

**SOUTHERN PUBLIC POWER DISTRICT  
BOARD OF DIRECTORS MEETING  
*September 9<sup>th</sup>, 2020***

The Board of Directors of Southern Public Power District met in regular session in the Board room of the District's corporate office at 4550 West Husker Highway, Grand Island, Nebraska, on September 9, 2020, at 9:30 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 (*via teleconference*), Mike Lowry, Dean Klute, Rick Bergman, Lee Grove, Marvin Fishler, Kevan Reeson, Dirk Nickel, Wayne Anderbery, Dana Meyer and Arlon Jacobitz. President/CEO Neal Niedfeldt and attorney Dave Jarecke were also present.

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 held.

**AGENDA**

There were no additions requested to the agenda.

**MINUTES**

There were no revisions made to the minutes of the August 12<sup>th</sup>, 2020 regular Board meeting.

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the minutes of the August 12<sup>th</sup>, 2020 regular Board meeting.

Roll call vote: Yes 11, No 0, Absent 2 (Directors Bergman and Reeson)

**BILLS AND CLAIMS**

Management and staff answered questions regarding bills and claims.

A motion was duly moved by Director Grove, seconded by Director Nickel, 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 2 (Directors Bergman and Reeson)

## **COMMENTS FROM THE PUBLIC**

Chairman Klute introduced past Southern Public Power District Board member, Lynn Chrisp. Mr. Chrisp spoke about his seven year experience with the Board and his present duties on the Board of The National Corn Growers Association as acting Chairman. Mr. Chrisp indicated he was in attendance in order to demonstrate support for Nebraska Public Power District candidate, Wayne Williams.

## **DIRECTOR AND MANAGEMENT REPORTS**

### **DIRECTOR REPORTS:**

- Director Katzberg, attended the Vacancy Selection Committee meeting on September 2<sup>nd</sup> in Grand Island.
- Director Lowary attended the Vacancy Selection Committee meeting on September 2<sup>nd</sup> in Grand Island.
- Director Anderbery attended the Safety Council meeting in Grand Island on August 26<sup>th</sup>.
- Director Benson attended the Vacancy Selection Committee meeting on September 2<sup>nd</sup> in Grand Island.
- Kevin Chocquette attended the Safety Council meeting via Zoom on August 26<sup>th</sup>.
- Chairman Klute attended the Vacancy Selection Committee meeting on September 2<sup>nd</sup> in Grand Island,

### **MANAGEMENT REPORTS:**

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

- CEO Niedfeldt attended the following meetings and activities during the past month:
  - Southern Public Power Meetings – Attended the Grand Island City Council meeting on August 25<sup>th</sup> in support of Webb Cutting Components TIF application. Attended the Safety Council meeting on August 26<sup>th</sup>. Attended the Vacancy Committee meeting on September 2<sup>nd</sup>.
  - NPPD – Attended the Wester Region's Managers meeting at Twin Valleys PPD in Cambridge on August 20<sup>th</sup>. Participated in the NPPD Board of Directors virtual meeting on September 3<sup>rd</sup> hosted by Ed Schrock and Melisa Freeland.
- Projects:
  - Coronavirus – All counties in the District continue to be in Phase 3 of the directed health measures as set by the Governor and the Public Health Districts. Barring an increase in the number of positive cases, all counties are expected to move to Phase 4 of the reopening guidelines on September 14<sup>th</sup>. Plans for opening service centers to the public will be delayed until the impacts of fall schools opening will have on virus containment. Management is constantly reviewing procedures currently in place for employee health and safety.
  - Operations and Construction - August was hot and dry with few storms. Minor outages occurred throughout the District during the month. Personnel continue to complete budgeted distribution and subtransmission projects. We are seeing some increased requests for grain bin services. Personnel responded to irrigation service requests during August. Contract tree trimming and the annual pole inspections continued also.
- NPPD Issues:
  - June Financials – NPPD has reported a surplus of \$16.6 million at the end of June.

NPPD staff are projecting a loss of \$6.2 million for the year due to some unexpected maintenance issues with Gerald Gentleman Station and the scheduled refueling of Cooper Nuclear Station.

- 2021 Wholesale Rate - NPPD personnel have reviewed the preliminary recommendations for the 2021 wholesale rate. There will be some shifting of costs from the winter season to the summer season. Energy costs are expected to be increased but offset by lower demand charges. The impact to the Southern District is expected to be less than .5%. The PCA credit is expected to increase in 2021 through the return of \$59.5 million of rate stabilization funds that are in excess of our contract.
- Bosselman's Charging Station – The District is working with Bosselman's to apply for a 50% grant to install a Level 2 charging station at their Travel Center at the I80 exit south of Grand Island. District staff are proceeding with the grant application.
- Personnel – There were no personnel changes this past month

#### Financial Reports:

- Summary of Revenues. CFO Brad Kool provided a comparison of revenues between July 2019 and 2020. Year-to-date revenue ending the month of July 2020 amounted to \$56.83 million compared to \$54.33 million in 2019.
- Power Costs. CFO Kool provided a summary of the power bill for July 2020 indicating a peak demand of 306,519 kW as compared to 282,048 kW recorded in July 2019. The District purchased 155.0 million kWh's in July 2020 as compared to 113.7 million kWh's in July 2019.
- Balance Sheet and Income Statement. CFO Kool provided a comparison of income statements from July 2020 and July 2019. Year-to-date net margins as of July 31, 2020 were \$12,197,694 as compared to \$8,176,482 as of July 31, 2019. CFO Kool also reviewed balance sheets from July 2020 and July 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 July 2020 was (\$181,589). Year to date 2020 the production cost adjustment reflected on customers' bills has totaled (\$1,124,278).
- The District's disconnect day was Thursday, August 27<sup>th</sup>. District personnel worked 64 accounts with 60 being disconnected remotely using the AMI disconnect collar.

#### Engineering/Operations Report:

- Load Control Conversion. Engineering/Operations Manager Aaron Brown has been working with Landis & Gyr Consulting Group on updating the Master Agreement and the Power Center Agreement for load control. Brown reported that the District controlled for a total of seven (7) days and 35 hours.
- Projects:
  - Construction crew continues to work on the CAAP to Northwest Tap budget job.
  - The Atlanta substation has been installed with the fencing being completed next week.

- Engineering Department has designed a new substation for Chapman due to the county requiring a stamped drawing before the finalization of the District's purchase agreement for the land.
- Brown met with the City of Wood River to discuss a possible Wood River Ethanol expansion project.

Marketing Report:

- Energy Service Manager Sam Reinke continues to work with Miller & Associates on the Site Ready Assistance Program.
- Mr. Reinke is working in the Work Management Analysis group and a member from NISC to create and test the program for the Districts NISC software program.
- Mr. Reinke participated in the EnergyWise Working Group zoom meeting discussing updates to the 2021 EnergyWise Efficiency Programs and the Electric Vehicle incentive programs.
- Zoom meetings provided by Ady Advantage and NPPD continue regarding economic development.
- The District issued six (6) water heaters and provided \$10,430.00 to customers for incentives under the EnergyWise Program during the month of August.

Communications Report:

- Public Relations Manager LeAnne Doose stated that area crews have been working on projects this past month that have required planned outages. Communication efforts were provided during scheduled outages in Axtell and Amick Acres in Doniphan and included social posts and door knockers.
- Promotional efforts are planned to promote safety during the harvest season and public power month. Content will be shared across social platforms and coordinated with advertising on local radio stations.

Safety Report:

- In the absence of Safety Manager Todd Bailey, Aaron Brown reported of one personal incidents that took place in the month of August.
- A Safety Council meeting was conducted on Wednesday, August 26<sup>th</sup> in Grand Island.
- Mr. Bailey continued conducting crew visits during the month of August.
- 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.

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

**RESOLUTION**

RESOLVED, that the Board of Directors of Southern Public Power District approves going into executive session at 10:50 a.m. to discuss local generation projects.

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

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

**RESOLUTION**

RESOLVED, that the Board of Directors of Southern Public Power District approves coming out of execution session at 11:40 a.m.

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

CEO Niedfeldt introduced Wayne Williams, CEO/President of Interconnection Systems Incorporated. Mr. Williams spoke about his upcoming election bid for the Subdistrict 7 seat on the Nebraska Public Power District Board of Directors.

***LUNCH RECESSED AT 12:15 P.M.,  
THE MEETING RECONVENED AT 1:02 P.M. IN OPEN SESSION.***

**CUSTOMER REPORTS:**

**DIRECTORS:**

- An encouraging message was brought to the attention of Director Benson from a customer who commented on the quick response and completion time of a recent outage in Merrick County.

**MANAGEMENT:**

- CEO Niedfeldt gave an update regarding potential new business developments happening at the I-80 Bosselman Truck Center including a potential for an electric charging station and electric pickups which would handle deliveries to various Bosselman Pump & Pantry locations throughout the state. Each station would constitute in smaller charging stations at each of the various locations.

**COMMITTEE REPORTS:**

**FINANCE COMMITTEE:**

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

**VACANCY SELECTION COMMITTEE:**

Vacancy Selection Committee Chairman Lowry reported that the committee met on Wednesday, September 2<sup>nd</sup> to conduct interviews with the three candidates for the Board vacancy spot for Hall County.

**MOTIONS & RESOLUTIONS:**

**Appointment of Board Member, Hall County**

Following interviews with candidates for the Board position in Hall County, the Vacancy Committee recommended the appointment of Robert Kieborz.

A motion was duly moved by the Board Vacancy Selection Committee to adopt the following resolution:

**RESOLUTION**

RESOLVED, that the Board of Directors of Southern Public Power District approves the selection of new Board member, Robert Kieborz, for Hall County.

Roll call vote: Yes 12, No 0, Absent 1 (Kevin Choquette)

NRECA Insurance Plans for 2021

CFO Brad Kool reported that the District has received the renewal billing rates from NRECA for the District's health insurance plan for 2021. NRECA is leveraging the financial health and strength of the Group Benefits Program Trust and their premium stabilization strategy to be able to provide their members with a 0% increase in the renewal billing rates from NRECA for the District's health insurance plans for 2021. Management recommends the Board of Directors approve the renewal of the insurance program with NRECA for 2021.

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 renewal of insurance coverage through NRECA and the health insurance options for 2021 as presented by management.

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

Voting Delegate for the NRECA Region 7 Virtual Meeting

No action was taken.

Village Lease Agreement with the Village of Hordville

CEO Niedfeldt confirmed that the Hordville Village Board approved the new Village Distribution Lease Agreement which will become effective October 1, 2020 and continue for a 20-year period until September 30, 2040.

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the Village Distribution Lease Agreement for the Village of Hordville that becomes effective October 1, 2020 and continues to September 30, 2040.

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

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves going into executive session at 1:22 p.m. to review terms with Landis & Gyr which are considered proprietary and to prevent potential litigation.

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

A motion was duly moved by Director Nickel, 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 1:52 p.m.

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

Amendments to Landis & Gyr Master Agreements

CEO Niedfeldt stated that after negotiations with Landis & Gyr for compensation of costs incurred since 2016 related to the failures of the switches, Landis & Gyr has offered considerations that are contingent upon the District's agreement to certain amendments. Management requests that the Board approve the letter and amendments to both the Landis & Gyr Master Agreement and SaaS Agreement.

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the considerations to certain amendments to the Landis & Gyr Master Agreement, SaaS Agreement and letter as requested by management.

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

**MISCELLANEOUS BUSINESS:**

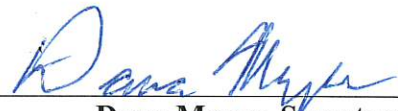
The next Board meeting is set for Wednesday, October 14, 2020.

NRECA Region 7 Virtual Meeting is October 12 – 15, 2020

Labor Committee meeting will be at 9:00 a.m. on October 14, 2020

Budge Committee Meeting is set for October 28<sup>th</sup> at 9:00 a.m.

There being no other business, the meeting was adjourned at 2:00 p.m.

  
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Dana Meyer, Secretary

  
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Dean Klute, Chairman