



BOARD OF DIRECTORS MEETING

June 14th, 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 June 14, 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, Bob Kieborz, Dean Klute, Neal Katzberg, Curtis Rohrich, Wayne Anderbery, Dana Meyer and Arlon Jacobitz. President/CEO Neal Niedfeldt and attorney Dave Jarecke were also present.

Directors absent: None

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 May 17, 2023 regular Board meeting.

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 the minutes of the May 17, 2023 regular Board meeting.

Roll call vote: Yes 12, No 0, Abstain 2 (Directors Klute and Katzberg)

BILLS AND CLAIMS

Management and staff answered questions regarding bills and claims.

A motion was duly moved by Director Bergman, seconded by Director Gustafson, 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 14, No 0

COMMENTS FROM THE PUBLIC

There were no comments made.

DIRECTOR AND MANAGEMENT REPORTS

DIRECTOR REPORTS:

- Director Klute attended the Energy Park Committee meeting on June 14th.
- Director Kieborz attended the Nebraska Advanced Nuclear Forum on May 22-24th.
- Director Jacobitz attended the Franklin County Wind Farm Open House on June 6th.
- Director Anderbery attended the Nebraska Advanced Nuclear Forum on May 22nd-24th; the Franklin County Wind Farm Open House on June 6th and the Energy Park Committee meeting on June 14th.
- Director Rohrich attended the Safety Council meeting on May 30th and the Franklin County Wind Farm Open House on June 6th.
- Director Choquette attended the Franklin County Wind Farm Open House on June 6th.
- Director Katzberg attended the Franklin County Wind Farm Open House on June 6th.
- Director Kuehn attended the Safety Council meeting on May 30th.
- Director Grove attended the Franklin County Wind Farm Open House on June 6th and the Energy Park Committee meeting on June 14th.
- Chairman Meyer attended the Franklin County Wind Farm Open House on June 6th and the Energy Park Committee meeting on June 14th.

MANAGEMENT REPORTS:

President's comments:

- CEO Niedfeldt attended the following meetings and activities during the past month:
 - SPPD – Attended the quarterly Safety Council meeting in Funk on May 30th. Attended the Ribbon Cutting event for the Franklin Wind Farm facility on June 6th.
 - NPPD – Attended the Wholesale Customer meeting in Grand Island on May 18th. Attended the Eastern Region's Managers meeting in Lincoln on May 19th. Hosted the meeting of the Western Region's Managers on June 1st.
 - NPA – Attended the Nebraska Advanced Nuclear Forum on May 22-24th in Lincoln.
- NPPD Issues:
 - May Financials – NPPD has reported a surplus of \$19.3 million for the month of May. The Year-to-Date surplus through the end of May is now \$33.3 million.
 - Revenue Bond Issue
 - 2023 Series A Bonds issued May 31st – Refunding 2020 Bonds for R-Project
 - Issued \$150 million at 3.49%
 - 5 Year Term – Bullet Bonds due July 1, 2028
 - Rated A+
 - Generation Capacity
 - Resource Adequacy study shows a shortfall of 350+ MW's starting in 2027
 - Capacity Purchase RFP proposals up to 150 MW's due June 1st
 - Effort to add 150 MW's at existing plants by 2026 – Phase I
 - Effort to add 450 MW's by 2027 – Phase 2.
- Operations: All areas have the irrigation services completed that were assigned to each. Crews continue to replace poles rejected from the pole inspection program and other projects detailed in the 2023 Workplan. Truck inspections are being completed with the assistance

from Altec. Franklin's remodeling project is nearing completion with furniture scheduled to be delivered on June 20th.

- Economic Development Projects: Staff continue to field inquiries and meet with prospective customers evaluating sites in Nebraska for Data Centers, Crypto-Mining and Green Ammonia production facilities.
- Personnel: Karson Sok, Journeyman Lineman on the Sub-T Construction crew has been transferred to the Grand Island crew to fill the position vacated by Taylor Cook. The process for replacing Karson is underway.

Financial Reports:

- Summary of Revenues. CFO Shannon Peard provided a comparison of revenues between April 2022 and 2023. Year-to-date revenues through April 2023 amounted to \$29.9 million as compared to \$30.0 million in 2022.
- Power Costs. CFO Peard provided a summary of the power bill for April 2023 indicating a peak demand of 111,563 kW as compared to 127,452 kW recorded in April 2022. The District purchased 62.47 million kWh's in April 2023 as compared to 73.08 million kWh's in April 2022.
- Balance Sheet and Income Statement. CFO Peard provided a comparison of income statements from April 2023 and April 2022. Year-to-date net margins as of April 30, 2023, were \$5,571,100 as compared to \$7,006,762 as of April 30, 2022.
- Cash Flow Summary. CFO Peard provided a summary of the statements of cash flows. Cash and investments at April 30, 2023 were \$61.6 million compared to \$60.3 million at April 30, 2022.

Customer Service and Collection Report:

- The District's disconnect day was Wednesday, May 25th. District personnel worked 71 accounts with 61 accounts being disconnected remotely.

Engineering/Operations Report:

- Engineering/Operations Manager Aaron Brown reported dirt work is being planned for the ArchGreen Energy Park site.
- Progress continues on various subdivision projects. The newest request is for an additional 19-lot lake division referred to as Echo Hawk Lake located north of Grigsby Estates near Central City.
- Load control units continue to be installed in preparation for the 2023 season.
- Osmose pole testing started testing poles and thus far they have inspected 2,200 with 60 poles rejected. The failure rate is 2.7%.

Energy Services Report:

- Energy Services Manager Sam Reinke attended the second Cairo Target Industry meeting and attended the CSN and Sustainable Energy Work Group meetings.
- During the month of April, the District issued six (6) water heaters and provided incentives totaling \$19,593 to customers through the Energy Efficiency Program. Year-to-date Energy Efficiency incentives totaled \$65,147. The District provided \$712 in Efficient Electrification incentives during May.
- Staff continues to work with irrigation customers on interruptible rate changes and capacitor rebates.
- Staff processed 60 capacitor rebate applications in May and delivered customer rebates totaling \$15,523.

- The new irrigation messaging system has been tested including, e-mail, Twitter and call-in messages.

Communications and Public Relations Report:

- Public Relations Manager Amanda Groff reviewed upcoming promotional efforts that are planned through the end of June.
- Mrs. Groff covered the Franklin County Wind Farm Open House on June 6th, is currently working on the July/August edition of the Customer Magazine and is completing updates to the District's website.
- The Operation Round Up Board is currently seeking a new representative for Hall County.

Safety Report:

- Safety Manager Todd Bailey reported on personnel and equipment claims for the month of May.
- Mr. Bailey will be conducting crew visits throughout the month of June.
- A Safety Council meeting was held in Funk on May 30th.

RUSS WESTERHOLD – NOWKA & EDWARDS

Russ Westerhold, lobbyist from Nowka & Edwards, provided a summary of the 2023 Legislative Session stating Bills related to public power were few and those that passed would not be considered detrimental to the public power industry. Mr. Westerhold reported that the Legislature still was fortunate in passing other various Bills despite the amount of filibustering that took place throughout the 90-day session.

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

CUSTOMER REPORTS:

DIRECTORS:

- Director Kuehn received constructive comments from various irrigation customers regarding prompt services provided by the District throughout the start of the irrigation season.

MANAGEMENT:

- CEO Niedfeldt gave an update on the high level of interest from companies that are looking to bring potential projects to the District's service area.
- CEO Niedfeldt reported that an Energy Park Committee meeting was held prior to the Board meeting. The committee members met with a potential industrial prospect interested in developing an anhydrous project at Energy Park.

COMMITTEE REPORTS:

FINANCE COMMITTEE:

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

LEGISLATIVE COMMITTEE:

- Director Kieborz had no additional discussions succeeding the earlier presentation given by Nowka & Edwards.

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 \$841.03.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves charge-offs of delinquent accounts totaling \$841.03 as recommended by management.

Roll call vote: Yes 14, No 0, Absent 0

MISCELLANEOUS BUSINESS:

The next Board meeting will be held on Wednesday, July 12th at 10:00 a.m.

CEO Niedfeldt will be attending the CFC Forum which will take place in Seattle on June 19th – 21st.

There being no other business, the meeting was adjourned at 1:10 p.m.



Kevin Choquette, *Secretary*



Dana Meyer, *Chairman*