



BOARD OF DIRECTORS MEETING
July 13th, 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 July 13, 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, Dean Klute, Rick Bergman, Mike Lowry, Lee Grove, 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 and Kevan Reeson

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 June 8, 2022 regular Board meeting.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the minutes of the June 8, 2022 regular Board meeting.

Roll call vote: Yes 12, No 0, Absent 2 (Directors Kuehn and Reeson)

MINUTES

No revisions were made to the minutes of the June 29, 2022 Special Board meeting.

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 minutes of the June 29, 2022 Special Board meeting.

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

BILLS AND CLAIMS

Management and staff answered questions regarding bills and claims.

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 all bills and claims.

Roll call vote: Yes 12, No 0, Absent 2 (Directors Kuehn and Reeson)

COMMENTS FROM THE PUBLIC

Steve White, NTV News, was present and questioned the directive of signatures of guests who are attending Southern Public Power's public Board meetings. It was clarified that the sign-in sheet of signatures is directed strictly for the safety of Southern's employees.

DIRECTOR AND MANAGEMENT REPORTS

DIRECTOR REPORTS:

- Director Kieborz attended the Doniphan Board meeting on Monday, July 11th.
- Directors Grove, Katzberg, Benson, Meyer and Chairman Jacobitz attended the Labor Committee meeting on Tuesday, July 12th.
- Directors Bergman, Lowry, Klute and Chairman Jacobitz attended the Energy Park Committee on July 13th, 2022.

MANAGEMENT REPORTS:

President's comments:

- CEO Niedfeldt attended the following meetings and activities during the past month:
 - SPPD - Attended the Special Board meeting on June 29th. Attended the Managers' meeting with Zelle HR on July 6th. Attended the Union meeting on July 7th.
- NPPD Issues:
 - 2023 – 2027 Wholesale Rate Outlook – NPPD's Management Team will be presenting an update on the Preliminary 2023 Wholesale Rates on August 15th.
 - SPP Conservative Operations Notice – This week from Wednesday through Friday, SPP declared a Conservative Operations Advisory for the entire 14-state SPP footprint due to high loads and low wind output availability. These advisories do not require the public to conserve energy and does not require utilities to notify customers. SPP has indicated similar advisories may be issued next week as well.
- Irrigation Load Control – No control hours were implemented in June despite the higher demands experienced towards the end of the month. Demands reached 260 MW's in June. NPPD controlled loads one day in June but did not include Southern.
- Operations and Maintenance – The District continues to experience scattered storms through June and into July. Assistance was provided to Perennial PPD for five days beginning on June 30th. Storm damages on July 4th south and east of Grand Island have been repaired with clean up continuing. Storm damages also occurred on June 6th in Phelps and Franklin counties. Crews have completed repairs.

- Solar Project – With N Solar indicating they will not be able to hold their commitment on the proposed solar project, management has been in touch with a group of eastern PPD’s who are working together with Today’s Power, a subsidiary of the Arkansas Rural Electric Association.
- Zelle HR – Management met with the Zelle HR representatives and reviewed the Culture Assessment Survey results along with their recommendations for action steps to be implemented. The action steps will be shared with the Board of Directors and then with the District employees.
- Personnel – Jennifer Turek will be joining the District on July 11th as our new Customer Service Representative – Irrigation. Brianna Haith will be joining the District on July 18th as our new Public Relations Manager. The search continues for a Payroll Specialist, a Survey Technician/Staking Engineer and several linemen for our subtransmission construction crew.

Financial Reports:

- Summary of Revenues. CFO Shannon Peard provided a comparison of revenues between May 2021 and 2022. Revenue for the month of May 2022 amounted to \$34.60 million as compared to \$33.12 million in 2021.
- Power Costs. CFO Peard provided a summary of the power bill for May 2022 indicating a peak demand of 139,063 kW as compared to 106,003 kW recorded in May 2021. The District purchased 72.51 million kWh’s in May 2022 as compared to 64.75 million kWh’s in May 2021.
- Balance Sheet and Income Statement. CFO Peard provided a comparison of income statements from May 2022 and May 2021. Year-to-date net margins as of May 30, 2022 were \$5,622,069 as compared to \$5,725,547 as of May 30, 2021. CEO Niedfeldt also reviewed balance sheets from May 2022 and May 2021.
- Cash Flow Summary. CFO Peard provided a summary of the statements of cash flows.

Customer Service and Collection Report:

- The District’s disconnect day was scheduled for Tuesday, June 28th. District personnel worked 50 accounts, with 77 accounts being disconnected remotely using the AMI disconnect collar.

ZELLE HR SOLUTIONS

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 going into executive session at 10:35 a.m. to discuss and review recommendations from Zelle HR Solutions. Roll call vote: Yes 12, No 0, Absent 2 (Directors Kuehn and Reeson)

***LUNCH RECESSED AT 12:14 P.M.,
THE MEETING RECONVENED AT 12:45 P.M. IN EXECUTIVE SESSION.***

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves coming out of closed session at 1:20 p.m.

Roll call vote: Yes 12, No 0, Absent 2 (Directors Kuehn and Kieborz)

MANAGEMENT REPORTS: *(cont.)*

Engineering/Operations Report:

- Engineering/Operations Manager Aaron Brown stated that the District energized and tested the new substation at Central City Ethanol.
- Brown attended the second NPPD subcommittee meeting reviewing the transmission extension policy.
- Osmose pole testing started this year with 1,378 poles being inspected and 44 poles being rejected. The failure rate is 3.2%.
- There will be a scheduled outage at the Alda 115 substation on October 1st allowing NPPD to upgrade the substation to 69kV.

Energy Service Report:

- Energy Services Manager Sam Reinke is working with the Village of Doniphan on potential changes to the lease fee charged to the customers served by the town's electric distribution system.
- During the month of June the District issued four (4) water heaters and provided incentives totaling \$19,782 to customers through the Energy Efficiency Program. Year-to-date Efficient Electrification incentives total \$9,488.

CFO Peard presented the results of statistical reports prepared by the Nebraska G&T and the Energy Information Administration (EIA).

Communications Report:

- CEO Neal Niedfeldt stated that the Operation Roundup Board meets on Tuesday, July 19th to review second quarter grant applications.
- Brianna Haith has been hired as the District's new Public Relations Manager and will start on Monday, July 18th.

Safety Report:

- Safety Manager Todd Bailey reported on personnel claims during the month of June.
- Bailey continues to conduct crew visits.
- Attended Quad States Safety Conference in Rapid City, South Dakota.

CUSTOMER REPORTS:

DIRECTORS:

- Director Choquette stated that Franklin County customers were asking if the distribution line that was budgeted for 2022 will be completed in time for the 2023 irrigation system. Director Choquette was informed the project is dependent upon the availability of materials and scheduling.

- Director Fishler directed a question from a customer asking if 15 horsepower wells would be charged the power factor adjustment. Director Fishler was informed that wells under 20 horsepower would not be charged the power factor adjustment.

MANAGEMENT:

- CEO Niedfeldt reported the District is working with the company, VCV Digital, Inc., to obtain the necessary zoning regulations and a special use permit to allow data centers to be constructed on land that is zoned agriculture in Hall County.

COMMITTEE REPORTS:

FINANCE COMMITTEE:

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

ENERGY COMMITTEE:

- Energy Park Committee Chairman Lowry stated that the committee met prior to the Board meeting to discuss the sale of a 10-acre site at the Energy Park for a cryptocurrency/data center facility.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves authorizing management's approval of all negotiations of the purchase of 10-acres of land in the Energy Park. Roll call vote: Yes 12, No 0, Absent 2 (Directors Kuehn and Reeson)

LABOR COMMITTEE:

- Labor Committee Chairman Grove indicated that the committee met on Tuesday, July 12th discussing requests from the Union and also employee salaries. The committee also discussed the addition of a new Parental Leave policy to be added to the District's Employee Handbook as recommended by management.

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 approves the addition of the Parental Leave Policy to the District's Employee Handbook as recommended by management.

Roll call vote: Yes 12, No 0, Absent 2 (Directors Kuehn and Reeson)

- Chairman Grove stated the committee discussed wages, the effects of inflation and the extra efforts this spring by all employees due to staffing shortages. As a response to those concerns, it was the consensus of the committee is to distribute a \$2,000 bonus to every District employee effective on the first pay period for the month of July. CEO Niedfeldt requested to be excluded from the distribution of the bonus.

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 approves the distribution of a \$2,000 bonus to every District employee, excluding the CEO, effective on the first pay period for the month of July.

Roll call vote: Yes 12, No 0, Absent 2 (Directors Kuehn and Reeson)

MOTIONS & RESOLUTIONS:

Recommendations and report from Zelle HR Solutions

Upon Zelle's distribution and discussion of the Assessment by the Board of Directors, Chairman Jacobitz will conduct a follow-up discussion to Zelle HR Solution's requests. There was no further action taken.

Proposal from Executive Search Team

Discussions focused on the appointment of a Board search committee to be headed up by Vice Chairman Meyer to evaluate various Executive Search firm proposals and to bring a recommendation to the Board of Directors at a later date. There was no further action taken.

MISCELLANEOUS BUSINESS:

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the change of date of next month's Board meeting from August 10th to August 17th, 2022 at 10:00 a.m.

Roll call vote: Yes 12, No 0, Absent 2 (Directors Kuehn and Reeson)

There being no other business, the meeting was adjourned at 2:20 p.m.


Wayne Anderbery, Secretary


Arlon Jacobitz, Chairman