

SOUTHERN PUBLIC POWER DISTRICT

BOARD OF DIRECTORS MEETING

April 14th, 2021

The Board of Directors of Southern Public Power District met in regular session in the Boardroom of the District's corporate office at 4550 West Husker Highway, Grand Island, Nebraska, on April 14th, 2021, at 10:00 a.m. pursuant to the mailed notice of the meeting sent to all Directors of the District and notice posted. Arlon Jacobitz, Chairman of the District, called the meeting to order.

Directors present were as follows: Larry Benson, Neal Katzberg, Kevin Choquette, Rick Bergman, Lee Grove, Kevan Reeson, Mike Lowry, Dean Klute, Joel Kuehn, Marvin Fishler, Bob Kieborz, Wayne Anderbery, Dana Meyer and Arlon Jacobitz. President/CEO Neal Niedfeldt was also present.

Directors absent: None.

Chairman Jacobitz 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 held.

AGENDA

There were no additions requested to the agenda.

MINUTES

There were slight revisions made to the minutes of the March 9th, 2021 regular Board meeting.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the minutes of the March 9th, 2021 regular Board meeting as amended.

Roll call vote: Yes 12, No 0, Abstain 2 (Directors Lowry and Kuehn)

BILLS AND CLAIMS

Management and staff answered questions regarding bills and claims.

A motion was duly moved by Director Klute, seconded by Director Kieborz, 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 14, No 0, Absent 0

COMMENTS FROM THE PUBLIC

There were no comments made.

DIRECTOR AND MANAGEMENT REPORTS

DIRECTOR REPORTS:

- Director Grove attended the Audit Committee meeting on April 7th and the Loomis Village Board meeting on April 13th.
- Director Lowry attended the Audit Committee meeting on April 7th and the Cairo Village Board meeting on April 13th.
- Director Meyer attended the Franklin Village Board meeting on March 9th and the Riverton Village Board meeting on March 10th.
- Director Fishler attended the Palmer Village Board meeting on April 7th.
- Director Bergman attended the Bertrand Village Board meeting on April 13th.
- Director Benson attended the Chapman Village Board meeting on April 6th and the Palmer Village Board meeting on April 7th.
- Director Reeson attended the Audit Committee meeting on April 7th.
- Director Anderbery attended the Axtell Village Board meeting on April 12th.

MANAGEMENT REPORTS:

President's comments:

- CEO Niedfeldt attended the following meetings and activities during the past month:
 - Southern Public Power Meetings – Attended the Chapman Village Board meeting on April 6th. Attended the Audit Committee meeting in Grand Island on April 7th.
 - NPPD – Attended the monthly Special Board meeting in York on March 10th to review the February SPP Emergency Event and the consultants reports for the Generations Options Analysis. Attended the Wholesale Customer meeting in Kearney on March 18th. Attended the monthly meeting of the Western Region's Managers at Dawson PPD on March 19th. Participated virtually in the first meeting of the first SPP Emergency Event Review Team meeting on March 30th.
 - NPA – Participated in the bi-monthly virtual Board meeting on March 17th.
- NPPD Issues – District personnel have provided input on all of the following issues.
 - SPP Emergency Event Review – NPPD held a kickoff meeting to begin the process review of the February weather event. Members of the Power Resource Advisory Committee and members of NPPD's management team will review processes regarding customer operations and communications during the event. The group will identify actions to improve the various areas of concern.
 - Special Board Meeting to review the SPP Emergency Event and the Plan B Consultant's reports – The NPPD Board of Directors met on March 10th in York to review these two issues. These topics were also discussed at the Wholesale Customer meeting held on March 18th.
 - February 2021 Financials – NPPD has reported a \$94.7 million surplus for February and a forecasts a Surplus of \$90.9 million for 2021. February results were impacted by the SPP event when NPPD generated \$222.5 million in Off-System Sales to the SPP market. The Off-System Sales budget for February was \$9.7 million.

- COVID-19 Response – Beginning April 5th, the District returned to normal operations with the exception of opening the doors to our facilities to the public. All personnel are working normal hours, reporting to their respective locations and are no longer staggering their morning start times or working from home. Over half of District personnel have received the COVID-19 vaccine.
- Personnel – Jon Sundberg has been selected as our new Maintenance Supervisor in Hastings replacing Jeff Foster. Jon has been with the District since 2002 and has most recently served as our construction foreman in Hastings. We are currently accepting applications for Jon's replacement.
- Niedfeldt reviewed the progress on the District's projected solar project with N Solar and the continuing efforts of reviewing various landowner sites.

Financial Reports:

- Summary of Revenues. CEO Neal Niedfeldt provided a comparison of revenues between February 2020 and 2021. Year-to-date revenue for the month of February 2021 amounted to \$9.92 million compared to \$10.74 million in 2020.
- Power Costs. CEO Niedfeldt provided a summary of the power bill for February 2021 indicating a peak demand of 156,971 kW as compared to 146,676 kW recorded in February 2020. The District purchased 80.7 million kWh's in February 2021 as compared to 80.0 million kWh's in February 2020.
- Balance Sheet and Income Statement. CEO Niedfeldt provided a comparison of income statements from February 2021 and February 2020. Year-to-date net margins as of February 31, 2021 were (\$2,296,927) as compared to (\$1,710,008) as of February 28, 2020. CEO Niedfeldt also reviewed balance sheets from February 2021 and February 2020.
- Cash Flow Summary. CEO Niedfeldt provided a summary of the statements of cash flows.

Customer Service and Collection Report:

- The production cost adjustment reflected on customers' bills for February 2021 was (\$196,435). Year to date 2021 the production cost adjustment reflected on customers' bills has totaled (\$365,062).
- The District's disconnect day was on Monday, March 29th. District personnel worked 37 accounts with 36 being disconnected remotely using the AMI disconnect collar.

Engineering/Operations Report:

- Engineering/Operations Manager Aaron Brown reported on the progress of the expansion project at the Wood River Ethanol Plant.
- The Generator Interconnection Agreement with Bluestem Energy Solutions has been completed.
- Renoski Vegetation Services has been contracted for substation weed control in 2021.
- Osmose Utilities Service has been contracted to perform the 2021 pole inspections.
- The Doniphan to Alda interstate and river crossing 69kV line project is completed and final payment has been authorized.

Marketing Report:

- Energy Services Manager Sam Reinke participated in the NPPD Electric Vehicle Rate virtual meeting on March 22nd.
- Various Village Board meetings were attended throughout the month of March and the beginning of April.
- The District issued 13 water heaters and provided \$24,257.31 to customers for incentives under the EnergyWise Program during the month of March.

Communications Report:

- Public Relations Manager LeAnne Doose reported that the Operation ROUND UP Board reviewed applications for the First Quarter of 2020 on Tuesday, April 13th. A total of 13 applications were considered and \$22,200 in grand funds were approved.
- Doose reviewed upcoming publications that are in development, including the May/June Magazine and Irrigation/Load Management Newsletter.
- A new Twitter page has been developed for Load Management updates. The handle for the new page is SouthernPPDLM.
- Other District promotional efforts through the month of May were reviewed.

Safety Report:

- In the absence of Safety Manager Todd Bailey, CEO Niedfeldt reported that there were no personnel or equipment incidents that took place during the month of March.
- Bailey will be conducting this year's safety trainings at each area office location.

BLUESTEM ENERGY SOLUTIONS

Matt Robinette, Vice President of Development at Bluestem Energy Solutions, and Mitch Hyde, Director of Operations at Bluestem Energy Solutions, were present to discuss the construction timeline and completed activities regarding the District's wind project in Franklin County. Discussions of upcoming public communications and press releases also were considered.

***LUNCH RECESSED AT 12:00 P.M.,
THE MEETING RECONVENED AT 1:00 P.M. IN OPEN SESSION.***

COMMITTEE REPORTS:

AUDIT COMMITTEE:

- Audit Committee Chairman Reeson reported that the Committee had reviewed the 2020 Audit Report at the Audit Committee meeting held on April 7th. The Committee also reviewed Dana Cole's proposal for audit services for the years ending December 31, 2021, 2022 and 2023.
- Bob Beran, Auditor from Dana Cole, was present to review the 2020 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.

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 2020 Audit report including the Auditor's opinion from Dana Cole.

Roll call vote: Yes 14, No 0, Absent 0

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 approves retaining Dana Cole for audit services for the years ending December 31, 2021, 2022 and 2023.

Roll call vote: Yes 14, No 0, Absent 0

CUSTOMER REPORTS:

DIRECTORS:

- Director Choquette received a call from a customer with regards to a question why the District had changed the new service application fees.

MANAGEMENT:

- None.

COMMITTEE REPORTS: (cont.)

FINANCE COMMITTEE:

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

LEGISLATIVE COMMITTEE:

- Legislative Committee Chairman Kuehn reviewed the District's legislative bills report. This legislative report reflects current bills that are being monitored by the District.
- CEO Niedfeldt provided details on various legislative bills regarding public power.

MOTIONS & RESOLUTIONS:

Charge Off Uncollectible Accounts

CEO Niedfeldt provided a review of accounts recommended for charge-off. Niedfeldt reported that the list of recommended charge-offs totaled \$299,37.

A motion was duly moved by Director Lowry, seconded by Director Kieborz, to adopt the following resolution:

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves charge-offs of delinquent accounts totaling \$299.37 as recommended by management.

Roll call vote: Yes 14, No 0, Absent 0

Federated Rural Electric Insurance Exchange

CEO Niedfeldt reported on the District's property and liability insurance coverage set to expire on April 30, 2021. CEO Niedfeldt recommended the District renew coverage with Federated effective May 1, 2021. Premiums effective May 1, 2021 are \$341,831 as compared to \$339,058 in 2020.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the proposal from Federated Rural Electric Insurance Exchange for the one-year period starting May 1, 2021.
Roll call vote: Yes 14, No 0, Absent 0

Director Policies A through K

CEO Niedfeldt reviewed Director Policies A through K which were last reviewed in the spring of 2018. As a part of Policy A, each policy is to be reviewed on a periodic basis. Niedfeldt assessed the policies and recommended revisions to specific sections.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves Director Policies A through K including the recommended revisions by management.
Roll call vote: Yes 14, No 0, Absent 0

Electric Service Agreements for Columbia Grain, Inc.

Energy Services Manager Sam Reinke reviewed the two electric power service agreements with Columbia Grain, Inc., both requiring a 1,000 kVA service for their Elevator/Office and Seed Sorting facility.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the two electric power service agreements with Columbia Grain, Inc. as recommended by management.
Roll call vote: Yes 14, No 0, Absent 0

Lineman Scholarships

CEO Niedfeldt recommended that five (5) scholarships be awarded for the Lineman Scholarship Program for the year 2021. The five applicants include: Andrew Adams and Trevor Kluck from Aurora, Arik Ackerman from Bertrand, Noah Landanger from Wood River and Denton Stark from Hastings.

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

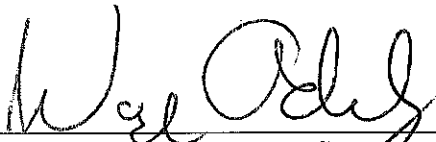
RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves awarding five lineman scholarships for the year 2021. The recipients being: Andrew Adams and Trevor Kluck from Aurora, Arik Ackerman from Bertrand, Noah Landanger from Wood River and Denton Stark from Hastings.
Roll call vote: Yes 14, No 0, Absent 0


MISCELLANEOUS BUSINESS:

The next Board meeting is scheduled for Wednesday, May 14th at 10:00 a.m.

There being no other business, the meeting was adjourned at 1:50 p.m.



Wayne Anderbery, Secretary



Arlon Jacobitz, Chairman