



BOARD OF DIRECTORS MEETING

May 17th, 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 May 17, 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 (*left at noon*), Rick Bergman, Courtney Retzlaff, Joe Gustafson, Bob Kieborz, Curtis Rohrich, Wayne Anderbery, Dana Meyer and Arlon Jacobitz. President/CEO Neal Niedfeldt and attorney Ellen Kreifels were also present.

Directors absent: Dean Klute and Neal Katzberg.

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 April 12, 2023 regular Board meeting.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the minutes of the April 12, 2023 regular Board meeting.

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

There were no revisions made to the minutes of the May 10, 2023 Special Board meeting.

A motion was duly moved by Director Kieborz, 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 10, 2023 Special Board meeting.

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

BILLS AND CLAIMS

Management and staff answered questions regarding bills and claims.

A motion was duly moved by Director Grove, 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 12, No 0, Absent 2 (Directors Klute and Katzberg)

COMMENTS FROM THE PUBLIC

There were no comments made.

DIRECTOR AND MANAGEMENT REPORTS

DIRECTOR REPORTS:

- Directors Choquette, Retzlaff, Jacobitz, Benson, Rohrich, Anderbery, Kieborz, Grove, Kuehn, Gustafson, Bergman and Chairman Meyer attended the Special Meeting of the Board of Directors on May 10th.

MANAGEMENT REPORTS:

President's comments:

- CEO Niedfeldt attended the following meetings and activities during the past month:
 - SPPD – Conducted employee meetings on April 18th-20th to review the new Employee Handbook. Presented service awards to various employees on April 25th in Grand Island, May 3rd in Franklin and May 11th in Central City. Attended all-employee safety meetings April 25th and 26th. Attended meetings on May 1st and May 9th with the Aurora Development Corporation regarding projects and electric service to their Mission Critical Industrial Park.
 - NPPD – Attended the monthly meeting of the Western Region's Managers at Dawson PPD in Lexington on April 27th.
- NPPD Issues:
 - April Financials – NPPD has reported a surplus of \$3.7 million for the month of April. The Year-to-Date surplus through the end of April is now \$14.0 million. The Wholesale Production share of the surplus is \$13.9 million with the remainder assigned to the retail division.
 - SPP Conservative Operations – On Monday, May 8th, SPP declared a Conservative Operations Advisory Condition due to forecasts of loads exceeding available generation. NPPD reported they had various generating units down for maintenance and the predictions for wind supply within the SPP footprint were expected to be short 16 GW's on Monday and Tuesday. The advisory was lifted Tuesday evening, May 9th.
 - GFPS Financial Results – The District's wholesale contract requires by May 1st of each year for NPPD's internal audit department to perform an analysis of the annual results for all wholesale customers being billed under the 2016 contract and on the General Firm Power Service (GFPS) rate schedule. Management has received the report for 2022 confirming the wholesale production revenue rates produced a surplus of \$59.3 million and the Rate Stabilization Account balance at December 31, 2022 was \$192.7 million. The account balance exceeded the 10% limit stated in the contract by \$134.2

million, of which \$40.7 million is to be returned through the PCA in 2023 and \$36.7 million will be used for debt reduction. The remainder of the difference of \$56.8 million will be considered and discussed at a future Wholesale Customer meeting.

- Charter Restatement – The Power Review Board has discovered that the 15 Public Power District’s created prior to 1937 do not contain required language indicating the District does not have authority to levy taxes. We will be reviewing the requirement and most likely add the required language to our Charter.
- Economic Development Projects - We continue to negotiate with various entities to bring their projects to Southern. Currently, approximately projects totaling 80 MW’s of load are currently considering bringing their projects to the District.
- Personnel – Taylor Cook, Journeyman Lineman in Grand Island, has submitted his resignation and has accepted a position with OPPD effective at the end of May. The process for replacing Taylor has started. The search for a Data Analyst continues.

Financial Reports:

- Summary of Revenues. CFO Shannon Peard provided a comparison of revenues between March 2022 and 2023. Year-to-date revenues through March 2023 amounted to \$25.6 million as compared to \$25.5 million in 2022.
- Power Costs. CFO Peard provided a summary of the power bill for March 2023 indicating a peak demand of 123,832 kW as compared to 131,916 kW recorded in March 2022. The District purchased 76.03 million kWh’s in March 2023 as compared to 71.12 million kWh’s in March 2022.
- Balance Sheet and Income Statement. CFO Peard provided a comparison of income statements from March 2023 and March 2022. Year-to-date net margins as of March 31, 2023, were \$6,987,283 as compared to \$7,893,147 as of March 31, 2022.
- Cash Flow Summary. CFO Peard provided a summary of the statements of cash flows. Cash and investments at March 31, 2023 were \$50.5 million compared to \$56.2 million at March 31, 2022.

Customer Service and Collection Report:

- The District’s disconnect day was Wednesday, April 27th. District personnel worked 56 accounts with 54 accounts being disconnected remotely.

Engineering/Operations Report:

- Engineering/Operations Manager Aaron Brown reported the Construction Crew has finished Budget 303 Chapman 76-6 to Howard Greeley Tap where they installed five miles of T2-4/0 wire and will proceed to complete Budget 302 Giltner 76-20 to Giltner West tap to install six miles of T2-4/0.
- The town of Central City will be converting to 69kV allowing the District to back-feed from both Aurora and Grand Island.
- The District is preparing for the 2023 irrigation season by installing load control switches and continuing to release irrigation services that can be completed.
- Osmose pole testing started testing poles and thus far they have inspected 540 with 19 poles rejected. The failure rate is 3.4%.

Energy Services Report:

- Energy Services Manager Sam Reinke attended the Cairo village meeting and also attended the Cairo Target Industry meeting discussing Economic Development for the Cairo Industrial Park.

- Mr. Reinke is working with several businesses to provide electric service for Electric Vehicle charging stations.
- During the month of April, the District issued eight (8) water heaters and provided incentives totaling \$8,200 to customers through the Energy Efficiency Program. Year-to-date Energy Efficiency incentives totaled \$45,554. The District provided \$90 in Efficient Electrification incentives during April.
- Staff continues to work with irrigation customers on interruptible rate changes and capacitor rebates.
- Staff processed 24 capacitor rebate applications in March and delivered customer rebates totaling \$5,942.

Communications and Public Relations Report:

- Public Relations Manager Amanda Groff reviewed upcoming promotional efforts that are planned through the end of June.
- Mrs. Groff attended a career fair for high schoolers in Central City, presented Operation RoundUp checks to the first quarter recipients of 2023 and completed the Irrigation/Load Management Newsletter.
- Groff reported that the Social Committee continues to work on the District's summer Family Fun Day.
- The Franklin County Wind Turbine project with Bluestem Energy Solutions will conduct a ribbon cutting ceremony on June 6th at 1:00 p.m. at the turbine site.

PRESENTATION OF SCHOLARSHIPS TO 2023 RECIPIENTS

Chairman Meyer and CEO Niedfeldt presented scholarship certificates to the following 2023 recipients: Taten Uden from Kenesaw, Ryan Michalski from Grand Island, Landon Way from Bertrand and Cabot Archer from Clarks. Trevor Campbell from Hastings and Devin Zerr from Heartwell were not able to attend.

***LUNCH RECESSED AT 11:45 A.M.,
THE MEETING RECONVENED AT 12:35 P.M. IN OPEN SESSION.***

MANAGEMENT REPORTS: (cont.)

Safety Report:

- Safety Manager Todd Bailey reported on personnel and equipment claims for the month of April.
- Safety Training was conducted in Grand Island on April 25th and 26th.
- A Safety Council meeting will be held in Funk on May 30th.

MOTIONS & RESOLUTIONS:

Amending District Policy "U" – Cash Reserve Policy

CFO Peard explained the proposed changes to District Policy "U" for the annual cash reserves calculated based on the 2023 Budget.

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 proposed changes to District Policy "U" for annual cash reserves calculated based on the 2023 Budget.

Roll call vote: Yes 11, No 0, Absent 3 (Directors Klute, Katzberg and Kuehn)

District Policy "V" – Diversity, Equity and Inclusion Policy

CFO Peard explained that a Diversity, Equity and Inclusion policy must be adopted by the District to be eligible to receive grants funded by the Federal Government. The new policy states that the District is committed to being nondiscriminatory and will provide equal opportunities and advancement in all areas of work.

A motion was duly moved by Director Retzlaff, seconded by Director Rohrich, to adopt the following resolution:

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the adoption of District Policy "V" – Diversity, Equity and Inclusion Policy.

Roll call vote: Yes 11, No 0, Absent 3 (Directors Klute, Katzberg and Kuehn)

CUSTOMER REPORTS:

DIRECTORS:

- There no customer reports.

MANAGEMENT:

- CEO Niedfeldt had no report.

COMMITTEE REPORTS:

FINANCE COMMITTEE:

- In the absence of Finance Chairman, Director Choquette reported that all funds were adequately covered by FDIC insurance and joint custody receipts.

LEGISLATIVE COMMITTEE:

- Attorney Ellen Kreifels reviewed the amendment of LB541, which provides for nomination and election of public power district and public power and irrigations district directors on the partisan ballot.

MOTIONS & RESOLUTIONS: (cont.)

Transfer of the PURPA Obligations

Engineering/Operations Manager Brown reviewed the general PURPA guidelines with NPPD's right to charge the District for standard costs if the District exceeds QF limits of the wholesale contract. Management recommends the District transfer its obligation to purchase any QF production under 20 MW's to NPPD and have NPPD secure a waiver from FERC to release NPPD from any obligation to purchase QF production below 20 MW's.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the District transfer its obligation to purchase any QF production under 20 MW's to NPPD and have NPPD secure a waiver from FERC to release NPPD from any obligation to purchase QF production below 20 MW's as recommended by management.

Roll call vote: Yes 11, No 0, Absent 3 (Directors Klute, Katzberg and Kuehn)

Membership Renewal in the Grand Island Area Chamber of Commerce

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the renewal of 2023 membership in the Grand Island Area Chamber of Commerce with a membership fee of \$1,045.00.


Roll call vote: Yes 11, No 0, Absent 3 (Directors Klute, Katzberg and Kuehn)

MISCELLANEOUS BUSINESS:

The next Board meeting will be held on Wednesday, June 14th, 2023.

A Safety Council Meeting will be held in Funk on May 30th at 10:00 a.m.

There being no other business, the meeting was adjourned at 1:00 p.m.



Kevin Choquette, Secretary



Dana Meyer, Chairman