



BOARD OF DIRECTORS MEETING

April 12th, 2023

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 April 12, 2023, at 10:00 a.m. pursuant to the mailed notice of the meeting sent to all Directors of the District and notice posted. Dana Meyer, Chairman of the District, called the meeting to order.

Directors present were as follows: Larry Benson, Neal Katzberg, Dean Klute, Lee Grove, Kevin Choquette, Joel Kuehn, Rick Bergman, Courtney Retzlaff, Joe Gustafson, Bob Kieborz, Curtis Rohrich, Wayne Anderbery, Dana Meyer and Arlon Jacobitz. President/CEO Neal Niedfeldt and attorney Dave Jarecke were also present.

Directors absent: None.

Chairman Meyer 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 March 15, 2023 regular Board meeting.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the minutes of the March 15, 2023 regular Board meeting.

Roll call vote: Yes 10, No 0, Abstain 3 (Directors Grove, Choquette and Kuehn) Absent 1 (Director Bergman)

BILLS AND CLAIMS

Management and staff answered questions regarding bills and claims.

A motion was duly moved by Director Grove, seconded by Director Klute, 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 14, No 0

COMMENTS FROM THE PUBLIC

There were no comments made.

DIRECTOR TRAINING

The District's Attorney Dave Jarecke presented the Board of Director Training on Statutory Responsibilities.

DIRECTOR AND MANAGEMENT REPORTS

DIRECTOR REPORTS:

- Directors Choquette, Retzlaff, Jacobitz and Kuehn attended the Audit Committee meeting on April 5th.
- Directors Benson, Bergman, Grove, Katzberg and Chairman Meyer attended the Labor Committee meeting on April 11th.

MANAGEMENT REPORTS:

President's comments:

- CEO Niedfeldt attended the following meetings and activities during the past month:
 - SPPD – Attended the Western Managers Meeting at Twin Valleys PPD in Cambridge on March 30th. Attended the Eastern Managers Meeting in Lincoln on March 31st. Attended the Audit Committee meeting on April 5th. Attended the Operation Round Up meeting on April 11th. Attended the Labor Committee meeting on April 11th.
 - NPPD – Attended the Public Hearing on the Integrated Resource Plan in Kearney on March 21st. Attended the Wholesale Customer meeting in York on March 23rd.
- NPPD Issues:
 - March 2023 Rate Stabilization Fund – NPPD has reported an \$8.4 million surplus for March and a YTD surplus of \$11.8 million through March 31, 2023. The Wholesale Production share of the forecasted surplus is \$11.4 million with the remainder assigned to the retail division.
 - Director Fred Christensen of Lyons passed away on March 31st. The Governor will appoint his replacement.
 - On March 23rd NPPD hosted a Wholesale Customer meeting with topics that included:
 - Economic Development Projects
 - Irrigation Simulation Results for Demand Response program
 - Nuclear Decommissioning Fund Rate Collections
 - Renewable Energy Certificates
 - Recap of Integrated Resource Plan
- Inflation Reduction Act/Infrastructure and Investment Jobs Act (IRA/IIJA) – On March 17th, the District submitted concept ideas to NRECA in order to be included in their consortium application. The District's application would include replacement of old single-phase amerductor lines in Franklin County and assistance with the completion of the 69 kV upgrade project in Hamilton and Merrick Counties. Staff will be working with NRECA grant writers to develop the formal application.
- Economic Development – The Economic Development Rate Agreement with Green Plains-Central City has been fully executed and billings on this rate will begin in April. ArchGreen, LLC and NPPD has executed all agreements. GMCO, Corp. has indicated they will sign the Purchase Agreement for property in the Energy Park with the intentions of closing on the property by the end of April.

- Personnel – Jack Welch retired on April 7th. Travis Doht has been named the new Manager of Information Technology. A search continues for the position vacated by Travis.

Financial Reports:

- Summary of Revenues. CFO Shannon Peard provided a comparison of revenues between February 2022 and 2023. Year-to-date revenues through February 2023 amounted to \$9.7 million as compared to \$10.0 million in 2022.
- Power Costs. CFO Peard provided a summary of the power bill for February 2023 indicating a peak demand of 146,479 kW as compared to 155,472 kW recorded in February 2022. The District purchased 74.78 million kWh's in February 2023 as compared to 78.17 million kWh's in February 2022.
- Balance Sheet and Income Statement. CFO Peard provided a comparison of income statements from February 2023 and February 2022. Year-to-date net margins as of February 28, 2023, were (\$2,921,954) as compared to (\$1,957,150) as of February 28, 2022.
- Cash Flow Summary. CFO Peard provided a summary of the statements of cash flows. Cash and investments at February 28, 2023 were \$58.3 million compared to \$58.2 million at February 28, 2022.

Customer Service and Collection Report:

- The District's disconnect day was Wednesday, March 29th. District personnel worked 31 accounts with 28 accounts being disconnected remotely.

Engineering/Operations Report:

- Engineering/Operations Manager Aaron Brown gave an update on delivery dates of meters, transformers and other inventory items.
- The Construction Crew continues to work on Budget 303 Chapman 76-6 to Howard Greely tap to install five miles of T2-4/0 wire.
- The Engineering department has hired Bret Ekberg as the new Surveying Technician who will be working out of the Funk Service Center location.

MATT MCLAUGHLIN

Matt McLaughlin, Vice President of Business Development of Cathcart Rail was present along with Casey Cathcart, Chairman and CEO of Cathcart Rail (virtually), discussing their 27-mile short line railroad services they will be providing west of Grand Island, including the rail that runs through the District's Energy Park. The District along with Cathcart Rail will jointly be marketing those properties to bring commercial and industrial development to that area.

***LUNCH RECESSED AT 12:10 P.M.,
THE MEETING RECONVENED AT 1:00P.M. IN OPEN SESSION.***

2023 AUDIT

Bob Beran, Auditor from Dana Cole, was present to review the 2022 Audit Report and answered questions from the Directors. Mr. Beran noted that the District is receiving an unmodified opinion which indicates the financial statements are presented fairly in all material respects.

Acceptance of the 2022 Audit Report

A motion was duly moved by the Audit Committee to adopt the following resolution:

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District accepts the District's 2022 Audit Report including the Auditor's opinion from Dana Cole.

Roll call vote: Yes, 14, No 0, Absent 0

MANAGEMENT REPORTS: (cont.)

Energy Services Report:

- Energy Services Manager Sam Reinke reported that all Village Board visits have been completed. Overall, the villages are extremely satisfied with their service from the District.
- During the month of March, the District issued five (5) water heaters and provided incentives totaling \$10,063 to customers through the Energy Efficiency Program. Year-to-date Energy Efficiency incentives totaled \$37,354. The District provided \$129 in Efficient Electrification incentives during March.
- Staff processed and mailed the billing for the March horsepower.
- Staff processed 75 capacitor rebate applications in March and delivered customer rebates totaling \$27,719.

Communications and Public Relations Report:

- Public Relations Manager Amanda Groff reviewed upcoming promotional efforts that are planned through the end of May.
- The Operation RoundUp Board met on Tuesday, April 11th and awarded 12 grants totaling \$24,000 for the first quarter of 2023.
- Groff reported on her attendance at the NRECA Communicator Orientation conference in Washington D.C. March 21st-24th.

Safety Report:

- Safety Manager Todd Bailey reported on personnel and equipment claims for the month of March.
- Safety Training will be conducted in Grand Island on April 25th and 26th.

CUSTOMER REPORTS:

DIRECTORS:

- Director Grove reported that a customer notified him about continual power outages due to acts of vandalism around the Wilcox, Hildreth and Axtell area. The customer was questioning if there was a way to find out when these power outages were occurring. E&O Manager Brown informed Director Grove that there is a way the District can determine what time the outages are taking place.

MANAGEMENT:

- CEO Niedfeldt gave updates on Economic Development Projects the District currently has been working on.

COMMITTEE REPORTS:

FINANCE COMMITTEE:

- Director Kuehn reported that all funds were adequately covered by FDIC insurance and joint custody receipts.

LEGISLATIVE COMMITTEE:

- CEO Niedfeldt reported that there were no critical legislative bills being debated at this time that would impact the District.

LABOR COMMITTEE:

- Director Benson reported that the Labor Committee met on Tuesday, April 11, to review recent changes to the Employee Handbook.

Amendments to the District's Employee Handbook

A motion was duly moved by the Labor Committee to adopt the following resolution:

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District accepts the changes to the District's Employee Handbook as recommended by management.

Roll call vote: Yes, 14, No 0, Absent 0

MOTIONS & RESOLUTIONS:

Proposal from Federated Rural Electric Insurance Exchange

CFO Peard reported that the District's property and liability insurance coverage is set to expire on April 30, 2023. CFO Peard recommended the District renew the annual coverage with Federated effective May 1, 2023. Premiums effective May 1, 2023, are \$401,566 as compared to \$380,359 in 2022.

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 the proposal from Federated Rural Electric Insurance Exchange for the one-year period starting May 1, 2023.

Roll call vote: Yes 14, No 0, Absent 0

Skeiron MOU

CEO Niedfeldt stated that the District along with NPPD have been working with Skeiron Green Energy who has an interest in setting up a green anomia plant in Hamilton County. The District, NPPD and Skeiron are finalizing a Memorandum of Understanding that lays out the expectations of all three parties going forward. Management is asking for authorization to enter into the MOU Agreement with NPPD and Skeiron.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the authorization of Management to complete and execute the Memorandum of Understanding Agreement with NPPD and Skeiron for a green anomia plant in Hamilton County.

Roll call vote: Yes 14, No 0, Absent 0

Charge Off Uncollectible Accounts

CFO Peard provided a review of accounts recommended for charge-off. CFO Peard reported that the list of recommended charge-offs totaled \$486.03.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves charge-offs of delinquent accounts totaling \$486.03 as recommended by management.

Roll call vote: Yes 14, No 0, Absent 0

Lineman Scholarships

CEO Niedfeldt recommended that six (6) scholarships be awarded for the Lineman Scholarship Program for the year 2023. The six applicants include: Taten Uden from Kenesaw, Ryan Michalski from Grand Island, Trevor Campbell from Hastings, Cabot Archer from Clarks, Landon Way from Bertrand and Devin Zerr from Heartwell.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves awarding six lineman scholarships for the year 2023. The recipients being: Taten Uden from Kenesaw, Ryan Michalski from Grand Island, Trevor Campbell from Hastings, Cabot Archer from Clarks, Landon Way from Bertrand and Devin Zerr from Heartwell.

Roll call vote: Yes 14, No 0, Absent 0

Resolution of Appreciation for Jack Welch

A motion was duly moved by the Board of Directors, to adopt the following resolution:

WHEREAS, Jack Welch, Information Technology Manager at Southern Public Power District has exemplified outstanding expertise, dedication and commitment during his career serving the customers of the District; and

WHEREAS, Jack began his career at Southern Public Power District on November 1, 2011 as the Information Technology Manager; and

WHEREAS, Jack was instrumental in upgrading technology for the District and his in-depth knowledge of data analysis has made him a key resource when challenges arise; and

WHEREAS, Jack has demonstrated thoughtful leadership in guiding the District to utilizing modern technology and providing wisdom and insight to the employees of the Grand Island Office; and

WHEREAS, Jack has retired from service to the District and its customers on April 7, 2023, after faithfully serving the customers of Southern Public Power District for over 11 years.

NOW, THEREFORE BE IT RESOLVED, that we, as the Board of Directors of Southern Public Power District, do hereby extend to Jack, our sincere and grateful appreciation for his dedicated service to Southern Public Power District and extend our congratulations on his well-earned retirement, and our best wishes to him and his wife Joyce for continued success, happiness and good health in the years to come.

Roll call vote: Yes 14, No 0, Absent 0

Resolution for Lineman Appreciation Day

A motion was duly moved by the Board of Directors, to adopt the following resolution:

WHEREAS, the Southern Public Power District’s linemen are responsible for building and maintaining a complex system of more than 7,098 miles of subtransmission and

distribution lines, which contributes to the livelihood of our region and the local economy as electricity is delivered to homes, businesses, farms, churches and schools; and

WHEREAS, the electrical grid must be maintained and operated twenty-four hours a day, seven days a week and three hundred sixty-five days a year in all weather conditions; and

WHEREAS, the District's 56 linemen have demonstrated outstanding skill and dedication to safe work practices, while building and maintaining the electric grid and learning new skills as new technologies are introduced into their profession; and

WHEREAS, the linemen of Southern Public Power District risk their lives daily to ensure the reliable delivery of electricity to the customers, and are deserving of honor, respect and gratitude of the public.

THEREFORE, BE IT RESOLVED, that we, the Members of the Board of the Southern Public Power District, recognize the significant contributions and efforts of our linemen who work in challenging conditions to power a brighter future for our customers, and we express our appreciation to them, as we recognize April 18, 2023 as Lineman Appreciation Day.

Roll call vote: Yes 14, No 0, Absent 0

MISCELLANEOUS BUSINESS:

A Special Board meeting will be held on Wednesday, May 10th at 9:00 a.m.

The next Board meeting will be held on Wednesday, May 17th, 2023.

There being no other business, the meeting was adjourned at 2:05 p.m.



Kevin Choquette, Secretary



Dana Meyer, Chairman