

**SOUTHERN PUBLIC POWER DISTRICT  
BOARD OF DIRECTORS MEETING  
*January 5th, 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 January 5, 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: Joel Kuehn

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**

A minor revision was requested for the minutes of the December 8, 2021 regular Board meeting.

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the revised minutes of the December 8, 2021 regular Board meeting.

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

**BILLS AND CLAIMS**

Management and staff answered questions regarding bills and claims.

A motion was duly moved by Director Bergman, seconded by Director Lowry, 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 Kuehn)

**COMMENTS FROM THE PUBLIC**

There were no comments made.

## **DIRECTOR AND MANAGEMENT REPORTS**

### **DIRECTOR REPORTS:**

- Director Reeson received many compliments for the District's response to the tornado in December.
- Director Lowry attended the Sanitary Improvement District No. 5 meeting.
- Directors Fishler and Benson discussed the Nebraska Extension Ag Day events to be held on February 2nd and 8th in Central City and Aurora. The agenda drafted by the Nebraska Extension office lists the District's irrigation pricing changes and options as a topic of discussion.
- Director Bergman attended NRECA Director Training in Nashville on December 13<sup>th</sup> and 14<sup>th</sup>.
- Directors Choquette, Anderbery and Chairman Jacobitz attended the planning meeting for the upcoming Strategic Planning Session to be held February 2, 2022.

### **MANAGEMENT REPORTS:**

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

- CEO Niedfeldt attended the following meetings and activities during the past month:
  - SPPD – Eastern Region's Managers meeting, December 22nd.
  - NPPD – Met with Tom Kent, NPPD President and CEO; and Laura Kapustka, NPPD CFO on December 21st to discuss wholesale rates, rate stabilization funds, NPPD's use of debt financing, transmission planning for Energy Park and relationship issues with NPPD and wholesale customers.
- Operations and Construction: Personnel responded to high winds on December 16th which caused damages throughout the District's service area, resulting in approximately 1,500 customers losing power. Hamilton County was the hardest hit with more than 60 poles being lost. Approximately 80 poles were damaged District wide. All customers' power was restored by December 16th. The estimated storm costs to the District ranges from \$225,000 to \$275,000.
- Personnel continue to complete budgeted construction projects along with a few new irrigation services and are replacing poles and conducting general maintenance. The subtransmission construction crew continues to work north of the CAAP substation on the CAAP to Northwest 69 kV line.
- The District is continuing negotiations for purchase power agreements for six solar projects. A contract is expected to be presented to the Board in February.
- Bluestem personnel are expected to return to the construction site in January to begin forming foundations in the substation in anticipation of transformer delivery in early February. The operational date is July, 2022.
- The annual meeting of the S.I.D. No. 5 Board of Directors was held on January 5th at 9:00 am in the Grand Island office. The Board discussed a plan for adding highway lighting and an entrance sign at the southeast corner of the Energy Park located at the intersection of Old Potash Highway and 60th Road. An update was also provided for a rail improvement grant being sought by the Grand Island Area Economic Development Corporation.
- The Nebraska State Legislature is in session, and the District will monitor bill introductions for issues pertinent to public power.
- Kourtney Lingeman, Irrigation Services Representative, has announced her resignation effective December 30, 2021. Procedures are in place to recruit a replacement for this position.

#### Financial Reports:

- Summary of Revenues. CFO Brad Kool provided a comparison of revenues between November 2020 and 2021. Year-to-date revenue ending the month of November 2021 amounted to \$80.04 million compared to \$85.10 million in 2020.
- Power Costs. CFO Kool provided a summary of the power bill for November 2021 indicating a peak demand of 939.22 million kW as compared to 983.97 million kW recorded in November 2020. The District purchased 985.16 million kWh in November 2021 as compared to 1.04 billion kWh in November 2020.
- Balance Sheet and Income Statement. CFO Kool provided a comparison of income statements from November 2021 and November 2020. Year-to-date net margins as of November 30, 2021 were \$7,920,135 as compared to \$11,671,180 as of November 30, 2020. CFO Kool also reviewed balance sheets from November 2021 and November 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 November 2021 was (\$196,125). Year to date 2021 the production cost adjustment reflected on customers' bills has totaled (\$2,241,643).
- The District's disconnect day was Tuesday, December 28th. District personnel worked 41 accounts, all of which were disconnected remotely using the AMI disconnect collar.

#### Engineering/Operations Report:

- Crews responded to damages caused by high winds and tornadoes throughout our service area on December 15th. Personnel worked together well to quickly restore power.
- An additional 25 irrigation estimates have been released. The District currently has 174 applications and 100 irrigation estimates.
- Questions have been fielded from irrigation companies and electricians on power factor and capacitor installations.
- Transformer contract bids have been reviewed for eight new substation transformers. All bids will be rejected due to excessive cost. A new bid proposal will be developed which may delay the completion of 69 kV conversion.
- Two new GE 10/14MVA transformers have been received.
- The District continues to work through material supply issues. The District will move to "non-firm" status for new irrigation service applications due to material concerns.

#### Marketing Report:

- Visits were made to the Villages of Alda, Doniphan and Cairo. Information was shared regarding changes to the village street lighting bills.
- Work is underway to update promotional materials for the 2022 EnergyWise program.
- The preliminary EnergyWise allocations for 2022 is \$216,290.00, equal to the amount allotted in 2021.
- During the month of December, the District issued six water heaters and provided incentives totaling \$38,710 to customers through the EnergyWise Program. Year to date Electric Vehicle incentives total \$16,309.66 and EnergyWise program incentives total \$195,029.50.

Communications Report:

- Public Relations Manager LeAnne Doose reported on the upcoming promotions and the topics that are planned to be highlighted.
- The Operation Round Up Board will be meeting on Tuesday, January 18th to review applications received for the fourth quarter of 2021.
- Content for the 2021 Annual Report will be gathered later this month for the annual publication.

Safety Report:

- Safety Director Todd Bailey reported that lineworkers have been provided with iPad training for safety documentation. Reports from job briefings and tailgates will be compiled into reports that are distributed to area managers and the safety director.

***LUNCH RECESSED AT 12:00 P.M.,  
THE MEETING RECONVENED AT 12:45 P.M. IN OPEN SESSION.***

**CUSTOMER REPORTS:**

**DIRECTORS:**

- Director Klute received numerous compliments about the effective storm response in December.
- Chairman Jacobitz reported that the Village of Holstein is satisfied with their newly installed street lights.

**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.

**STRATEGIC PLANNING COMMITTEE:**

- Chairman Jacobitz reported that Charity Adams from Vision Fusion will be working with staff and the Executive Committee to prepare for the upcoming Strategic Planning Session.

**MOTIONS & RESOLUTIONS:**

**NRECA Business Meeting Voting Delegate**

The NRECA Annual Meeting will be held in Nashville, Tennessee on March 4-8, 2022. The registration currently lists CEO Niedfeldt as the District's voting delegate and Chairman Jacobitz as the alternate. The Board did not make any adjustments to the appointed delegates as listed.

**State Chamber of Commerce Membership**

CEO Niedfeldt recommended that the District renew its membership with the State Chamber of Commerce with membership dues totaling \$918.75.

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves renewal of membership in the State Chamber of Commerce with 2022 dues totaling \$918.75.  
Roll call vote: Yes 12, No 0, Absent 2 (Directors Kuehn and Reeson)

Electric Service Agreement: Columbia Grain, Inc.

CEO Niedfeldt recommended that the District enter into an Electric Service Agreement with Columbia Grain, Inc. to accommodate an upgrade from 1,000 to 2,000 kVa.

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the Electric Service Agreement with Columbia Grain, Inc. as recommended by management.  
Roll call vote: Yes 12, No 0, Absent 2 (Directors Kuehn and Reeson)

Werner Construction, Inc. Electric Service Agreement & Lease Agreement

CEO Niedfeldt reviewed an Electric Service Agreement with Werner Construction, Inc., for a three-phase service to a mobile asphalt concrete station site. The station will be utilized for a Highway 2 construction project. The District will provide a 2,500 kVa transformer for the duration of the agreement.

CEO Niedfeldt also reviewed a Lease Agreement with Werner Construction, Inc. for a 13-acre property at the District's Energy Park. The agreement will commence January 15, 2022 and will continue for 12 months, for a total lease payment of \$19,500.

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 entering into an Electric Service Agreement with Werner Construction, Inc. as recommended by management.  
Roll call vote: Yes 12, No 0, Absent 2 (Directors Kuehn and Reeson)

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves entering into a Lease Agreement with Werner Construction, Inc. for a 13-acre property at the District's Energy Park.  
Roll call vote: Yes 12, No 0, Absent 2 (Directors Kuehn and Reeson)

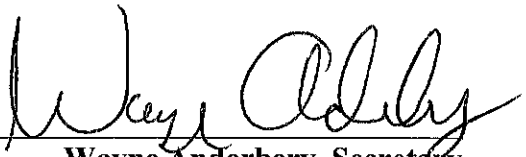
**MISCELLANEOUS BUSINESS:**

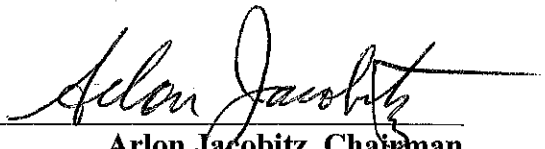
The next Board Meeting is scheduled for Wednesday, February 9, 2022 at 10:00 a.m.

The Strategic Planning Session is February 2, 2022 at 9:00 a.m. at the Crane Trust Nature & Visitor Center, Alda.

The NRECA Annual Member Business Meeting is March 4-9, 2022 in Nashville, TN.

There being no other business, the meeting was adjourned at 1:04 p.m.

  
Wayne Anderbery, Secretary

  
Arlon Jacobitz, Chairman