

# SOUTHERN PUBLIC POWER DISTRICT

## BOARD OF DIRECTORS MEETING

*May 12<sup>th</sup>, 2021*

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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 May 12<sup>th</sup>, 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, Mike Lowry, Joel Kuehn (left at 12:00 p.m.), Marvin Fishler, Bob Kieborz, Wayne Anderbery, Dana Meyer and Arlon Jacobitz. President/CEO Neal Niedfeldt and attorney Ellen Kreifels were also present.

Directors absent: Kevan Reeson and Dean Klute

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 April 14<sup>th</sup>, 2021 regular Board meeting.

A motion was duly moved by Director Grove, 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 April 14<sup>th</sup>, 2021 regular Board meeting as amended.

Roll call vote: Yes 12, No 0, Absent 2 (Directors Klute and Reeson)

### BILLS AND CLAIMS

Management and staff answered questions regarding bills and claims.

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 all bills and claims.

Roll call vote: Yes 12, No 0, Absent 2 (Directors Klute and Reeson)

## **COMMENTS FROM THE PUBLIC**

There were no comments made.

## **DIRECTOR AND MANAGEMENT REPORTS**

### **DIRECTOR REPORTS:**

- Director Anderbery attended the Heartwell Village Board meeting on May 4<sup>th</sup>.
- Director Benson attended the Energy Park Committee meeting on May 12<sup>th</sup>.
- Director Lowry attended the Energy Park Committee meeting on May 12<sup>th</sup>.
- Director Grove attended the Energy Park Committee meeting on May 12<sup>th</sup>.
- Director Kuehn attended the Heartwell Village Board meeting on April 13<sup>th</sup>.
- Director Jacobitz attended the Ayr Village Board meeting on May 3<sup>rd</sup>; the Holstein Village Board meeting on May 11<sup>th</sup>; and the Energy Park Committee meeting on May 12<sup>th</sup>.

### **MANAGEMENT REPORTS:**

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

- CEO Niedfeldt attended the following meetings and activities during the past month:
  - Southern Public Power Meetings – Attended the Ayr Village Board meeting on May 3<sup>rd</sup>. Attended the Doniphan Village Board meeting on May 10<sup>th</sup>.
  - NPPD – Attended the monthly meeting of the Eastern Region's Managers at Norris PPD in Seward on April 23<sup>rd</sup>. Participated virtually in the second and third meetings of the SPP Emergency Event Review Team on April 21<sup>st</sup> and May 5<sup>th</sup>. Hosted the monthly meeting of the Western Region's Managers on April 27<sup>th</sup>.
- NPPD Issues – District personnel have provided input on all of the following issues.
  - SPP Emergency Event Review – NPPD held two meetings this past month to review the February weather event. Communication issues and critical load identification criteria are currently at the top of the list for improvement. The group's objective is to report back to the wholesale customers in June on recommendations for future events.
  - GFPS Financial Results – The District's wholesale contract requires that by May 1<sup>st</sup> of each year, NPPD's internal audit department will perform an analysis of the annual results for all wholesale customers being billed under the 2016 contract and on the General Firm Power Service (GFPS) rate schedule. The report for 2020 confirmed the wholesale production revenue rates produced a surplus of \$7.6 million and the Rate Stabilization Account balance at December 31, 2020 was \$144.5 million. The account balance exceeded the 10% limit by \$87.9 million, of which \$77.3 million is to be returned through the PCA in 2021. Options for the remainder of the difference of \$10.6 million will be discussed at future wholesale customer meetings.
  - March 2021 Financials – NPPD has reported a \$9.1 million surplus for March and a projected Surplus of \$105.1 million for 2021.

- Renewable Projects – Site selections for the District’s solar project continued during the past month with discussions with the Villages of Cairo, Ayr and Doniphan. Future discussions with Kenesaw, Loomis and Bertrand are being scheduled.
- General Service Regulations – Updates of the District’s Rules and Regulations have been completed. The documents have been retitled as General Service Regulations and include changes as approved by the Board of Directors over the past several months.
- Personnel – Taylor Pulver has accepted the offer for the position of Apprentice Lineman in the Hastings office, replacing the opening created when Jon Sundberg was selected as the new Maintenance Supervisor. Taylor, originally from Kenesaw, was previously awarded a Southern scholarship and interned with the District in 2020. Taylor’s first day with the District will be June 1<sup>st</sup>.

#### Financial Reports:

- Summary of Revenues. CFO Brad Kool provided a comparison of revenues between February 2020 and 2021. Year-to-date revenues for the month of March 2021 amounted to \$25.13 million compared to \$26.36 million in 2020.
- Power Costs. CFO Kool provided a summary of the power bill for March 2021 indicating a peak demand of 117,359 kW as compared to 127,757 kW recorded in March 2020. The District purchased 69.5 million kWh’s in March 2021 as compared to 76.4 million kWh’s in March 2020.
- Balance Sheet and Income Statement. CFO Kool provided a comparison of income statements from March 2021 and March 2020. Year-to-date net margins as of March 31, 2021 were (\$7,886,624) as compared to (\$8,449,716) as of March 31, 2020. CFO Kool also reviewed balance sheets from March 2021 and March 2020.
- 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 2021 was (\$172,390). For the year to date through March 31, 2021 the production cost adjustment reflected on customers’ bills has totaled (\$537,452).
- The District’s disconnect day was on Wednesday, April 28<sup>th</sup>. District personnel worked 45 accounts with 45 being disconnected remotely using the AMI disconnect collar.

#### Engineering/Operations Report:

- Engineering/Operations Manager Aaron Brown reported on the amount of maintenance work has been completed on subtransmission switches.
- The District assisted Aurora West Ethanol in repairing Load Tap Changers on the transformers that serve the plant during their scheduled spring outage.
- Engineering staff continue to work with Bluestem Energy Solutions on the design for an interconnection substation between the District and the new wind facility.
- The District’s security lights and streetlights to be offered to Villages and Towns has been updated for LED fixtures.

#### Marketing Report:

- Energy Services Manager Sam Reinke provided assistance to the Stick Creek Kids Daycare facility in Wood River for a lighting and commercial HVAC incentive.

- Various Village Board meetings were attended throughout the month of April.
- Mr. Reinke participated in NPPD's EnergyWise/Efficient Electrification Team meeting reviewing current incentive plans and the upcoming incentive plans for 2022.
- The District issued 7 water heaters and provided \$24,975.00 to customers for incentives under the EnergyWise Program during the month of April.

Communications Report:

- Public Relations Manager LeAnne Doose reported that an Operations Round Up check presentation was conducted with Stick Creek Kids on May 1<sup>st</sup> during the facility's grand opening and ribbon cutting.
- The Irrigation/Load Management Newsletter will be distributed to customers later this month.
- Radio advertisements have aired for Planting Season Safety and Electrical Safety Month. The NPPD wholesale advertising program will be utilized for the print advertisements.

Safety Report:

- In the absence of Safety Manager Todd Bailey, CFO Kool reported on personnel issues that took place during the month of March.
- The month of May will include meetings with State Patrol personnel on DOT inspections and proper tie down requirements.

**CUSTOMER REPORTS:**

DIRECTORS:

- None.

MANAGEMENT:

- Green Plains Central City LLC Ethanol has requested the District expedite the order of a substation transformer to serve their expansion by January of 2022. District personnel reported time is critical and the formal bidding process as required by Statute would prevent the District from meeting the customer's timeframe. Attorney Kreifels stated that statutorily there is an exemption from the public bidding process when the District's Engineer certifies that there is a technologically complex and unique piece of equipment involved, the dollar amount is over \$250,000 and that it would be impractical to go through the public bidding process and not in the public interest of the District's customers. Management will continue with an informal bidding process and bring the appropriate recommendation with the engineer's certification to the June 9<sup>th</sup> Board of Directors meeting for approval. The Board of Directors may agree to accept any of the informal bids received by a two-thirds majority vote.

**COMMITTEE REPORTS:**

FINANCE COMMITTEE:

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

LEGISLATIVE COMMITTEE:

- CEO Niedfeldt provided details on various legislative bills regarding public power. One bill Niedfeldt specifically spoke about is LB83. The Bill made certain changes to the Open Meetings Act and updates current statues relating to video and virtual conferencing Board meetings. Management will update current District policies for the requirements in LB83 and will present recommendations at a future Board meeting for review and approval.

**PRESENTATION OF SCHOLARSHIPS TO 2021 RECIPIENTS**

Chairman Jacobitz presented scholarship certificates to the following 2021 recipients: Andrew Adams and Trevor Kluck from Aurora, Denton Stark from Hastings and Noah Landanger from Wood River. Arik Ackerman from Bertrand was not able to attend.

***LUNCH RECESSED AT 11:45 A.M.,  
THE MEETING RECONVENED AT 12:23 P.M. IN OPEN SESSION.***

**COMMITTEE REPORTS: (cont.)**

**FINANCE COMMITTEE:**

- Energy Park Committee Chairman Lowry reported that the committee met to discuss a potential prospect looking to locate a business in the Energy Park.

**MOTIONS & RESOLUTIONS:**

**Director Policies L through T**

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

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves Director Policies L through T including the recommended revisions by management.

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

**District Extension Policies for Platted Subdivisions**

CFO Kool recommended adding additional language to the Platted Subdivision policy allowing for the District to invest up to \$400 per lot for construction of electric service throughout the subdivision.

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the additional language to the Platted Subdivision policy as recommended by management.

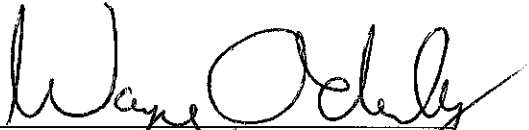
Roll call vote: Yes 11, No 0, Absent 3 (Directors Klute, Reeson and Kuehn)

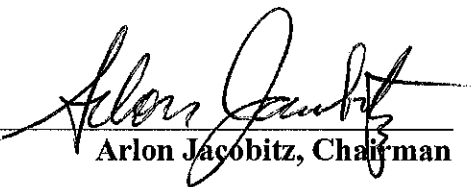
**MISCELLANEOUS BUSINESS:**

The next Board meeting is scheduled for Wednesday, June 9<sup>th</sup> at 10:00 a.m.

A Safety Council meeting is scheduled for Wednesday, May 26<sup>th</sup> at 10:00 a.m.

There being no other business, the meeting was adjourned at 12:50 p.m.

  
Wayne Anderbery, Secretary

  
Arlon Jacobitz, Chairman