

**SOUTHERN PUBLIC POWER DISTRICT  
BOARD OF DIRECTORS MEETING  
*May 13<sup>th</sup>, 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 May 13, 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, Kevan Reeson, Dana Meyer and Arlon Jacobitz. President/CEO Neal Niedfeldt and attorney Dave Jarecke were also present via videoconferencing.

Directors absent: None.

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 April 8<sup>th</sup>, 2020 regular Board meeting.

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the minutes of the April 8<sup>th</sup>, 2020 regular Board meeting as revised.

Roll call vote: Yes 13, No 0, Absent 0

**BILLS AND CLAIMS**

Management and staff answered questions regarding bills and claims.

A motion was duly moved by Director Bergman, seconded by Director Grove, 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 13, No 0, Absent 0

**COMMENTS FROM THE PUBLIC**

There were no comments from the public.

## **DIRECTOR AND MANAGEMENT REPORTS**

### **DIRECTOR REPORTS:**

- Directors Bergman, Anderbery and Grove attended the auction of the Holdrege office site and pole yard on May 5<sup>th</sup>.

### **MANAGEMENT REPORTS:**

#### **President's comments:**

- CEO Niedfeldt attended the following meetings and activities during the past month:
  - Southern Public Power Meetings – The majority of scheduled meetings since April 8<sup>th</sup> have been canceled or rescheduled for a later date due to the coronavirus pandemic. CEO Niedfeldt participated in the virtual meeting of the SPPD Area Economic Development Fund Board on April 14<sup>th</sup>.
  - NPPD – CEO Niedfeldt participated in the virtual Wholesale Customer meeting on April 16<sup>th</sup>. All MDM meetings have been canceled until the end of May.
  - NPA – NPA members have been reporting practices and procedures dealing with the coronavirus on a weekly basis which is then summarized and sent to the Governor's office. No meetings were scheduled in April or May. There has been some discussion on cancelling the NPA Lineman's Rodeo in August due to the coronavirus but a final decision has not been made.
- NPPD Issues
  - March Financials – NPPD has recognized a surplus of about \$8 million for the year through the end of March. This compares to \$35 million in 2019.
  - Load Reports – Wholesale customers are reporting load changes and load losses to NPPD weekly for planning and scheduling purposes. In May, the District reported load losses of 20 MW's due to ethanol plants temporarily idling their production.
  - WAPA Contract – NPPD has been a party to an Electric Power Service Contract with WAPA since 1954 which was last amended on January 1, 2001. The current contract expires at the end of 2020. NPPD personnel are working with WAPA to renew the contract through 2040. The contract is important to all wholesale customers due to the pricing available from WAPA's resource pool. NPPD's allocation is approximately 100 MW's of summer peaking resources. The District's allocation of this pool is approximately 9.5 MW's.
  - Operations and Construction – Maintenance personnel continue to complete load control installations in addition to normal maintenance. Construction crews are reporting on a one-week-on and one-week-off rotational basis due to coronavirus measures. Plans are to return construction crew schedules in Funk and Franklin to normal schedules starting the middle of May. Crews in the other three service areas will continue to report on the current rotation due to the coronavirus issue in those areas. Construction projects have been delayed due to this schedule but new and upgraded irrigation services have been completed. Smaller budget projects have been started.
  - Sale of Holdrege Facilities – An auction was held on May 5<sup>th</sup> for the Holdrege office site and the pole yard. Final bids resulted in a sale of the office site for \$310,000 and the sale of the pole yard for \$90,000. Both properties were purchased by the City of Holdrege.

- Economic Development Projects – District personnel responded to a Request for Proposal from a project looking at sites in Nebraska. The District also made an offer to purchase 35 acres of access property to Tract #3 of the Energy Park.
- Personnel – There are two openings on the subtransmission crew. Recruitment efforts to fill these two positions have been delayed until normal scheduling of the work crews occur.

CEO Niedfeldt reviewed the District's continued study of potential locations and electric loads with Bluestem for potential renewable energy projects in Adams County. Niedfeldt is tentatively set to review the project and a potential site with the Village Board of Kenesaw in June.

#### Financial Reports:

- Summary of Revenues. CFO Kool provided a comparison of revenues between March 2019 and 2020. Year-to-date revenue ending the month of March 2020 amounted to \$26.36 million compared to \$27.02 million in 2019.
- Power Costs. CFO Kool provided a summary of the power bill for March 2020 indicating a peak demand of 127,757 kW as compared to 149,832 kW recorded in March 2019. The District purchased 76.4 million kWh's in March 2020 as compared to 80.2 million kWh's in March 2019.
- Balance Sheet and Income Statement. CFO Kool provided a comparison of income statements from March 2020 and March 2019. Year-to-date net margins as of March 31, 2020 were \$8,449,716 as compared to \$7,920,757 as of March 31, 2019. CFO Kool also reviewed balance sheets from March 2020 and March 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 March 2020 was (\$172,181). Year to date 2020 the production cost adjustment reflected on customers' bills has totaled (\$547,497).

#### Engineering/Operations Report:

- Engineering/Operations Manager Aaron Brown provided an update regarding the continued installation of motor savers on load control equipment.
- The Elm Creek sub-transmission river crossing, Project 307, has been completed.
- NPPD's Subtransmission Planning group and the District's public power neighbors have reviewed the District final 69kV subtransmission conversion plans for 2020-2026.
- The new SCADA system for the District is operational.

#### Marketing Report:

- Energy Services Manager Sam Reinke reported that the Village Board meetings that were scheduled for April all have been postponed due to coronavirus pandemic.
- The District issued eight water heaters and provided \$15,802.50 to customers for incentives under the EnergyWise Program during the month of April.

#### Communications Report:

- Public Relations Manager LeAnne Doose provided a report regarding COVID-19 and the weekly updates the District has been providing all employees about practices related to the pandemic.
- The SPPD Area Economic Development Fund Board (Operation Round Up) met on April 14<sup>th</sup> and reviewed applications submitted for the first quarter of 2020. A total of \$15,250 was awarded to various recipients.
- The annual spring Irrigation and Load Management newsletter will be distributed later this month. The mailing will also include individual load control calendars which customers are accustomed to receiving.
- Safety information is being shared across radio stations and social platforms to recognize Electrical Safety Month and safety during the planting season.

#### Safety Report:

- Safety Manager Todd Bailey reported that there were no vehicle or personal incidents that took place in the month of April.
- The District has been discussing issues on receiver hitches on various trucks regarding weight ratings, the towing weight and recovery towing complications.
- 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.

#### **CUSTOMER REPORTS:**

##### DIRECTORS:

- Director Choquette received a call from a customer who complimented District personnel on their response time and recovery matters completed during the ice storm in Franklin County in April.
- Director Fishler received a call from a customer complimenting the construction crew on a project south of Palmer.

##### MANAGEMENT:

- CEO Niedfeldt reported on NPPD's weekly wholesale and retail customer load status due to COVID-19.

#### **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 AND RESOLUTIONS:

##### Consulting Agreement with Miller & Associates

CIO Niedfeldt reported that a proposal was provided by Miller & Associates for the completion of a development report which would include an AEA Survey, Title Commitment, Geotechnical Investigation, Natural Features Wetland Definition, Endangered Species Determination, Phase I Environmental and Flood Plain report for Tract 3 in the District's Energy Park. Preparation of this report would prepare the District to submit proposals for industrial prospects seeking shovel-ready sites. The proposal was offered for a fee of \$22,000. Funding for half of this cost has been awarded from NPPD's Site Ready Assistance Program. Niedfeldt recommended the District enter into a consulting agreement with Miller & Associates to conduct this report.

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

#### **RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the execution of a consulting agreement with Miller & Associates in the amount of \$22,500.00 for preparation of a development report for Tract 3 of the District's Energy Park with 50% of the funding to be received from NPPD's Site Ready Assistance Program.

Roll call vote: Yes 13, No 0, Absent 0

##### Membership Renewal in the Grand Island Area Chamber of Commerce

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

#### **RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the renewal of membership in the Grand Island Area Chamber of Commerce with a membership fee of \$975.00.

Roll call vote: Yes 13, No 0, Absent 0

#### MISCELLANEOUS BUSINESS:


The next Board meeting is set for Wednesday, June 11, 2020.

All NPPD A schooling and conferences have been cancelled for the summer.

Safety Council meeting for this month may be rescheduled until June.

There being no other business, the meeting was adjourned at 10:50 a.m.

  
Dana Meyer, Secretary

  
Dean Klute, Chairman