

**SOUTHERN PUBLIC POWER DISTRICT  
BOARD OF DIRECTORS MEETING  
July 8<sup>th</sup>, 2020**

The Board of Directors of Southern Public Power District met in regular session at The Ramada Inn at 2503 South Locust Street, Grand Island, Nebraska, on July 8, 2020, at 10:30 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 were as follows: Larry Benson, Neal Katzberg, Kevin Choquette, Rick Bergman, Mike Lowry, Dean Klute, Lee Grove, Wayne Anderbery, Dana Meyer and Arlon Jacobitz. Directors Nickel and Fishler joined the meeting via videoconference. President/CEO Neal Niedfeldt was present and attorney Dave Jarecke was also present via videoconference.

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 slight revisions made to the minutes of the June 10<sup>th</sup>, 2020 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 June 10<sup>th</sup>, 2020 regular Board meeting with slight revisions.

Roll call vote: Yes 11, No 0, Abstain 1 (Director Bergman) Absent 1 (Director Reeson)

**BILLS AND CLAIMS**

Management and staff answered questions regarding bills and claims.

A motion was duly moved by Director Grove, 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.

- Personnel – Interviews will be taking place in July to fill two openings on the District’s subtransmission construction crew.

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

**RESOLUTION**

RESOLVED, that the Board of Directors of Southern Public Power District approves going into executive session at 11:05 a.m. to discuss contractual information.

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

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

**RESOLUTION**

RESOLVED, that the Board of Directors of Southern Public Power District approves coming out of execution session at 11:42 a.m.

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

**MOTIONS AND RESOLUTIONS:**

**Bluestem Energy Solutions**

Per previous discussions held in executive session, CEO Niedfeldt recommended that the Term Sheet for a Proposed Development Project, Power Purchase Agreement and Generator Interconnection Agreement provided by Bluestem Energy Solutions to investigate a potential wind project in the District’s service area be approved and executed to commence further studies.

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the execution of the Term Sheet for a Proposed Development Project, Power Purchase Agreement and Generator Interconnection Agreement with Bluestem Energy Solutions LLC as recommended by management.

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

**Hamilton County Wind Power Purchase Agreement**

CEO Niedfeldt recommended the execution of the Termination Agreement of Power Purchase Agreement between the District and Hamilton County Wind, LLC. Upon execution by both parties the District’s Power Purchase Agreement with Hamilton Wind, LLC, entered into August 2015 and amended October 2019 would be terminated. The termination agreement maintains in effect the confidentiality provisions of the original contract.

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the Termination Agreement of Power Purchase Agreement between the District and Hamilton County Wind, LLC.

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

### Policy Review and Board Responsibilities

Attorney, Dave Jarecke presented the Board with a policy review, outlining Board member roles, responsibilities and recommended compliance with Board actions and confidentiality.

## ***LUNCH RECESSED AT 12:30 P.M., THE MEETING RECONVENED AT 1:05 P.M. IN OPEN SESSION***

### MANAGEMENT REPORTS *(cont.)*:

#### Engineering/Operations Report:

- Engineering/Operations Manager Aaron Brown provided an update on the status of load control units and displayed a presentation together with graphs on the successful reduction of loads using the new load control system.
- Brown indicated that the District commissioned a 25kW solar panel installation to serve an irrigation pivot and reviewed the provisions of providing service to this customer.

#### Financial Reports:

- Summary of Revenues. CFO Kool provided a comparison of revenues between May 2019 and 2020. Year-to-date revenue ending the month of May 2020 amounted to \$34.48 million compared to \$36.05 million in 2019.
- Power Costs. CFO Kool provided a summary of the power bill for May 2020 indicating a peak demand of 110,019 kW as compared to 131,416 kW recorded in May 2019. The District purchased 60.5 million kWh's in May 2020 as compared to 72.9 million kWh's in May 2019.
- Balance Sheet and Income Statement. CFO Kool provided a comparison of income statements from May 2020 and May 2019. Year-to-date net margins as of May 31, 2020 were \$6,256,347 as compared to \$5,635,747 as of May 31, 2019. CFO Kool also reviewed balance sheets from May 2020 and May 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 May 2020 was (\$114,755). Year to date 2020 the production cost adjustment reflected on customers' bills has totaled (\$794,671).
- The District's disconnect day was Thursday, June 25<sup>th</sup>. District personnel worked 84 accounts with 82 being disconnected remotely using the AMI disconnect collar.

CFO Kool presented the results of the District's 2020 Electric System Revenue Bond issue in July and the results of statistical reports prepared by the Nebraska G&T and the Energy Information Administration (EIA).

#### Marketing Report:

- Energy Services Manager Sam Reinke initiated discussions with Miller and Associates to begin work on the Site Ready Assistance Program for the Energy Park property.

- Electric Service Agreements with Aurora Cooperative and Aurora Cooperative Ethanol were executed in June.
- Husker Harvest Days and the Farm Progress Show have been cancelled for 2020 due to the rapidly changing conditions related to the COVID-19 pandemic.
- The District issued seven water heaters and provided incentives totaling \$7,157.85 to customers under the EnergyWise Program during the month of June.

#### Communications Report:

- Public Relations Manager LeAnne Doose reported that planning is underway to announce the public reopening for the District's buildings. The District will indicate any safety measures the public needs to acknowledge as the District reopens.
- The next Operation Roundup meeting is scheduled to take place on Tuesday, July 21<sup>st</sup>. Doose will be scheduling publicity events to promote the Roundup program and will monitor the ongoing status of COVID measures before scheduling any events and cancel if conditions deteriorate.
- Large scale community events have been canceled for the year, limiting the District's opportunity to engage with the public with Hotline Demonstrations. Doose will be working with Safety Manager Todd Bailey and area lineworkers to produce a total of three themed Hotline Trailer Demonstrations video's to be broadcasted across the District's YouTube, Facebook and Twitter channels over a three-week timeframe in September.

#### Safety Report:

- Safety Manager Todd Bailey reported on personnel and equipment incidents that occurred during the month of June.
- Mr. Bailey and Brian Anderson, Area Supervisor from Funk, provided a presentation on the danger of step potential together to members of the Nebraska Land Ag of Holdrege.
- Mr. Bailey continues to stress 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.

#### S.I.D. ELECTIONS

CEO Niedfeldt gave an update on the upcoming primary election and balloting process for the Sanitary and Improvement District No. 5, which is a political subdivision within Hall County. The election of Board members will occur in September. Current S.I.D. Board members, Mike Lowry, Neal Niedfeldt, Brad Kool and Sam Reinke have indicated they will file for reelection. Due to the passing of Gary Hedman who served as the S.I.D.'s chairman, it was suggested that John Webb, owner of Webb Cutting Components and the owner of a tract of land within the S.I.D. be contacted to replace Mr. Hedman and file as the fifth member of the Board of the S.I.D.

#### **CUSTOMER REPORTS:**

##### DIRECTORS:

- None.

##### MANAGEMENT:

- CEO Niedfeldt reported the solar application and irrigation service reports were given in previous statements.

**COMMITTEE REPORTS:**

**FINANCE COMMITTEE:**

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

**MOTIONS AND RESOLUTIONS (cont.):**

**Minden Chamber of Commerce**

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the renewal of membership in the Minden Area Chamber of Commerce with a membership fee of \$500.00.

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

**MISCELLANEOUS BUSINESS:**

The next Board meeting is set for Wednesday, August 12, 2020, in Funk, Nebraska.

The next Safety Council meeting is set for Wednesday, July 22, 2020.

There being no other business, the meeting was adjourned at 2:30 p.m.

  
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Dana Meyer, Secretary

  
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Dean Klute, Chairman