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## BOARD OF DIRECTORS MEETING

*May 17, 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 May 17, 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, Joel Kuehn (left at 12:00 p.m.), Lee Grove, Marvin Fishler, Bob Kieborz, Wayne Anderbery, Dana Meyer and Arlon Jacobitz. President/CEO Neal Niedfeldt and attorney Dave Jarecke (left at 1:00 p.m.) were also present.

Directors absent: Kevan Reeson and Mike Lowry.

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 April 13, 2022 regular Board meeting.

A motion was duly moved by Director Benson, 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 April 13, 2022 regular Board meeting.

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

### BILLS AND CLAIMS

Management and staff answered questions regarding bills and claims.

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 all bills and claims.

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

## **ZELLE HUMAN RESOURCE SOLUTIONS**

Maddie Hughes and Jordan Arndt provided an overview of Zelle HR Solutions and the services available through the firm. Members of Zelle will be working with Southern's management team to provide certain human resource functions and recommendations for the District to improve communications and develop a cohesive team environment.

## **COMMENTS FROM THE PUBLIC**

There were no comments made.

## **DIRECTOR AND MANAGEMENT REPORTS**

There were no reports.

### **MANAGEMENT REPORTS:**

#### **President's comments:**

- CEO Niedfeldt attended the following meetings and activities during the past month:
  - SPPD – Conducted Management's Strategic Planning final review on April 18<sup>th</sup>. Participated in a tour of KAAPA's ethanol plant in Ravenna and a joint meeting with NPPD and KAAPA at their Kearney corporate headquarters on April 20<sup>th</sup>. Attended the NPPD Wholesale Customer meeting in Kearney on April 28<sup>th</sup>.
  - NPPD – Participated in NPPD's Load Control Review on April 25<sup>th</sup>. Attended the monthly meeting of the Western Region's Managers at Southwest PPD in Palisade on May 6<sup>th</sup>.
- NPPD Issues:
  - April Financials – NPPD has reported a surplus of \$4.13 million for the month of April. The Year-to-Date surplus through the end of April is now \$267,000 due to the deficit of \$3.8 million in March.
  - GFPS Financial Results – The wholesale contract requires by May 1<sup>st</sup> 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. NPPD has issued the report for 2021 confirming the wholesale production revenue rates produced a surplus of \$193.4 million and the Rate Stabilization Account balance at December 31, 2021 was \$207.5 million. The account balance exceeded the 10% limit stated in the contract by \$151.5 million, of which \$74.2 million is to be returned through the PCA in 2022 and \$36.7 million will be used for debt reduction. The disposition of the remaining balance of \$40.6 million will be considered and discussed at a future Wholesale Customer meeting.
- Solar Project – Pricing issues due to tariffs on solar panels along with material supply constraints are forcing our supplier to reduce the number of projects from six sites to two sites in order to retain our agreed upon pricing. Management will focus on the site selections in Cairo, Hordville and Doniphan.
- Personnel – Shannon Peard has accepted the position of Chief Financial Officer and started on May 9<sup>th</sup>. Shannon is a resident of Hamilton County who lives on an acreage east of Phillips with her husband and three children. Shannon previously has served as the District's auditor with Dana Cole and has spent the last three years as the Manager of Finance and Accounting at Dawson PPD. Work continues on filling the other two openings including Payroll Clerk and Staking Engineer.

#### Financial Reports:

- Summary of Revenues. CFO Shannon Peard provided a comparison of revenues between February 2021 and 2022. Revenue for the month of March 2022 amounted to \$25.47 million as compared to \$25.13 million in 2021.
- Power Costs. CFO Peard provided a summary of the power bill for March 2022 indicating a peak demand of 131,916 kW as compared to 117,359 kW recorded in March 2021. The District purchased 77.14 million kWh in March 2022 as compared to 69.46 million kWh in March 2021.
- Balance Sheet and Income Statement. CFO Peard provided a comparison of income statements from March 2022 and March 2021. Year-to-date net margins as of March 31, 2022 were \$7,893,147 as compared to \$7,886,624 as of March 31, 2021. CFO Peard also reviewed balance sheets from March 2022 and March 2021.
- Cash Flow Summary. CEO Peard provided a summary of the statements of cash flows.

#### Customer Service and Collection Report:

- The District's disconnect day was scheduled for Wednesday, April 27<sup>th</sup>. District personnel worked 48 accounts, with 46 accounts being disconnected remotely using the AMI disconnect collar.

#### Engineering/Operations Report:

- Engineering/Operations Manager Aaron Brown is coordinating with NPPD the work at NPPD's Alda 115kV substation to convert it from 34.5kV to 69kV.
- Engineering staff continues to provide estimates and designs for several new residential subdivisions throughout the District.
- Brown and Todd Baily, Purchasing Manager, will be working with NPPD's purchasing department to discuss options on assisting both Districts in dealing with material supply issues.
- Applicants were interviewed for the Staking Engineering position.

#### Energy Service Report:

- Energy Services Manager Sam Reinke has submitted an application for the installation of a Direct Current Fast Charger which will be located at the Bosselman Travel Center in Grand Island.
- During the month of April, the District issued five (5) water heaters and provided incentives totaling \$15,460 to customers through the Energy Efficiency Program. Year-to-date Efficient Electrification incentives total \$8,814.

#### Communications Report:

- Public Relations Manager LeAnne Doose reported that an Operation Round Up check presentation was conducted with the Wood River Volunteer Fire Department and Platte Valley Mutual Aid in April.
- The Irrigation/Load Management Newsletter was distributed in early May and radio advertisements have aired for planting season safety are underway for Electrical Safety Month.
- Doose elaborated on promotional efforts that will be planned on social platforms now through early July.

#### Safety Report:

- Safety Director Todd Bailey reported that there were no personnel or vehicle claims during the month of April.

- A ground simulator was used at each area for the purpose of grounding sub-transmissions and distribution to show what voltages are on the line when grounded and when not grounded.

### **CUSTOMER REPORTS:**

#### **DIRECTORS:**

- Director Bergman complimented the notification procedures the District used with customers leading up to a house move that took place around the Funk vicinity that required a short outage.
- Chairman Jacobitz inquired about an email received from an SPPD customer regarding the wiring of an irrigation service on property he had just purchased. Director Klute noted that he was aware of the service in question and did not agree with the statements in the email. Klute stated that the service was wired correctly but labeled incorrectly and that the issue had been resolved. CEO Niedfeldt indicated he had received the same email but management had not had time to respond and investigate. Management will meet with the customer and report back in June.

#### **MANAGEMENT:**

- CEO Niedfeldt had no report.

### **COMMITTEE REPORTS:**

#### **FINANCE COMMITTEE:**

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

#### **LEGISLATIVE COMMITTEE:**

- CEO Neal Niedfeldt indicated there were no major issues regarding public power during this last legislative session.

### **PRESENTATION OF SCHOLARSHIP TO 2022 RECIPIENT**

Chairman Jacobitz presented a scholarship certificate to Bryce Barger from Central City.

***LUNCH RECESSED AT 12:00 P.M.,  
THE MEETING RECONVENED AT 12:35 P.M. IN OPEN SESSION.***

### **MOTIONS & RESOLUTIONS:**

#### **2022–2023 Strategic Plan**

The management team completed and presented each strategic planning action step and requests the approval of the 2022-2023 Strategic Plan as presented.

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

#### **RESOLUTION**

**RESOLVED**, that the Board of Directors of Southern Public Power District approves the action steps of the 2022–2023 Strategic Plan as presented by management.

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

Amendment and Restatement of Retirement Security and 401(k) Pension Plan

CEO Niedfeldt reported that as a participant of NRECA retirement plans, including the retirement and security defined benefit plan, and the 401(k)-pension plan, the District is required to restate the plans every five years for IRS changes that have occurred since the last restatement. Niedfeldt recommended the approval of the prepared Resolution as presented.

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the Resolution authorizing the amendment and restatement of the NRECA Retirement and Security Plan and the 401(k) Pension Plan.

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

Authorized Signatures at Cornerstone Bank

CEO Niedfeldt recommended the execution of a Resolution for new signature cards adding CFO Shannon Peard as a signatory for the Cornerstone Bank in Franklin, Nebraska.

A motion was duly moved by Director Anderbery, seconded by Director Choquette, 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 Cornerstone Bank in Franklin, Nebraska.

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

Electric Service Agreement with Hornady Manufacturing Company.

Energy Service Manager Sam Reinke reviewed the Electric Power Service agreement with Hornady Manufacturing Company increasing the electric service capacity by 1,500 kVa for a building addition.

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the Electric Power Service Agreement with Hornady Manufacturing Company as recommended by management.

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

Membership Renewal in the Grand Island Area Chamber of Commerce

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 renewal of membership in the Grand Island Area Chamber of Commerce with a membership fee of \$1,005.00.

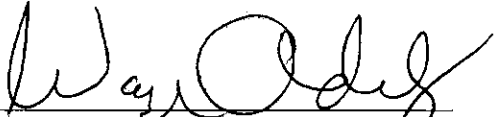
Roll call vote: Yes 11, No 0, Absent 3 (Directors Reeson, Lowry and Kuehn)

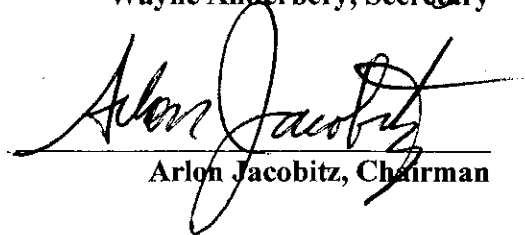
**MISCELLANEOUS BUSINESS:**

A Safety Council Meeting will be held on Wednesday, May 24<sup>th</sup>, 2022 at 10:00 a.m.

The next Board Meeting is scheduled for Wednesday, June 8, 2022 at 10:00 a.m.

There being no other business, the meeting was adjourned at 1:05 p.m.

  
Wayne Anderbery, Secretary

  
Arlon Jacobitz, Chairman