held via videoconference in accordance with recommended social distancing measures.

Safety Report:

- Safety Manager Todd Bailey provided a safety report on a vehicle incident that took place in the month of March. No personal incidents took place.

- Mr. Bailey also stressed that health and safety is the District's number one priority and the District is taking necessary procedures to protect the health and well-being of all District employees during the coronavirus pandemic.

CUSTOMER REPORTS:

DIRECTORS:

- None

COMMITTEE REPORTS:

AUDIT COMMITTEE:

- Bob Beran, Auditor from Dana Cole, joined the meeting via teleconference and reviewed the 2019 Audit Report and answered questions from the Directors. Mr. Beran noted that the District is receiving an unmodified opinion which indicates the financial statements are presented fairly in all material respects.
- Audit Committee Chairman Fishler reported that the Committee had reviewed the 2019 Audit Report at the Audit Committee meeting held by teleconference on March 31st.

A motion was duly moved by the Audit Committee to adopt the following resolution:

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District accepts the District's 2019 Audit report including the Auditor's opinion from Dana Cole.

Roll call vote: Yes 12, No 0, Absent 1 (Director Reeson)

CUSTOMER REPORTS (continued):

MANAGEMENT:

- CEO Niedfeldt gave an update on the load status of the ethanol plants. Mild weather conditions have resulted in reduced residential usage in 2020 but has been offset by an increase in large industrial usage.
- CEO Niedfeldt reported that in response to the coronavirus pandemic and anticipated hardships for customers, the District will institute temporary policies to suspend the disconnection of meters for nonpayment in April. This temporary policy change will be reevaluated in May.

COMMITTEE REPORTS:

FINANCE COMMITTEE:

- Finance Committee Chairman Anderbery reported that all funds were adequately covered by FDIC insurance and joint custody receipts.

LEGISLATIVE COMMITTEE:

- CEO Niedfeldt reported that in light of growing public safety concerns regarding the coronavirus pandemic, the 2020 legislative session and all public hearings have been suspended until further notice. The session will remain adjourned until the situation has stabilized and the Speaker of the Legislature deems it safe to reconvene.

MOTIONS & RESOLUTIONS:

Charge Off Uncollectible Accounts

CFO Kool provided a review of accounts recommended for charge-off. Kool reported that the list of recommended charge-offs totaled \$650.94.

A motion was duly moved by Director Jacobitz, seconded by Director Meyer to adopt the following resolution:

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves charge-offs of delinquent accounts totaling \$650.94 as recommended by management.

Roll call vote: Yes 12, No 0, Absent 1 (Director Reeson)

Lineman Scholarships

CEO Niedfeldt recommended that five (5) scholarships be awarded for the Lineman Scholarship Program for the year 2020. The five applicants include: Colby Setlik from Grand Island, Eli Borden from Holdrege, Michael O'Callaghan and Josiah Bronson from Hastings, and Dylan Kucera from Central City.

A motion was duly moved by Director Bergman, seconded by Director Katzberg, to adopt the following resolution:

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves awarding five lineman scholarships for the year 2020. The recipients being: Colby Setlik from Grand Island, Eli Borden from Holdrege, Michael O'Callaghan and Josiah Bronson from Hastings, and Dylan Kucera from Central City.

Roll call vote: Yes 12, No 0, Absent 1 (Director Reeson)

Electric Service Agreement with Aurora Cooperative Ethanol, LLC.

CEO Niedfeldt discussed the parameters of a proposed service agreement with Aurora Cooperative Ethanol and requested the authority to execute the agreement with Aurora Cooperative Ethanol, LLC.

A motion was duly moved by Director Grove, seconded by Director Benson, to adopt the following resolution:

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the authority of CEO Neal Niedfeldt to execute the electric power service agreement with Aurora Cooperative Ethanol, LLC.

Roll call vote: Yes 12, No 0, Absent 1 (Director Reeson)

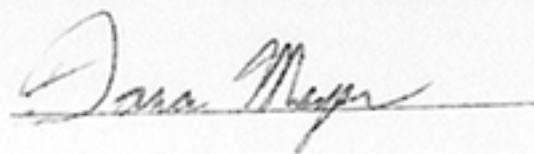
MISCELLANEOUS BUSINESS:

Chairman Klute appointed Directors Benson, Lowry, and Katzberg to participate in the selection committee for the Director vacancy for Hall County.

The next Board meeting is set for Wednesday, May 13, 2020.

There being no other business, the meeting was adjourned at 11:45 a.m.

Dana Meyer, Secretary

A handwritten signature in cursive script, appearing to read "Dana Meyer", written over a horizontal line.A handwritten signature in cursive script, appearing to read "Dean Klute", written over a horizontal line.
Dean Klute, Chairman