



BOARD OF DIRECTORS MEETING

June 8th, 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 June 8, 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 (arrived at 10:10 a.m.), Rick Bergman, Joel Kuehn, Kevan Reeson, 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: None

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 May 17, 2022 regular Board meeting.

A motion was duly moved by Director Choquette, 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, 2022 regular Board meeting.

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

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 14, No 0, Absent 0

COMMENTS FROM THE PUBLIC

There were no comments made.

DIRECTOR AND MANAGEMENT REPORTS

DIRECTOR REPORTS:

- Directors Kuehn, Choquette and Kieborz attend the Safety Council meeting on May 25th.
- Directors Grove, Katzberg, Meyer, Benson and Chairman Jacobitz attended the Labor Committee meeting on June 8th.
- Director Kuehn attended the NRECA Summer School in Charleston, South Carolina, on June 3rd – 7th, 2022.

MANAGEMENT REPORTS:

President's comments:

- CEO Niedfeldt attended the following meetings and activities during the past month:
 - SPPD – Attended the quarterly meeting with the Union stewards on May 19th. Attended the All-Employee Safety meetings on May 23rd, 24th and 26th in Grand Island. Attended the Safety Council Meeting on May 25th in Grand Island. Attended the Department of Transportation session on Identifying Drug and Alcohol Use in the Workplace on May 25th in Grand Island.
 - NPPD – Attended the monthly meeting of the Eastern Region's Managers in Lincoln on June 3rd.
- NPPD Issues:
 - Billable Demand Season – NPPD's demand waiver program started on June 1st with no billable demand hours required through June 8th. Southern will be in billable demand group E which includes Southern, Hampton, Minden and Wilcox.
 - Appliance Survey – NPPD and its' wholesale customers conduct an appliance survey every third year to gather information regarding major appliances owned by our retail customers. Information from the survey will help to develop incentive programs for new appliances or reducing energy consumption.
- Wind Project - Boyd Jones has started on the first turbine to the south with the base being completed this past week. Both turbines should be completed by June 15th. The operational date is on schedule for July 15th.
- Economic Development – Staff completed two proposals for potential projects to be located in the District's Energy Park and also completed two proposals for projects to be located in the Aurora Mission Critical site south of Aurora. Information was also provided for a potential data-mining site in Phelps and/or Franklin counties.
- Irrigation Demand Response Simulation - This summer the District will be participating with NPPD and other wholesale customers to simulate the potential of controlling irrigation load during SPP market events to provide experience in maximizing opportunities and quantifying potential dollars for participation in the future.
- Personnel – LeAnne Doose, Public Relations Manager, submitted her resignation on May 11th with her final day to be June 10th. Becky Lesiak, CSR – Irrigation submitted her resignation on May 23rd with her final day to be June 10th. Staff are actively recruiting candidates for these two positions. Colby Easterberg, Construction Foreman, submitted his resignation on May 19th with his final day to be June 2nd. This position has been posted internally.

Financial Reports:

- Summary of Revenues. CEO Neal Niedfeldt provided a comparison of revenues between April 2021 and 2022. Revenue for the month of April 2022 amounted to \$30.14 million as compared to \$29.17 million in 2021.
- Power Costs. CEO Niedfeldt provided a summary of the power bill for April 2022 indicating a peak demand of 127,4552 kW as compared to 111,988 kW recorded in April 2021. The District purchased 73.08 million kWh in April 2022 as compared to 60.38 million kWh in April 2021.
- Balance Sheet and Income Statement. CEO Niedfeldt provided a comparison of income statements from April 2022 and April 2021. Year-to-date net margins as of April 30, 2022 were \$7,006,783 as compared to \$6,948,512 as of April 30, 2021. CEO Niedfeldt also reviewed balance sheets from April 2022 and April 2021.
- Cash Flow Summary. CEO Niedfeldt provided a summary of the statements of cash flows.

Customer Service and Collection Report:

- The District's disconnect day was scheduled for Thursday, May 26th. District personnel worked 58 accounts, with 57 accounts being disconnected remotely using the AMI disconnect collar.

Engineering/Operations Report:

- Engineering/Operations Manager Aaron Brown gave an update on area damages due to current storms.
- Brown is involved with an NPPD subcommittee which is reviewing transmission extension policies and also a subcommittee dealing with supply chain issues.

Energy Service Report:

- Energy Services Manager Sam Reinke participated in the District Safety meetings and presented the Building Quality Relationship portion of Strategic Planning.
- Reinke participated in the final plans of Husker Harvest Days at the CSN quarterly meeting.
- During the month of May the District issued five (5) water heaters and provided incentives totaling \$10,584 to customers through the Energy Efficiency Program. Year-to-date Efficient Electrification incentives total \$9,768.

Communications Report:

- Public Relations Manager LeAnne Doose reported that current projects have been completed and she is preparing her office for the next Public Relations Manager.

Safety Report:

- CEO Niedfeldt reported that there were no personnel or vehicle claims during the month of April.
- A Safety Council meeting was held on May 25th.

RUSS WESTERHOLD – NOWKA & EDWARDS

Russ Westerhold, lobbyist from Nowka & Edwards, reported that the legislature again was back in full session this year. Mr. Westerhold discussed various bills pertaining to public power which had been deliberated on, but not passed in session. Those bills of significance to public power were related to net metering, broadband, ethanol and carbon reduction. He discussed current leadership roles and activities of new speakers, senators, committee chairmen and various other officers of the legislature. Mr.

Westerhold discussed a proposed interim study for the fall of 2022 that would review the revisions of Chapter 70 governing the public power systems.

***LUNCH RECESSED AT 11:55 A.M.,
THE MEETING RECONVENED AT 12:30 P.M. IN OPEN SESSION.***

ZELLE HUMAN RESOURCE SOLUTIONS

Representatives from Zelle HR Solutions were present and provided an update on the preliminary results regarding the District's Culture Assessment. Zelle's staff will provide a final report of the assessment results to the Board and the entire staff before July's Board meeting.

CUSTOMER REPORTS:

DIRECTORS:

- Director Fishler spoke on behalf of area customers in Merrick County in regards to the District's new capacitor program and to correct power factor. Discussions followed regarding the power factor policy. Director Fishler proposed a motion to lower the maximum eligibility for a capacitor rebate from 20 horsepower to 15 horsepower. Motion failed due to lack of second

MANAGEMENT:

- CEO Niedfeldt reported he and Engineering/Operations Manager Aaron Brown had met with the owners and their electrician on a concern regarding the potential tampering of an irrigation system. It was determined that the connection was valid and there was no malicious intent of tampering.

COMMITTEE REPORTS:

FINANCE COMMITTEE:

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

LABOR COMMITTEE:

- Labor Committee Chairman Grove stated that the committee met and reviewed salaries of the employees and also discussed implementing a maternity leave policy. The committee recommends that management develop a maternity leave policy for the committee to review with the anticipation of approval of the Board at July's Board meeting.

MOTIONS & RESOLUTIONS:

Charge Off Uncollectible Accounts

CEO Niedfeldt provided a review of accounts recommended for charge-off. CEO Niedfeldt reported that the list of recommended charge-offs totaled \$1,196.49.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves charge-offs of delinquent accounts totaling \$1,196.49 as recommended by management.

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

Authorized Signatures at Five Points Bank

CEO Niedfeldt recommended the execution of a Resolution for new signature cards adding CFO Shannon Peard as a signatory for Five Points Bank, Grand Island, Nebraska.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the execution of a Resolution to add CFO Shannon Peard to the signature cards for Five Points Bank in Grand Island, Nebraska.

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

Recommendation of Labor Committee

It was discussed by the Labor Committee that management compile a Maternity Leave policy to be reviewed by the Labor Committee and presented to the Board at the July Board meeting.

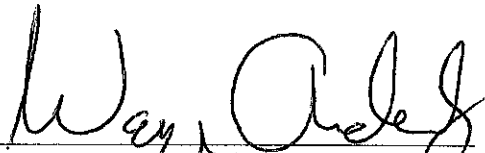
There was no action was taken on this motion.

MISCELLANEOUS BUSINESS:

The next Board Meeting is scheduled for Wednesday, July 13, 2022 at 10:00 a.m.

There will be Special Board Meeting schedule for Wednesday, June 29th at 10:00 a.m.

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


Wayne Anderbery, Secretary


Arlon Jacobitz, Chairman