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## BOARD OF DIRECTORS MEETING

*August 9, 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 August 9, 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, Lee Grove, Kevin Choquette, Joel Kuehn, Rick Bergman, Courtney Retzlaff, Joe Gustafson, Dean Klute, Neal Katzberg, Curtis Rohrich, Wayne Anderbery, Dana Meyer and Bob Kieborz. President/CEO Neal Niedfeldt and attorney Ellen Kreifels were also present.

Directors absent: Arlon Jacobitz

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 July 12, 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 July 12, 2023 regular Board meeting.

Roll call vote: Yes 12, No 0, Abstain 1 (Director Kieborz), Absent 1 (Director Jacobitz)

### BILLS AND CLAIMS

Management and staff answered questions regarding bills and claims.

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 all bills and claims.

Roll call vote: Yes 13, No 0, Absent 1 (Director Jacobitz)

## **COMMENTS FROM THE PUBLIC**

There were no comments made.

## **EXECUTIVE SESSION**

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

### **RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves going into executive session at 10:07 a.m. to discuss a potential economic development project.

Roll call vote: Yes 13, No 0, Absent 1 (Director Jacobitz)

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

### **RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves coming out of executive session at 11:14 a.m.

Roll call vote: Yes 13, No 0, Absent 1 (Director Jacobitz)

## **DIRECTOR AND MANAGEMENT REPORTS**

### **DIRECTOR REPORTS:**

- Directors Bergman, Anderbery, Kuehn, Choquette and Meyer attended the Search Committee meeting on Thursday, July 27<sup>th</sup>.

### **MANAGEMENT REPORTS:**

President's comments:

- CEO Niedfeldt attended the following meetings and activities during the past month:
  - SPPD – Attended the Employee Family Night at the Sodbusters in Hastings on July 14<sup>th</sup>. Attended the Operation Round Up Board meeting on July 18<sup>th</sup>. Attended the Hamilton County Commissioners meeting in Aurora on July 24<sup>th</sup> with Arch Green LLC. Attended the Global Leadership Summit in Grand Island on August 3<sup>rd</sup> and 4<sup>th</sup>. Attended the Adams County Planning and Zoning Committee meeting in Hastings on August 7<sup>th</sup> with AAIM Data Centers
  - NPPD – Attended the Wholesale Customer meeting on July 20<sup>th</sup>. Attended the Eastern Manager's Meeting in Lincoln on July 29<sup>th</sup>. Attended the Western Manager's Meeting at South Central PPD in Nelson on August 1<sup>st</sup>.
  - NPA – Attended the Bi-monthly Board meeting on July 19<sup>th</sup>. Attended the Lineworkers Rodeo in Broken Bow on July 21<sup>st</sup>.
- NPPD Issues:
  - July Financials – NPPD has reported a surplus of \$7.5 million for the month of July. The year-to-date surplus through the end of July is \$50.7 million.
  - Contract Performance Results for 2022 – The current wholesale contract with NPPD requires NPPD to remain under the 45<sup>th</sup> percentile of the average wholesale cost reported by the 800 electric cooperatives and power districts to CFC. Results from 2022 indicate NPPD ranked in the 11<sup>th</sup> to 12<sup>th</sup> percentile. The ranking includes the PCA credit. Without the PCA credit, NPPD would have ranked at the 23<sup>rd</sup> percentile.
- Operations – All areas continue to work on distribution Budget projects, replacing the Osrose rejected poles, and constructing new services, including installing electric facilities to serve

several new residential subdivisions. Summer maintenance continues along with trouble calls by Maintenance crews. Watts Construction started the 9-mile subtransmission project west of Grand Island and the District's subtransmission crews are making progress on the Giltner project.

- Irrigation – The week of July 24<sup>th</sup> brought high temperatures with little rain leading to NPPD calling for load control each of the 5 days during the week. The District reached a non-controlled peak of 347 MW's slightly less than the 352 MW's reached in 2022. Controlled billable peaks averaged 246 MW's.
- Economic Development – Management continues to work with several projects on locating to our service area. Meetings with county officials, local area economic development entities and landowners have taken place this past month.
- Personnel – Alex Barwick started on August 1<sup>st</sup> on the subtransmission crew due to recent transfers to other District positions. Alex is originally from Alma and interned with the District a year ago. After graduating he started his career with Grand Island Utilities prior to joining the District.

#### Financial Reports:

- Summary of Revenues. CFO Shannon Peard provided a comparison of revenues between June 2022 and 2023. Year-to-date revenues through June 2023 amounted to \$42.7 million as compared to \$41.4 million in 2022.
- Power Costs. CFO Peard provided a summary of the power bill for June 2023 indicating a peak demand of 279,487 kW as compared to 258,157 kW recorded in June 2022. The District purchased 103.97 million kWh's in June 2023 as compared to 98.98 million kWh's in June 2022.
- Balance Sheet and Income Statement. CFO Peard provided a comparison of income statements from June 2023 and June 2022. Year-to-date net margins as of June 30, 2023, were \$4,303,141 as compared to \$4,612,128 as of June 30, 2022.
- Cash Flow Summary. CFO Peard provided a summary of the statements of cash flows. Cash and investments at June 30, 2023 were \$50.7 million compared to \$56.5 million at June 30, 2022.

#### Customer Service and Collection Report:

- The District's disconnect day was rescheduled to August 1<sup>st</sup> due to the extreme heat. District personnel worked 38 accounts on July 7<sup>th</sup>.

#### Engineering/Operations Report:

- Engineering and Operations Manager Aaron Brown reported that the dirt work will begin on the ArchGreen project as weather permits.
- Mr. Brown reported on an issue in regards to Virginia Transformer bushings which is being corrected by the vendor.
- Osmose pole testing started testing poles and thus far they have inspected 4,500 with 115 poles rejected. The failure rate is 2.6%.

***LUNCH RECESSED AT 12:00 P.M.,  
THE MEETING RECONVENED AT 12:40 P.M. IN OPEN SESSION.***

**MANAGEMENT REPORTS: (cont.)**

**Energy Services Report:**

- Energy Services Manager Sam Reinke participated in the Sustainable Energy working group meeting and also is assisting in the preparation for Husker Harvest Days.
- During the month of June, the District issued two (2) water heaters and provided incentives totaling \$9,933 to customers through the Energy Efficiency Program. Year-to-date Energy Efficiency incentives totaled \$92,332. The District provided \$241 in Efficient Electrification incentives during July.
- Irrigation was controlled for five days in July for a total of 49 hours with an average of load reduction of 92 MW's.

**Communications and Public Relations Report:**

- Public Relations Manager Amanda Groff reviewed upcoming promotional efforts that are planned through the end of August.
- Several parades were attended by service center crews with more parade requests being received for the remainder of the summer and fall festivals.
- The Operation Round Up Board met on July 18<sup>th</sup> awarding eight grants, totaling \$16,000. The Board voted Jaime Rathman of Cairo as the new Hall County representative and will begin the search for a new Phelps County Operation Round Up representative.

**Safety Report:**

- In the absence of Safety Manager Todd Bailey, CEO Shannon Peard reported that there were no personnel or equipment claims for the month of July.
- The District had several linemen participate in the 2023 Lineman Rodeo in Broken Bow with Arik Ackerman, Funk lineman, taking 2<sup>nd</sup> place overall in the Apprentice division and Travis Forbis, Central City lineman, taking 3<sup>rd</sup> place in the Mutual Aid event.

**CUSTOMER REPORTS:**

**DIRECTORS:**

- Director Klute was in contact with a customer who claimed his well was not operating correctly during load control.

**MANAGEMENT:**

- CEO Niedfeldt gave an update on various economic development projects and that the District is currently working on.

**COMMITTEE REPORTS:**

**FINANCE COMMITTEE:**

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

**SEARCH COMMITTEE:**

- Chairman Meyer stated that the Committee met on July 27<sup>th</sup> to review applications with the Executive Search firm. The Committee selected four applicants for formal interviews to be conducted the week of August 14<sup>th</sup>. The Committee will bring a recommendation to the full Board of Directors at a Special Meeting scheduled for August 18<sup>th</sup>.

**MOTIONS & RESOLUTIONS:**

**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 \$1,398.05.

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves charge-offs of delinquent accounts totaling \$1,398.05 as recommended by management.

Roll call vote: Yes 13, No 0, Absent 1 (Director Jacobitz)

*Voting Delegate for the NRECA Region 7 Meeting*

Due to there being no change in the voting delegates from last year, no action was taken.

*Excused Absence for Director Jacobitz*

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the excused absence of Director Jacobitz.

Roll call vote: Yes 13, No 0, Absent 1 (Director Jacobitz)

**MISCELLANEOUS BUSINESS:**

The 2023 NPPD Annual Customer Meeting and Appreciation Event will be held in Kearney on August 17<sup>th</sup>-18<sup>th</sup>.

The 2023 NPA Annual Conference will be in Kearney on August 22<sup>nd</sup>-23<sup>rd</sup>.

The Safety Council will hold their next meeting in Hastings on August 29<sup>th</sup>.

The next Board of Directors meeting will be held on Wednesday, September 13<sup>th</sup>.

The NRECA Region 7 Meeting will be in Omaha on September 26<sup>th</sup>-28<sup>th</sup>.

There being no other business, the meeting was adjourned at 1:45 p.m.

  
Kevin Choquette, Secretary

  
Dana Meyer, Chairman