



BOARD OF DIRECTORS MEETING

January 25th, 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 January 25, 2023, 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, Dean Klute, Kevin Choquette, Rick Bergman, Courtney Retzlaff, Lee Grove, Bob Kieborz, Joel Kuehn, Curtis Rohrich, Wayne Anderbery, Dana Meyer and Arlon Jacobitz. President/CEO Neal Niedfeldt and attorney Dave Jarecke were also present.

Directors absent: Joe Gustafson

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.

INSTALLATION OF ELECTED AND APPOINTED DIRECTORS AND OATH OF OFFICE

Attorney Dave Jarecke administered the Oath of Office to newly elected Board members Arlon Jacobitz, Rick Bergman, Bob Kieborz and Curtis Rohrich. Dave Jarecke also administered an Oath of Office to newly appointed Board member Courtney Retzlaff.

REORGANIZATION OF THE BOARD FOR THE 2023-2024 TERM

Director Meyer was nominated to the office of Chairman by Director Benson, seconded by Director Grove. A motion was made by Director Klute, seconded by Director Choquette to cease the nomination and cast a unanimous ballot in favor of Director Meyer for Chairman.

Director Meyer was elected to the office of Chairman by roll call vote.

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

Director Anderbery was nominated to the office of Vice-Chairman by Director Grove, seconded by Director Benson. A motion was made by Director Katzberg, seconded by Director Bergman to cease the nomination and cast a unanimous ballot in favor of Director Anderbery for Vice-Chairman.

Director Anderbery was elected to the office of Vice-Chairman by roll call vote.

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

Director Choquette was nominated to the office of Secretary by Director Anderbery, seconded by Director Grove. A motion was made by Director Grove, seconded by Director Benson to cease the nomination and cast a unanimous ballot in favor of Director Choquette for Secretary.

Director Choquette was elected to the office of Secretary by roll call vote.
Roll call vote: Yes 13, No 0, Absent 1 (Director Gustafson)

Director Kuehn was nominated to the office of Treasurer by Director Klute, seconded by Director Grove. A motion was made by Director Kieborz, seconded by Director Bergman to cease the nomination and cast a unanimous ballot in favor of Director Kuehn for Treasurer.

Director Kuehn was elected to the office of Treasurer by roll call vote.
Roll call vote: Yes 13, No 0, Absent 1 (Director Gustafson)

MINUTES

There were no revisions made to the minutes of the December 14, 2022 regular Board meeting.

A motion was duly moved by Director Bergman, 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 December 14, 2022 regular Board meeting.

Roll call vote: Yes 11, No 0, Abstain 2 (Directors Retzlaff and Rohrich), Absent 1 (Director Gustafson)

BILLS AND CLAIMS

Management and staff answered questions regarding bills and claims.

A motion was duly moved by Director Kieborz, 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 13, No 0, Absent 1 (Director Gustafson)

COMMENTS FROM THE PUBLIC

There were no comments made.

DIRECTOR AND MANAGEMENT REPORTS

DIRECTOR REPORTS:

- Director Kieborz attended the Sanitary & Improvement District No. 5 Board of Trustees meeting on January 25th, 2023.

MANAGEMENT REPORTS:

President's comments:

- CEO Niedfeldt attended the following meetings and activities during the past month:
 - SPPD – Participated in the virtual NPPD Wholesale Customer meeting on December 15th. Conducted an orientation session for incoming Director Courtney Retzlaff on January 5th. Attended the NRECA CEO Conference January 8th-10th. Attended the

Arch Green LLC special use permit hearing with the Hall County Commissioners meeting on January 17th.

- NPPD Issues:
 - November 2022 Rate Stabilization Fund – NPPD has reported a \$3.2 million surplus for November and a YTD surplus of \$68.8 million through November 30, 2022. The year-end forecast for the fund is forecasted to be a surplus of \$68.1 million. The Wholesale Production share of the forecasted surplus is \$58.9 million with the remainder assigned to NPPD’s retail division.
 - Cooper Nuclear Station Refuel Outage – The outage for refueling started on October 1st and was brought back online on November 4th. The 44-day outage exceeded their plans for a 36-day outage. The additional time was needed due to personnel shortage and inexperience. Contractors were short 150 employees and 60% of their workforce was in their first year which impacted productivity. On a positive note, prior to the outage, the plant had operated continuously for 697 days.
- Southwest Power Pool (SPP) Advisories – At 9:00 am on Friday, December 22nd, SPP moved to an Emergency Alert Level 1 (EEA1) for approximately 2 hours. SPP Operators were concerned about meeting their Operating Reserve levels due to loads increasing and several generator units not able to come on line. Later in the afternoon on the 22nd, SPP moved back into EEA 1 for about 3 hours due to losing generating units and a rapid drop in wind energy production. Management staff contacted major industrial customers to advise them of the conditions. SPP remained in Conservative Operations mode throughout the weekend when conditions improved. No interruption of service was required. Communications with NPPD throughout the event was excellent.
- GMCO Corp. – The Memorandum of Understanding with GMCO for the sale of property has been executed. The next steps before a purchase agreement will be executed is for GMCO to finalize any permits required by the County and for the work site to be surveyed.
- Personnel – There were no personnel changes this month. The Survey Technician position in Grand Island remains open.

ARCHGREEN LLC

Alan Cordova, Vice-President of Development of ArchGreen LLC, joined the Board meeting virtually to describe the cryptocurrency mining facility that will be developed at Southern Public Power’s Energy Park.

SAGE COLLABORATIVE

Marie de Martinez, who has been working with Southern’s management team to provide temporary human resource functions and leadership training, reported on her most recent office visits. Marie also stated that she is working with the District’s attorneys on modifying various sections of the District’s Employee Handbook.

MANAGEMENT REPORTS (*cont.*):

Safety Report:

- Safety Manager Todd Bailey reported on one personal incident.
- CPR/First Aid Training for employees will be completed this week.
- Todd Bailey will be conducting sticks and grounds testing at each area.

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

MANAGEMENT REPORTS *(cont.)*:

Financial Reports:

- Summary of Revenues. CFO Shannon Peard provided a comparison of revenues between November 2021 and 2022. Year-to-date revenues through November 2022 amounted to \$84.06 million as compared to \$80.04 million in 2021.
- Power Costs. CFO Peard provided a summary of the power bill for November 2022 indicating a peak demand of 128,120 kW as compared to 134,715 kW recorded in November 2021. The District purchased 80.28 million kWh's in October 2022 as compared to 83.42 million kWh's in November 2021.
- Balance Sheet and Income Statement. CFO Peard provided a comparison of income statements from November 2022 and November 2021. Year-to-date net margins as of November 30, 2022 were \$8,887,830 as compared to \$7,920,135 as of November 30, 2021.
- Cash Flow Summary. CFO Peard provided a summary of the statements of cash flows. Cash and investments at November 30, 2022 were \$67.5 million compared to \$64.3 million at November 30, 2021.

Customer Service and Collection Report:

- The District's disconnect day was scheduled for Wednesday, December 28th. District personnel worked 46 accounts, with 43 accounts being disconnected remotely.

Engineering/Operations Report:

- Engineering/Operations Manager Aaron Brown gave an update on material issues stating vendors of load control units and meters are indicating shipments around the end of March.
- Osmore pole testing has completed their work for 2022 inspecting 9,553 poles with 363 rejected. The failure rate is 3.8%.

Energy Services Report:

- Energy Services Manager Sam Reinke will be distributing a schedule for upcoming Village Board meetings.
- Irrigation materials are being compiled for booths at various Ag Day events.
- During the month of December, the District issued seven (7) water heaters and provided incentives totaling \$14,275 to customers through the Energy Efficiency Program. Year-to-date Energy Efficiency incentives totaled \$162,575. The District provided \$3,060 in Efficient Electrification incentives during November. Year-to-date Efficient Electrification incentives totaled \$29,160.
- Work continues on new irrigation estimates and installations with the first Irrigation Service Agreement letters to be sent out at the beginning of February.
- The District has processed 2,210 capacitor rebate applications and have delivered customer rebates totaling \$778,000.
- Mr. Reinke reviewed changes to the 2023 EnergyWise Program.

Communications and Public Relations Report:

- Public Relations Manager Amanda Groff reviewed upcoming promotional efforts that are planned through the end of February.
- The Operation RoundUp Board met on Tuesday, January 17th and awarded seven grants out of the eleven applications that were received for the fourth quarter of 2022.

CUSTOMER REPORTS:

DIRECTORS:

- Director Grove requested that the topic of a possible membership in NREA be placed as an agenda item for upcoming strategic planning discussions.

COMMITTEE REPORTS:

STRATEGIC PLANNING COMMITTEE:

- Chairman Meyer suggested additional dates for a Strategic Planning meeting due to the cancellation of the January 25th Strategic Planning meeting. A unanimous decision was made to incorporate and discuss current strategic planning topics at future Board meetings.

FINANCE COMMITTEE:

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

MOTIONS & RESOLUTIONS:

Authorizations for Operating Accounts due to Reorganization of the Board of Directors

CFO Peard stated that the District's bank requires the approval of authorized signatures of Board Chairman Dana Meyer and Board Treasurer Joel Kuehn for operating accounts due to the reorganization of the Board.

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 signature authorizations for Chairman Dana Meyer and Treasurer Joel Kuehn for the operating accounts due to reorganization of the Board.

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

NRECA Business Meeting Voting Delegate

The NRECA Annual Meeting will be held in Nashville, Tennessee, on March 3rd-8th, 2023. CEO Niedfeldt and Directors Kieborz and Meyer are planning to attend.

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 appointing Director Kieborz as the District's voting delegate and Director Meyer as the alternate voting delegate for the 2023 NRECA Annual meeting.

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

State Chamber of Commerce Membership

CEO Niedfeldt recommended that the District renew its membership with the State Chamber of Commerce with membership dues for 2023 totaling \$964.69.

A motion was duly moved by Director Kuehn, seconded by Director Anderbery 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 2023 dues totaling \$964.69.

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

Large Power Service – Interruptible Service Rider Rate Schedule “INTR-RIDER”

CEO Niedfeldt indicated that this rate schedule was previously approved in August of 2022 and requires adjusting for changes made by NPPD in December of 2022 for the Special Power Product that is the basis for the rate schedule.

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 updated changes to the Large Power Service – Interruptible Service Rider Rate Schedule “INTR-RIDER”.

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

Production Cost Adjustment Rate Schedule “PCA”

CEO Niedfeldt stated that the effective dates on the PCA rate schedule need to be updated for the period of February 1, 2023 through January 31, 2024. The PCA rate will remain the same for 2023.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the revised dates in the Production Cost Adjustment Rate Schedule “PCA” to February 1, 2023 through January 31, 2024.

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

Adjustments to the District’s 2023 Water Heater Program

Energy Services Manager Reinke recommended an increase to customer costs for both the 50 and 85 gallon water heaters due to the increase in cost that the District will be incurring in 2023.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the increase to the District’s Water Heater Program in 2023 due to cost increases as recommended by management.

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

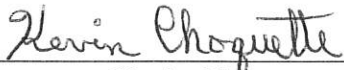
MISCELLANEOUS BUSINESS:

Board will meet with Ken Homes, Holmes Executive Search LLC on Wednesday, May 10th.

Chairman Meyer provided the Board with a new Standing Committee list for 2023-2024.

ACRE Membership cards were distributed and requested to be turned back in by next month's meeting.

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



Kevin Choquette, *Secretary*



Dana Meyer, *Chairman*