

SOUTHERN PUBLIC POWER DISTRICT

BOARD OF DIRECTORS MEETING

August 11th, 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 August 11th, 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, Dean Klute, Kevin Choquette, Rick Bergman (arrived at 10:10 a.m.), Lee Grove, Mike Lowry, Joel Kuehn (arrived at 10:20 a.m.), Marvin Fishler, Kevan Reeson, Wayne Anderbery, Dana Meyer and Arlon Jacobitz. President/CEO Neal Niedfeldt and attorney Ellen Kreifels were also present.

Directors absent: Bob Kieborz.

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 July 14th, 2021 regular Board meeting.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the minutes of the July 14th, 2021 regular Board meeting with slight revisions.

Roll call vote: Yes 11, No 0, Absent 3 (Directors Bergman, Kuehn and Kieborz)

BILLS AND CLAIMS

Management and staff answered questions regarding bills and claims.

A motion was duly moved by Director Benson, seconded by Director Fishler, 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 11, No 0, Absent 3 (Directors Bergman, Kuehn and Kieborz)

COMMENTS FROM THE PUBLIC

Southern Public Power District customer, Logan Lukow, explained to the Board that he had been making plans to construct a new home for the past year and had been planning on the District to extend service to his new home at no charge. Mr. Lukow reported that upon his application for service filed with the District the first week of August, he learned that the District had approved a new extension policy, effective May 1, 2021, requiring him to pay for all extension costs above \$4,000. Mr. Lukow asked the Board to reconsider applying the old extension policy for his application since construction plans had been started prior to May 1st.

DIRECTOR AND MANAGEMENT REPORTS

DIRECTOR REPORTS:

- No reports.

MANAGEMENT REPORTS:

President's comments:

- CEO Niedfeldt attended the following meetings and activities during the past month:
 - Southern Public Power Meetings – Attended the Operation Round Up Board meeting in Grand Island on July 20th. Attended the Eastern Region's Managers meeting on a group solar project on July 30th in Lincoln. Attended the Global Leadership Conference in Grand Island on August 5th and 6th.
 - NPPD – Attended the Eastern Region's Managers meeting in Lincoln on July 16th. Participated in the virtual meeting on July 23rd to review NPPD's plans to conduct a public outreach project to assist the NPPD Board in developing a carbon emissions reduction goal. Attended the Wholesale Customer meeting in Columbus on July 29th.
 - NPA – Attended the Bi-Monthly Board of Directors meeting in Lincoln on July 21st. Attended the Lineworkers Rodeo in Broken Bow on July 30th.
- NPPD Issues – We have provided input on all of the following issues:
 - Public Outreach – NPPD Board of Directors continues to develop a carbon emissions reduction directive including carbon reduction goals for NPPD. The Board has requested input be received by the Public and Customers as part of development of this strategic directive. NPPD will conduct an online survey and hold 5 public meetings across the state during August to receive input on this issue.
 - June 2021 Financials – NPPD has reported a \$23.2 million surplus for June and a YTD surplus of \$138.9 million through June 30, 2021. The Wholesale Production share of the YTD surplus is \$128.4 million with the remainder assigned to NPPD's retail division. Preliminary results for July indicate a \$3.9 million surplus bringing the YTD Surplus to \$142.8 million with \$134.3 million assigned to wholesale and \$8.5 million assigned to retail.
- Irrigation Load Control – The District controlled irrigation wells for 58.5 hours in July due to higher demands experienced at the end of the month. NPPD met their targeted threshold of 2,643 MW's. Southern's 4 billing demands as controlled for July are estimated to be 215, 215, 215 and 220 MW's. The District's power cost budget for July, 2021 was based on an average of 233 MW's.

- Operations and Maintenance – Personnel completed repairs on the electric system due to damages from the July 9th storms. Crews are completing other Budget projects and summer maintenance, including pole replacements and tree trimming.
- Special Projects – The management team has continued progress on the District’s renewable energy projects and responding to various economic development projects.
- Personnel – There were no personnel changes in the current month.

Financial Reports:

- Summary of Revenues. CFO Brad Kool provided a comparison of revenues between June 2020 and 2021. Year-to-date revenues for the month of June 2021 amounted to \$40.58 million compared to \$41.84 million in 2020.
- Power Costs. CFO Kool provided a summary of the power bill for June 2021 indicating a peak demand of 247,481 kW as compared to 243,186 kW recorded in June 2020. The District purchased 108.4 million kWh’s in May 2021 as compared to 99.8 million kWh’s in June 2020.
- Balance Sheets and Income Statements. CFO Kool provided a comparison of income statements from June 2021 and June 2020. Year-to-date net margins as of June 30, 2021 were \$5,091,941 as compared to \$6,592,630 as of June 30, 2020. CFO Kool also reviewed balance sheets from June 2021 and June 2020.
- Cash Flow Summary. CFO Kool provided a summary of the statements of cash flows.

Customer Service and Collection Report:

- The production cost adjustment credit reflected on customers’ bills for June 2021 was (\$169,631). Year-to-date 2021 the production cost adjustment reflected on customers’ bills has totaled (\$981,226).
- The District’s disconnect day was on Wednesday, July 28th. District personnel worked 34 accounts, with all being disconnected remotely using the AMI disconnect collar.

CFO Kool reported that the District submitted up to \$250,000 to FEMA for damages caused the by the July 9th storms.

Engineering/Operations Report:

- Progress is being made with Bluestem Energy Solutions and NPPD on interconnection arrangements for the District’s wind project in Franklin County.
- Engineering staff continues to meet with Green Plains to make plans for a new substation site for their expansion project.
- The Construction Crew continues to work on Budget Project 303 Chapman to Archer which consists of five miles of 69kV line.
- Osmose pole testing continues and thus far they have inspected 5,976 poles with 136 poles rejected with a failure rate of 2.3%.

Marketing Report:

- Energy Services Manager Sam Reinke and NPPD personnel are working together to provide an energy audit to a Wood River customer who will use the results of the audit as a basis to apply for a USDA REAP grant.

- Mr. Reinke is working with vendors on the design for a new sign at the Franklin Service Center.
- During the month of July, the District issued six water heaters, provided \$4,500 to customers for Electric Vehicle Incentives and provided \$23,320 to customers under the EnergyWise Program. This brings year-to-date Electric Vehicle Incentives to \$10,200 and EnergyWise Program Incentives to \$120,222.

Communications Report:

- Public Relations Manager LeAnne Doose reported that an Operation Round Up meeting was held on Tuesday, July 20th. A total of \$22,700 was awarded for the Second Quarter.
- Ms. Doose reported on upcoming promotional efforts that will be highlighted now through the month of September.

Safety Report:

- Safety Manager Todd Bailey reported that there were no personnel or vehicle claims for the month of July.
- Mr. Bailey provided the results of the District's participants in this year's Nebraska Lineworkers Rodeo that was held in Broken Bow on July 30th. Several of the District's lineworkers received awards for their efforts.

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 providing \$50 gift certificates for each of the District's employees who participated in the Nebraska Lineworkers Rodeo.

Roll call vote: Yes 13, No 0, Absent 1 (Director Kieborz)

CUSTOMER REPORTS:

DIRECTORS:

- Director Kuehn indicated that a customer reported that a pile of tree branches remains on their property which was left after District personnel cut and trimmed trees on his property. The customer requested the District remove the pile of tree branches. Management will follow up with the customer in regards to their removal.
- The Directors discussed Logan Lukow's request and decided by consensus to deny his request since his application for service was received after May 1st, which was the date the new policy became effective.

MANAGEMENT:

- None.

COMMITTEE REPORTS:

FINANCE COMMITTEE:

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

MOTIONS & RESOLUTIONS:

Charge Off Uncollectible Accounts

CFO Kool provided a review of accounts recommended for charge-off. CFO Kool reported that the list of recommended charge-offs totaled \$551.49.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves charge-offs of delinquent accounts totaling \$551.49 as recommended by management.

Roll call vote: Yes 13, No 0, Absent 1 (Director Kieborz)

Economic Development Rate Agreement with Green Plains Central City

CEO Niedfeldt reviewed the Green Plains Ultra-High Protein addition to their ethanol plant in Central City and indicated the two parties have agreed to apply for the NPPD Economic Development Rate. Green Plains has executed the Economic Development Rate (EDR) Agreement which is required to qualify for NPPD's rate. Management recommends approval for management to execute the Economic Development Rate Agreement on behalf of the District.

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 management to execute the Agreement for EDR Electric Service between Green Plains Central City LLC, Southern Public Power District and NPPD.

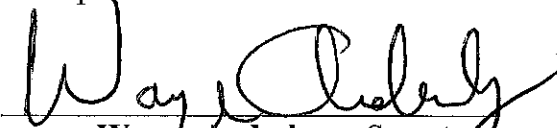
Roll call vote: Yes 13, No 0, Absent 1 (Director Kieborz)

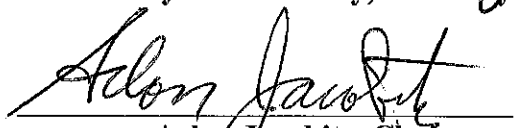
MISCELLANEOUS BUSINESS:

The next Board meeting is scheduled for Wednesday, September 8th at 10:00 a.m.

Golf outing scheduled for September 8th, 2021.

There being no other business, the meeting was adjourned at 12:05 p.m.


Wayne Anderbery, Secretary


Arlon Jacobitz, Chairman