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## BOARD OF DIRECTORS MEETING

*February 9, 2022*

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 February 9, 2022, 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, Mike Lowry, Dean Klute, Rick Bergman, Lee Grove, Kevan Reeson (left at noon), Marvin Fishler, Bob Kieborz, Wayne Anderbery, Dana Meyer and Arlon Jacobitz. President/CEO Neal Niedfeldt and attorney Dave Jarecke were also present.

Directors absent: Mike Lowry

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

No revisions were made to the minutes of the January 5, 2022 regular Board meeting.

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

#### **RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the minutes of the January 5, 2022 regular Board meeting.

Roll call vote: Yes 12, No 0, Abstain 1 (Director Kuehn) Absent 1 (Director Lowry)

### STRATEGIC PLANNING

There were no revisions made to the minutes of the February 2, 2022 Board of Directors Strategic Planning Meeting.

A motion was duly moved by Director Bergman, 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 February 2, 2022 Board of Directors Strategic Planning Meeting.

Roll call vote: Yes 11, No 0, Abstain 2 (Directors Katzberg and Reeson) Absent 1 (Director Lowry)

### **BILLS AND CLAIMS**

Management and staff answered questions regarding bills and claims.

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 all bills and claims.

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

### **COMMENTS FROM THE PUBLIC**

There were no comments made.

### **DIRECTOR AND MANAGEMENT REPORTS**

#### **DIRECTOR REPORTS:**

- Director Meyer attended the Strategic Planning meeting on February 2<sup>nd</sup> and the Executive Committee meeting on February 9<sup>th</sup>.
- Director Choquette attended the Strategic Planning meeting on February 2<sup>nd</sup>; the Franklin Village Board meeting on February 8<sup>th</sup> and the Executive Committee meeting on February 9<sup>th</sup>.
- Director Fishler attended the Legislative Committee meeting on January 26<sup>th</sup>; the Chapman Village Board meeting on February 1<sup>st</sup> and the Strategic Planning meeting on February 2<sup>nd</sup>.
- Director Bergman attended the Bertrand Village Board meeting on February 8<sup>th</sup> and the Strategic Planning meeting on February 2<sup>nd</sup>.
- Director Benson attended the Chapman Village Board meeting and the Strategic Planning Meeting on February 2<sup>nd</sup>.
- Director Anderbery attended the Legislative Committee meeting (via zoom) on January 26<sup>th</sup>; the Heartwell Village Board meeting on February 1<sup>st</sup>; the Strategic Planning meeting on February 2<sup>nd</sup> and the Executive Committee meeting on February 9<sup>th</sup>.
- Director Katzberg attended the Trumbull Village Board meeting on January 10<sup>th</sup>.
- Director Kuehn attended the Legislative Committee meeting on January 26<sup>th</sup> and the Strategic Planning meeting on February 2<sup>nd</sup>.
- Director Grove attended the Strategic Planning meeting on February 2<sup>nd</sup> and the Loomis Village Board meeting on February 7<sup>th</sup>.
- Director Kieborz attended the Legislative Committee meeting on January 26<sup>th</sup> and the Strategic Planning meeting on February 2<sup>nd</sup>.
- Chairman Jacobitz attended the Kenesaw Village Board meeting on January 11<sup>th</sup>; the Legislative Committee meeting on January 26<sup>th</sup>; the Strategic Planning meeting on February 2<sup>nd</sup> and the Executive Committee meeting on February 9<sup>th</sup>.

#### **MANAGEMENT REPORTS:**

President's comments:

- CEO Niedfeldt attended the following meetings and activities during the past month:
  - SPPD – Attended the quarterly meeting of the SPPD Area Development Fund (Operation Round Up) on January 18<sup>th</sup>. Attended the Strategic Planning managers meeting with Charity Adams from Vision Fusion on January 25<sup>th</sup> to provide input on

strategic planning issues. Attended the Legislative Committee meeting on January 26<sup>th</sup> in Grand Island. Attended the Natural Resources Committee hearing on LB 1046 and provided testimony in opposition to the bill. Attended the Strategic Planning Board meeting on February 2<sup>nd</sup> at the Crane Trust Nature and Visitor Center. Hosted the Western Region's Managers meeting on February 4<sup>th</sup>. Attended the Franklin City Council meeting on February 8<sup>th</sup>.

- NRECA – Attended the CEO Conference in Phoenix, Arizona, held on January 9<sup>th</sup> through the 11<sup>th</sup>.
- NPA – Participated virtually in the bi-monthly Board meeting held January 19<sup>th</sup>.
- Operations and Construction - Personnel are performing normal winter maintenance, started on 2022 budget projects and constructing new services. Crews have completed 32 irrigation services out of 111 services that have paid for the upcoming irrigation season.
- Irrigation – Letters to all irrigation customers to confirm their rate status for 2022 are being mailed and processed in February. Preparations will then be made to process the spring horsepower billing.
- NPPD – The preliminary report from NPPD indicates they will have a \$199.5 million balance in the Rate Stabilization Fund at the end of 2021. This balance is remaining after the use of \$60 million for the early retirement of debt in December.
- Bluestem Wind Project – Bluestem personnel have completed concrete work for their equipment. Over the next three weeks they will be installing piers for the substation steel and pouring the control house pad and setting the control house. The schedule indicates an operational date of July 15<sup>th</sup>.
- SPP Transmission Studies – The District has requested transmission studies for additional loads in the Minden, Rosedale, Wood River and Alda areas as potential cryptocurrency projects have indicated interest in those areas. Compute North (Minden) continues to work with NPPD on a timeline for equipment installations and also with the State Department of Economic Development for an incentive package. Other projects are in the beginning stages of discussion and planning.
- Personnel – Anthony Bohaty, Irrigation Services Manager, has announced his resignation effective January 31, 2022. The District is actively searching for a replacement.

#### Financial Reports:

- Summary of Revenues. CFO Brad Kool provided a comparison of revenues between December 2020 and 2021. Year-to-date revenue ending the month of December 2021 amounted to \$85.19 million compared to \$90.31 million in 2020.
- Power Costs. CFO Kool provided a summary of the power bill for December 2021 indicating a peak demand of 128,463 kW as compared to 129,427 kW recorded in December 2020. The District purchased 79.77 million kWh in December 2021 as compared to 80.18 million kWh in December 2020.
- Balance Sheet and Income Statement. CFO Kool provided a comparison of income statements from December 2021 and December 2020. Year-to-date net margins as of December 31, 2021 were \$7,783,768 as compared to \$11,154,574 as of December 31, 2020. CFO Kool also reviewed balance sheets from December 2021 and December 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 December 2021 was (\$183,141). Year to date 2021 the production cost adjustment reflected on customers' bills has totaled (\$2,424,784).
- The District's disconnect day was Thursday, January 27th. District personnel worked 53 accounts, with 52 accounts being disconnected remotely using the AMI disconnect collar.

#### Engineering/Operations Report:

- The District currently has 187 irrigation applications and have released 175 irrigation estimates of which 111 have been paid.
- Work continues on the substation design for Central City's Ethanol's substation expansion project.
- Staff is currently working with several developers for new housing subdivisions.
- Transformer contract bids for eight new substation transformers have been released.

#### Marketing Report:

- Visits by management and Board members were made to the Villages of Palmer, Phillips, Trumbull, Funk and Kenesaw.
- Sam Reinke, Energy Services Manager, participated in the NPPD Solar Sub-Committee and EV Task Force team meetings.
- During the month of January, the District issued 13 water heaters and provided incentives totaling \$13,035 to customers through the EnergyWise Program. Year to date Electric Vehicle incentives total \$8,000.

#### Communications Report:

- Public Relations Manager LeAnne Doose reported that the Employee Recognition Banquet scheduled for January 28<sup>th</sup> was cancelled. As an alternative, 15 service award recipients will be recognized at a special lunch at the Grand Island Corporate office on Friday, February 18, 2022.
- The Operation Round Up Board met on Tuesday, January 18, 2022. Seven applications were reviewed, with \$11,000 awarded to six applicants. This grant cycle brings the total funds awarded to \$421,115 since the program was initiated.
- The 2021 Annual Report is being completed and will soon be available.
- Doose reviewed promotional efforts that are happening now and through the month of March.

#### Safety Report:

- Safety Director Todd Bailey reported on various personnel and vehicle claims during the month of January.
- Central City lineman, Ryan Mildenstein, has become certified in First-Aid/CPR training and will be the District's facilitator for these types of trainings.
- Each area office conducted their annual stick and ground testing.

#### **CUSTOMER REPORTS:**

##### **DIRECTORS:**

- Director Benson reported that a family member commented positively on the District's quick response time of a recent outage she had on her property.
- Director Anderbery received an inquiry from a customer questioning why the District is requiring them to install the meter socket on his house. Engineering/Operations Manager

Aaron Brown explained that he was aware of the situation and had a meeting scheduled with the customer to resolve the concern.

- Director Fishler received an inquiry from a customer regarding the responsibility of payment for new capacitors on irrigation motors.
- Director Bergman had a question regarding the ABC reflectors on the poles from various customers. Engineering/Operations Manager Aaron Brown stated that the reflectors were placed on the poles to identify each phase to assist with the operations, maintenance and outage response.

**MANAGEMENT:**

- CEO Niedfeldt had no report.

**COMMITTEE REPORTS:**

**FINANCE COMMITTEE:**

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

**LEGISLATIVE COMMITTEE:**

- Legislative Committee Chairman Kuehn stated that the Legislative Committee held a zoom meeting on January 26<sup>th</sup> with the District's lobbyist from Nowka & Edwards discussing various bills in the legislature. CEO Neal Niedfeldt then reviewed and discussed bills that were of interest to the District and the public power industry.

**STRATEGIC PLANNING COMMITTEE:**

- Chairman Jacobitz commended all Board members who attended the Strategic Planning meeting on February 2<sup>nd</sup> with facilitator Charity Adams. Mrs. Adams will provide the District with a report that creates a timeline consisting of a one-year quarterly calendar with measurable and accountable tasks to assist staff members in implementing the directions of the Board.

**MOTIONS & RESOLUTIONS:**

**Charge Off Uncollectible Accounts**

CFO Kool provided a review of accounts recommended for charge-off. CFO Kool reported that the list of recommended charge-offs totaled \$1,260.39.

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

**RESOLUTION**

**RESOLVED**, that the Board of Directors of Southern Public Power District approves charge-offs of delinquent accounts totaling \$1,260.39 as recommended by management.

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

**Rate Change for Rate Schedule "STS" Sub-transmission and Substation Transformation Service**

CFO Kool reviewed the proposed changes to the "STS" rate schedule for billing customers receiving sub-transmission line and/or substation transformation services for 2022.

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the revised rate change for Rate Schedule "STS" for billing customers using sub-transmission line service of \$1.14 per kW and for substation transformation service of \$1.01 per kW.  
Roll call vote: Yes 13, No 0, Absent 1 (Director Lowry)

Rate Change for Rate Schedule DG – Distributed Generation Service

CFO Kool reviewed the Distributed Generation Service rate schedule and staff's recommendation to adjust the rate from 2.66¢ per kWh to 2.64¢ per kWh.

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the revised rate change for Rate Schedule DG – Distributed Generation Service from 2.66¢ to 2.64¢ per kWh.  
Roll call vote: Yes 13, No 0, Absent 1 (Director Lowry)

Corporate Authorization Resolution

CFO Kool recommended the placement of funds into a Certificate of Deposit for ten months with Five Points Bank.

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the Corporate Resolution for a Certificate of Deposit with Five Points Bank for ten months.  
Roll call vote: Yes 13, No 0, Absent 1 (Director Lowry)

***LUNCH RECESSED AT 11:05 A.M.,  
THE MEETING RECONVENED AT 12:20P.M. IN OPEN SESSION.***

Solar Power Purchase Agreement

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves going into closed session at 12:25 p.m. to discuss business matters.  
Roll call vote: Yes 13, No 0, Absent 1 (Director Lowry)

A motion was duly moved by Director Kuehn, 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 closed session at 1:25 p.m.

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

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

**RESOLUTION**

RESOLVED, that the Board of Directors of Southern Public Power District approves authorizing management to execute the Solar Power Purchase Agreement with Sol Systems, LLC for six separate solar contracts at 1MG each.

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

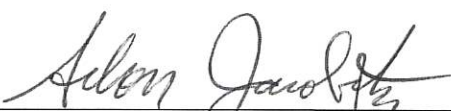
**MISCELLANEOUS BUSINESS:**

The NRECA Annual Member Business Meeting will be conducted during the PowerXchange Conference to be held March 4-9, 2022 in Nashville, TN.

The next Board Meeting is scheduled for Wednesday, March 16, 2022 at 10:00 a.m.

There being no other business, the meeting was adjourned at 1:30 p.m.

  
Wayne Anderbery, Secretary

  
Arlon Jacobitz, Chairman