

# **SOUTHERN PUBLIC POWER DISTRICT**

## **BOARD OF DIRECTORS MEETING**

*October 13<sup>th</sup>, 2021*

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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 October 13<sup>th</sup>, 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, Mike Lowry, Joel Kuehn, Marvin Fishler, Kevan Reeson, 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**

There were no revisions made to the minutes of the September 8<sup>th</sup>, 2021 regular Board meeting.

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

#### **RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the minutes of the September 8<sup>th</sup>, 2021 regular Board meeting.

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

### **BILLS AND CLAIMS**

Management and staff answered questions regarding bills and claims.

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 all bills and claims.

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

## **COMMENTS FROM THE PUBLIC**

None.

## **DIRECTOR AND MANAGEMENT REPORTS**

### **DIRECTOR REPORTS:**

- Directors Grove, Katzberg, Benson, Meyer and Chairman Jacobitz attended the Labor Committee meeting on October 13<sup>th</sup>.
- Director Fisher attended the NPPD Board luncheon in York on October 12<sup>th</sup>.

### **MANAGEMENT REPORTS:**

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

- CEO Niedfeldt attended the following meetings and activities during the past month:
  - Southern Public Power Meetings – Attended the NRECA Region 7 meeting in Las Vegas on September 28<sup>th</sup>-30<sup>th</sup>.
  - NPPD – Participated in the NPPD virtual meeting regarding the 2022 PCA recommendation on October 4<sup>th</sup>. Attended the Western Region's Managers meeting at Twin Valleys PPD in Cambridge on October 7<sup>th</sup>. Attended the Nebraska G&T Managers meeting in Columbus on October 8<sup>th</sup>. Attended the NPPD Board luncheon in York on October 12<sup>th</sup> hosted by Directors Thompson and Williams.
  - NPA – Participated in the virtual Board of Directors meeting on September 15<sup>th</sup>.
- Operations and Construction – Personnel continue to complete budgeted construction projects although material supply issues are delaying several projects. Personnel have been constructing a few new services, replacing poles and performing general maintenance. Applications for new and upgraded irrigation services have started to arrive and estimates are being made.
- NPPD Issues:
  - Decarbonization Policy – NPPD's Board continues with gathering input from the public on a decarbonization goal. Five public forums were held in August with an estimated 600 people in attendance. A public survey was also provided from August 11<sup>th</sup> to September 1<sup>st</sup> for the public to express their opinions. It is estimated that NPPD received 6,000 responses. Management will be reviewing the responses with expectations for Board action before the end of the year.
  - July 2021 Financials – NPPD has reported a surplus of \$3.8 million for July and a YTD surplus of \$142.8 million through July 31, 2021. The Wholesale Production share of the surplus is \$134.2 million with the remainder assigned to NPPD's retail division.
- Economic Development Projects – Management continues to pursue projects for the District's Energy Park and have submitted responses to RFP's received during October. Discussions continue with other potential projects throughout the service area.
- Personnel – Taylor Vanis, Grand Island Journeyman Lineman, has accepted the position of SCADA Technician effectively replacing Doug Ward who retired at the end of September. Taylor has been with the District since 2009. Plans are moving forward to fill Taylor's previous position.
- NPPD 2021 GFPS Rate Study - CEO Niedfeldt reviewed a preliminary proposal for wholesale rates in 2022. NPPD will accept requests for a rate hearing through October and conduct a hearing in November if requested. The rates are to be considered by NPPD's Board of Directors in December with a proposed effective date in February of 2022.



#### Financial Reports:

- Summary of Revenues. CFO Brad Kool provided a comparison of revenues between August 2020 and 2021. Year-to-date revenues for the month of August 2021 amounted to \$64.15 million compared to \$68.70 million in 2020.
- Power Costs. CFO Kool provided a summary of the power bill for August 2021 indicating a peak demand of 289,901 kW as compared to 305,302 kW recorded in August 2020. The District purchased 140.3 million kWh's in August 2021 as compared to 164.3 million kWh's in August 2020.
- Balance Sheets and Income Statements. CFO Kool provided a comparison of income statements from August 2021 and August 2020. Year-to-date net margins as of August 31, 2021 were \$10,971,537 as compared to \$14,729,120 as of August 31, 2020. CFO Kool also reviewed balance sheets from August 2021 and August 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 August 2021 was (\$177,330). Year-to-date 2021 the production cost adjustment reflected on customers' bills has totaled (\$1,321,206).
- The District's disconnect day was on Tuesday, September 28<sup>th</sup>. District personnel worked 39 accounts with all 39 accounts disconnected remotely using the AMI disconnect collar.

#### Irrigation Statistics Report

- Irrigation Services Manager Anthony Bohaty provided an overview of the 2021 irrigation season. Revenues from energy sales for 2021 were \$11.9 million. The energy sales for 2021 were 176.8 million kWh's. Mr. Bohaty reported that there were seven (7) days of load control with a potential of 60 hours per service.

#### Engineering/Operations Report:

- In the absence of Engineering/Operations Manager Brown, CEO Niedfeldt reiterated on the uncertainty of lead times for materials, which is resulting in the delay of budgeted construction projects.
- Niedfeldt reported that the department has been working with various matters pertaining to cryptocurrency and ethanol plant operations.

#### Marketing Report:

- Energy Services Manager Sam Reinke has been working with Tri-City Signs and Harley Scott, Franklin Area Manager, on the installation of a new sign for the Franklin office.
- Reinke participated in the setup and teardown of Husker Harvest Days and also worked in the booth during this year's event.
- The District issued 12 water heaters and provided \$7,318 to customers for incentives under the EnergyWise Program during the month of September.

Communications Report:

- Public Relations Manager LeAnne Doose reported that an Operation Round Up Board meeting will be held on Tuesday, November 2<sup>nd</sup>, to review applications received for the Third Quarter of 2021.
- Doose provided a listing of upcoming promotional efforts that will run through the end of November.
- The District is planning on holding an Employee Recognition Banquet in January. Due to uncertainty of COVID measures during the next few months, staff will proceed planning cautiously.

Safety Report:

- Safety Manager Todd Bailey reported on various equipment claims during the month of September.
- Underground schooling was held in Grand Island on Tuesday, September 21<sup>st</sup> through Thursday, September 23<sup>rd</sup>.
- Upcoming employee safety meetings will be held on Tuesday, October 19<sup>th</sup> through Thursday, October 21<sup>st</sup> in Grand Island.

***LUNCH RECESSED AT 12:00 P.M.,  
THE MEETING RECONVENED AT 12:40 P.M. IN OPEN SESSION.***

**CUSTOMER REPORTS:**

**DIRECTORS:**

- Director Benson received positive feedback from a customer as a result of tree trimming services performed by the District.

**MANAGEMENT:**

- CEO Niedfeldt mentioned that the completion of the new Webb Cutting Components building at Energy Park should be finished and operational by the first of December.
- Performance Plus's tentative completion date is scheduled for the end of November.
- Bit49, Inc. is in search of a site to host their facility and is working with staff.

**COMMITTEE REPORTS:**

**FINANCE COMMITTEE:**

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

**LABOR COMMITTEE:**

Labor Committee Chairman Grove indicated that the Labor Committee has reviewed management's recommended salary adjustments for all salaried personnel to become effective November 1, 2021.

## **MOTIONS & RESOLUTIONS:**

### **Charge Off Uncollectible Accounts**

CFO Kool provided a review of accounts recommended for charge-off. CFO Kool reported that the list of recommended charge-offs totaled \$3,668.06.

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

#### **RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves charge-offs of delinquent accounts totaling \$3,668.06 as recommended by management.

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

### **Application to the Power Review Board for Amending Service Area SAA No. 51 and the Transfer of Customers to the City of Grand Island**

CEO Niedfeldt reviewed the recent annexation of two parcels of property that were contingent to Grand Island's city limits and located in the District's service territory. The city has requested the service area agreements be amended to transfer the electric service area from the District to Grand Island. The City and the District have prepared a joint application to be considered by the Power Review Board to amend the current service agreement. The application transfers three customers, two separate tracts of land and distribution facilities. Management would recommend the Board approve the Service Area Amendment with Grand Island.

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

#### **RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the Joint Application for Modification of Existing Service Area Agreement No. 51 to be applied to the Nebraska Power Review Board for an appropriate order of amendment as recommended by management.

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

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 going into closed session at 12:50 p.m. to discuss various business concerns and personnel issues.

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

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

#### **RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves coming out of closed session at 1:30 p.m.

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



Power Purchase Agreement with N Solar for Generation Projects

CEO Niedfeldt reviewed the previous resolution of the Board of Directors directing management to execute a Power Purchase Agreement with N Solar. The Agreement has not been executed due to additional negotiations occurring resulting in significant changes to the terms of the agreement. No action was taken and management was instructed to bring the Agreement forward for approval at a later date when negotiations are completed.

Economic Development Rate Agreement for Compute North NE05, LLC

CEO Niedfeldt reported that Compute North NE05, LLC, NPPD and the District executed a 3-way Economic Development Rate (EDR) agreement on October 1<sup>st</sup> to move forward with plans for Compute North's interest in constructing a cryptocurrency mining center with the access to NPPD's economic development rate schedule. Management would recommend the Board ratify the EDR Agreement that was executed on October 1<sup>st</sup>.

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the ratification of the EDR Agreement between the District, NPPD, and Compute North as recommended by management.

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

Support to the Aurora Development Corporation

CEO Niedfeldt provided an overview on how the District has been working with the Aurora Development Corporation (ADC) on economic development opportunities including responses to projects submitted by the Nebraska Department of Economic Development and planning for access to sites in the District's service area. Management recommends the Board approve the requested support of \$2,000 to the ADC in 2021.

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the requested support of \$2,000 from the Aurora Development Corporation for Economic Growth Services as recommended by management.

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

Support to the Phelps County Development Corporation

CEO Niedfeldt presented the request from the Phelps County Development Corporation (PCDC) for support for their continued economic development efforts in Holdrege and Phelps County. The District has completed a 5-year commitment for support from 2017-2021. The PCDC has asked the District to consider a new commitment for 2022-2026. Management would recommend the Board approve support in the amount of \$2,000 each year to the PCDC for 2022-2026.

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

## **RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the request for continued support to the Phelps County Development Corporation of \$2,000 each year for the period 2022-2006 as recommended by management.

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

### *Salary Adjustments for Salaried Personnel*

Director Grove, Labor Committee Chairman, indicated the Committee reviewed agreed with management's recommendations for salary adjustments for all Salaried Personnel to become effective November 1, 2021.

A motion was duly moved by the Labor Committee to adopt the following resolution:

## **RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves salary adjustments for salaried personnel to be effective November 1, 2021, as recommended by the Board Labor Committee.

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

### *Resolution of Appreciation for Chris Durand*

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

## **RESOLUTION**

**WHEREAS**, Chris Durand, Consumer Accounting Supervisor at Southern Public Power District, has exemplified outstanding expertise, dedication and commitment during her career serving the customers of the District; and

**WHEREAS**, Chris began her career at Southern Public Power District on February 17, 1992 as a Clerk in the District's Customer Services Department and was promoted to lead the Department on September 1, 2015 as the Consumer Accounting Supervisor; and

**WHEREAS**, Chris has been instrumental in customer billing for the District and her in-depth knowledge of billing processes has made her a key resource when challenges arise; and

**WHEREAS**, Chris successfully supported and improved the District's reputation of providing superior customer service to its customers; and

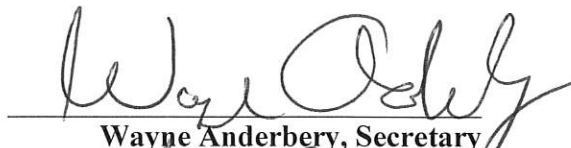
**WHEREAS**, Chris has retired from service to the District on October 15, 2021 after faithfully serving the customers of Southern Public Power District for over 29 years.

**THEREFORE, BE IT RESOLVED**, that we, the Members of the Board, do hereby extend to Chris, our sincere and grateful appreciation for her dedicated service to Southern Public Power District and extend our congratulations on her well-earned retirement, and our best wishes to Chris and her husband Ken for continued success, happiness, and good health in the years to come.

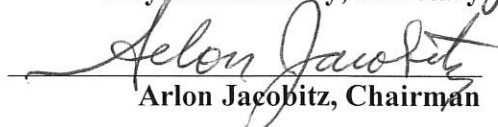
Roll call vote: Yes 14, No 0, Absent 0

## **MISCELLANEOUS BUSINESS:**

- Special Budget Meeting is scheduled for Wednesday, October 27<sup>th</sup> at 9:00 a.m. in Grand Island.
- The next Regular Board meeting is scheduled for Wednesday, November 10<sup>th</sup> at 10:00 a.m.
- There being no other business, the meeting was adjourned at 1:40 p.m.



Wayne Anderbery, Secretary



Arlon Jacobitz, Chairman