

SOUTHERN PUBLIC POWER DISTRICT

BOARD OF DIRECTORS MEETING

November 10th, 2021

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 November 10th, 2021, 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, Dean Klute, Bob Kieborz, Rick Bergman, Lee Grove, Kevin Choquette (arrived at 10:30 a.m.), Mike Lowry, Marvin Fishler, Kevan Reeson, Wayne Anderbery, Dana Meyer and Arlon Jacobitz. President/CEO Neal Niedfeldt and attorney Dave Jarecke were also present.

Directors absent: Joel Kuehn.

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

There were no revisions made to the minutes of the October 13th, 2021 regular Board meeting.

A motion was duly moved by Director Klute, 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 October 13th, 2021 regular Board meeting.

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

There were no revisions made to the minutes of the October 27th, 2021 Special Budget meeting.

A motion was duly moved by Director Meyer, 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 October 27th, 2021 Special Budget meeting.

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

BILLS AND CLAIMS

Management and staff answered questions regarding bills and claims.

A motion was duly moved by Director Kieborz, seconded by Director Lowry, 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 Choquette)

COMMENTS FROM THE PUBLIC

None.

DIRECTOR AND MANAGEMENT REPORTS

DIRECTOR REPORTS:

- Directors Anderbery, Benson and Meyer attended the NPPD Customer/Board Forum meeting on October 26th in Kearney.
- Directors Anderbery, Benson, Fishler and Chairman Jacobitz attended a luncheon meeting with NPPD Board of Directors Ed Schrock and Bill Hoyt on November 9th.
- Directors Meyer, Anderbery and Chairman Jacobitz attended the Executive Committee meeting on November 10th.

MANAGEMENT REPORTS:

President's comments:

- CEO Niedfeldt attended the following meetings and activities during the past month:
 - Southern Public Power Meetings – Attended the Board Budget meeting on October 27th in Grand Island. Attended the Operation Round Up Board meeting on November 2nd in Grand Island.
 - NPPD – Attended the Eastern Region's Managers meeting in Lincoln on October 22nd. Attended the Western Region's meeting at Dawson PPD in Lexington on November 8th.
 - NPA – Attended the Nebraska Advanced Nuclear Forum on October 21st in Lincoln.
- Operations and Construction – Personnel continue to complete budgeted construction projects. Delayed material deliveries resumed in late October and early November allowing for budget projects to be continued. Personnel have been installing LED streetlights in various communities, constructing a few new services, replacing poles and performing general maintenance
- NPPD Issues:
 - 2022 Wholesale Rate – NPPD did not receive any requests for a rate hearing in front of the NPPD Board of Directors regarding the 2022 wholesale rate. The NPPD Directors are expected to approve the rates at their December Board meeting.
 - 2022 PCA – NPPD has issued their proposal for the 2022 Production Cost Adjustment (PCA). The proposal includes a one-year refund of the surplus in excess of the 10% accumulation limit as of the end of 2020 (\$10.7 million) plus an advance refund of a portion of the projected current year 2021 surplus (\$63.5 million) resulting in a proposed total refund of approximately \$74.2 million in 2022. The resulting proposed PCA factor will be identical to the 2021 PCA factor.

- Requests for a rate hearing on the PCA must be received by NPPD before November 19th. Final approval by the NPPD Directors is expected in December.
- Decarbonization – No reports on the August public forums and survey regarding NPPD’s proposed Decarbonization policy have been received. It is expected the analysis and discussions will be taking place in November and December.
 - Proposed Re-Districting – NPPD’s Board will be acting on a proposed re-Districting of their various voting subdivisions. The current proposal would move Hall County from Subdivision 3 (Melissa Freeland) to Subdivision 2 (Aaron Troester).
 - Personnel – Ben Goracke, Apprentice Lineman on the Subtransmission Construction Crew, has been selected to replace Taylor Vanis on the Grand Island Construction Crew. Taylor had previously been selected for the District’s SCADA Technician position. Melissa Butt has resigned her position as Customer Service Representative in the Grand Island office. Ayatzini Valdez has accepted the District’s offer to replace Melissa on November 8th. Ayatzini resides in Grand Island, is a graduate of Central Community College, and a former customer service representative with the Central District Health Department.

Financial Reports:

- Summary of Revenues. CFO Brad Kool provided a comparison of revenues between September 2020 and 2021. Year-to-date revenues for the month of September 2021 amounted to \$69.82 million compared to \$74.10 million in 2020.
- Power Costs. CFO Kool provided a summary of the power bill for September 2021 indicating a peak demand of 154,749 kW as compared to 240,340 kW recorded in September 2020. The District purchased 75.6 million kWh’s in September 2021 as compared to 84.1 million kWh’s in September 2020.
- Balance Sheets and Income Statements. CFO Kool provided a comparison of income statements from September 2021 and September 2020. Year-to-date net margins as of September 30, 2021 were \$9,267,211 as compared to \$12,545,344 as of September 30, 2020. CFO Kool also reviewed balance sheets from September 2021 and September 2020.
- Cash Flow Summary. CFO Kool provided a summary of the statements of cash flows.

Customer Service and Collection Report:

- The production cost adjustment credit reflected on customers’ bills for September 2021 was (\$564,100). Year-to-date 2021, the production cost adjustment reflected on customers’ bills has totaled (\$1,885,306).
- The District’s disconnect day was on Wednesday, October 27th. District personnel worked 61 accounts with 57 accounts disconnected remotely using the AMI disconnect collar.

Engineering/Operations Report:

- Engineering/Operations Manager Aaron Brown stated that both substation footings and steel have been installed at the Central City’s Ethanol plant for its expansion project.
- There were 45 irrigation applications for 2022 approved and returned to customers for payment due to having enough material being on-hand. Estimates will be reviewed weekly, based on the supply of materials.

Marketing Report:

- Energy Services Manager Sam Reinke is coordinating a location for multiple electric vehicle charging stations with management from Bosselmans Travel Center.
- Reinke discussed this past year's EnergyWise and Efficient Electrification programs and presented next year's changes and additions to each of the programs.
- The District issued eight water heaters and provided \$13,006 to customers for incentives under the EnergyWise Program during the month of October.
- The District provided \$4,859 to customers for incentives under the Efficient Electrification Incentive during the month of October.

JIM PILLEN

Guest speaker, Jim Pillen, spoke to the Board about his on-going campaign for Governor. Mr. Pillen gave a history of his background and his conservative vision for Nebraska and answered questions from the Board following his presentation.

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

MANAGEMENT REPORTS: *(cont.)*

Communications Report:

- Public Relations Manager LeAnne Doose reported that an Operation Round Up Board meeting was held on Tuesday, November 2nd reviewing applications received for the Third Quarter of 2021. A total of \$11,900 was approved among 7 of 9 applicants.
- Doose provided a listing of upcoming promotional efforts for the District that will run through the end of December.
- The Central City crew conducted a Mock Mayday event in Aurora on October 26th. The activities that unfolded during the event were captured and shared in a video production which has been shared on the District's social platforms.

Safety Report:

- Safety Manager Todd Bailey reported on various equipment claims during the month of October.
- Mr. Bailey reviewed the Mock Mayday event and expressed that it was a great precautionary training module for everyone who participated.
- Employee safety meetings were conducted by Kansas Electric Cooperative in Grand Island on October 19th through the 21st.

CUSTOMER REPORTS:

DIRECTORS:

- Director Benson shared an inquiry he received from a customer relating to the cost of capacitors.

MANAGEMENT:

- CEO Niedfeldt gave an update on the District's ongoing assistance to Compute North with their interest in constructing a cryptocurrency mining center.

COMMITTEE REPORTS:

FINANCE COMMITTEE:

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

EXECUTIVE COMMITTEE:

- Executive Committee Chairman Jacobitz indicated that the committee had met prior to the Board meeting discussing dates and locations for next year's Strategic Planning meeting. After further discussions, it was determined by the Board that the meeting will be held at the Crane Trust Nature & Visitor Center in Alda on February 2nd, 2022 and the District will retain Charity Adams of Vision Fusion to facilitate the meeting.

MOTIONS & RESOLUTIONS:

Rate Stabilization Funds and 2022 Retail Rates

CFO Kool provided an overview of the District's PCA and Rate Stabilization Fund, noting a continuation of the production cost adjustment of \$0.00229 per kWh. No action was taken.

Facility Use Agreement with Hall County Election Commission

CEO Niedfeldt stated that the Hall County Election Commissioner would like to use the Grand Island facility for a polling site for voters for the 2022 Nebraska statewide elections. A proposed Facility Use Agreement with the Hall County Election Commission was reviewed. It was recommended by management that the District execute the agreement.

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 Facility Use Agreement between the District and the Hall County Election Commission for the purpose of an election site for the 2022 Primary and General Elections.

Roll call vote: Yes 13, No 0, Absent 1 (Director Kuehn)

2022 Board Meeting Dates

CEO Niedfeldt provided a list of recommended Board meeting dates for each month of 2022. All meeting dates would be set for the second Wednesday of each month except for the months of January and March to avoid certain scheduling conflicts.

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

RESOLUTION


RESOLVED, that the Board of Directors of Southern Public Power District approves the 2022 Board meeting date schedule as presented.

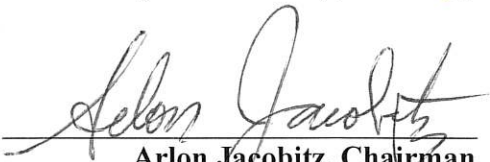
Roll call vote: Yes 13, No 0, Absent 1 (Director Kuehn)

MISCELLANEOUS BUSINESS:

- The next Regular Board meeting is scheduled for Wednesday, December 8th at 10:00 a.m.
- The Strategic Planning meeting will be held at The Crane Trust Nature & Visitor Center on February 2nd.

- There being no other business, the meeting was adjourned at 1:40 p.m.


Wayne Anderbery, Secretary


Arlon Jacobitz, Chairman