



BOARD OF DIRECTORS MEETING

October 12th, 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 October 12, 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 (arrived at 10:20 a.m.), Dean Klute, Kevin Choquette, Rick Bergman, 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: Joel Kuehn and Kevan Reeson

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 14, 2022 regular Board meeting.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the minutes of the September 14, 2022 regular Board meeting as amended.

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

BILLS AND CLAIMS

Management and staff answered questions regarding bills and claims.

A motion was duly moved by Director Fishler, 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 11, No 0, Absent 3 (Directors Kuehn, Reeson and Katzberg)

COMMENTS FROM THE PUBLIC

There were no comments made.

DIRECTOR AND MANAGEMENT REPORTS

DIRECTOR REPORTS:

- Directors Klute, Benson and Fishler attended the Building Committee meeting in Central City on Wednesday, September 28th.
- Directors Grove, Meyer, Benson, Katzberg and Chairman Jacobitz attended the Labor Committee on Wednesday October 12th.

MANAGEMENT REPORTS:

President's comments:

- CEO Niedfeldt attended the following meetings and activities during the past month:
 - SPPD – Attended the Eastern Region's Managers meeting on September 16th in Lincoln. Hosted the Western Region's Managers meeting on September 23rd in Grand Island. Attended the Employee Appreciation lunches in Grand Island on September 22nd and 29th. Attended the Building Committee meeting in Central City on September 28th.
 - NPA – Attended the NPA Board meeting in Lincoln on September 21st.
- NPPD Issues:
 - Cost Analysis and 2023 Wholesale Rates – NPPD has issued their Cost Analysis and 2023 wholesale rate proposal. If any wholesale customer desires a rate hearing with the NPPD Board, the request must be delivered to NPPD by October 21st. Although components of the 2023 rate schedule have been adjusted, the overall impact to Southern PPD is an increase of .05% (less than \$40,000). The PCA is scheduled to be reduced for 2023.
- Union Agreement – Negotiations for the Union contract effective November 1st have been completed. The new agreement is 2 years in length and includes salary adjustments and various changes to certain benefits. Details were reviewed with the Labor Committee.
- Human Resources – Meetings continue to be scheduled with employee groups allowing input and discussions with Sage Collaborative. Employee Appreciation lunches were held on September 22nd and 29th in Grand Island recognizing everyone's work over the past six months. Ideas are being solicited for improving the District's training program, increasing communication efforts from management to employees, and developing a new performance appraisal system.
- Economic Development – The District continues to receive requests for proposals from the State Economic Development Department and NPPD for industrial prospects seeking future sites. Responses to these RFP's this past month have been coordinated with both parties along with the Grand Island and Aurora Economic Development Corporations.
- Personnel – Matt Lovejoy and Tyler Fuelberth have been promoted to Survey Technician effective October 3rd. Matt and Tyler currently are linemen in the Central City office. Amanda Groff will start on October 10th as the new Public Relations Manager. Jacob Bradley, lineman in the Franklin office, resigned to pursue other opportunities. Personnel are currently searching for four open linemen positions including one for the subtransmission construction crew, 2 positions in Central City and 1 in Franklin.

SAGE COLLABORATIVE

Marie de Martinez, working with Southern's management team to provide temporary human resource functions and leadership training, reported on her area office visits and the Grand Island office personnel.

Financial Reports:

- Summary of Revenues. CFO Shannon Peard provided a comparison of revenues between August 2021 and 2022. Year-to-date revenues through August 2022 amounted to \$67.73 million as compared to \$64.15 million in 2021.
- Power Costs. CFO Peard provided a summary of the power bill for August 2022 indicating a peak demand of 350,146 kW as compared to 289,901 kW recorded in August 2021. The District purchased 185.21 million kWh in August 2022 as compared to 140.33 million kWh in August 2021.
- Balance Sheet and Income Statement. CFO Peard provided a comparison of income statements from August 2022 and August 2021. Year-to-date net margins as of August 31, 2022 were \$12,155,977 as compared to \$10,971,537 as of August 31, 2021.
- Cash Flow Summary. CFO Peard provided a summary of the statements of cash flows. Cash and investments at August 31, 2022 were \$62.1 million compared to \$60.70 million at August 31, 2021.

Customer Service and Collection Report:

- The District's disconnect day was scheduled for Wednesday, September 28th. District personnel worked 41 accounts, with 40 accounts being disconnected remotely.

Engineering/Operations Report:

- Engineering/Operations Manager Aaron Brown reported that the load capacity study for Aurora Power Park has been filed with the Southwest Power Pool and NPPD.
- An updated schedule for delivery of the Virginia transformers ordered previously indicated two of the eight transformers should be delivered by the end of the year.
- The Franklin Wind Project is produced 1,425 MWH's of electricity from September 7th through September 30th.
- Osmost pole testing started this year with 5,906 poles being inspected and 248 poles being rejected. The failure rate is 4.2%.

Energy Services Report:

- Energy Services Manager Sam Reinke participated in 2022 Husker Harvest Days event with the CSN group.
- Sam Reinke attended the Doniphan Village Board meeting in October clarifying questions regarding their lease agreement.
- During the month of September, the District issued one (1) water heater and provided incentives totaling \$10,143 to customers through the Energy Efficiency Program. Year-to-date Energy Efficiency incentives total \$125,121. The District provided \$112 in Efficient Electrification incentives during September. Year-to-date Efficient Electrification incentives total \$17,950.
- The District has issued 758 irrigation capacitor program rebates and has returned \$304,229 to irrigation customers.

Safety Report:

- Safety Manager Todd Bailey reported on incidents for the month of September.
- Todd assisted in pole top and bucket rescue training at all areas.

CUSTOMER REPORTS:

DIRECTORS:

- Director Grove reported a customer's concern to the District's response time of providing estimates and the construction of new irrigation services.

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

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 indicated that the committee met on Wednesday, October 12, and reviewed the negotiated labor agreement with IBEW Local Union 1597 and management's recommended salary adjustments for all salaried personnel to become effective November 1, 2022.

BUILDING COMMITTEE:

- CEO Niedfeldt stated that the committee toured the Central City site to oversee the deficiencies and potential solutions. The committee will be addressing the issues that have been identified and have requested assistance from Boyd Jones.

SEARCH COMMITTEE:

- Search Committee Chairman Meyer reviewed discussion with Ken Holmes from Holmes Executive Search LLC and Dave Jarecke concerning timeframes of the upcoming CEO search. Director Meyer indicated that Ken Holmes is in agreement with the schedule that includes a start date of April 2023 and a completion date of September, 2023.

MOTIONS & RESOLUTIONS:

Charge Off Uncollectible Accounts

There were no charge-offs presented for the month of September.

Labor Agreement between Southern Public Power District & Local Union 1597 of the IBEW

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 the Labor Agreement between Southern Public Power District and IBEW Local Union 1597 as

recommended by the Board Labor Committee and authorized President/CEO Niedfeldt to execute the Agreement on behalf of the District.

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

Salary Adjustments for Salaried Personnel

Director Grove, Labor Committee Chairman, indicated the Committee reviewed management's recommendations for salary adjustments for all Salaried Personnel to become effective November 1, 2022.

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, 2022, as recommended by the Board Labor Committee.

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

EXECUTIVE SESSION

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 going into executive session at 1:05 p.m. to discuss an employee complaint filed with the Nebraska Equal Opportunity Commission.

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

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 coming out of executive session at 1:15 p.m.

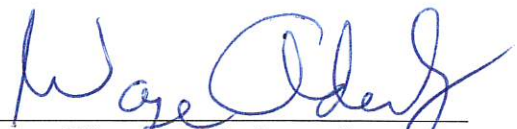
Roll call vote: Yes 12, No 0, Absent 2 (Directors Kuehn and Reeson)

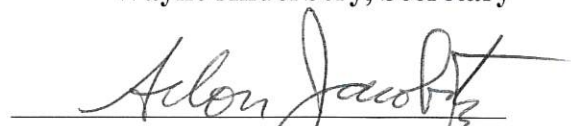
MISCELLANEOUS BUSINESS:

Next Board meeting is scheduled for Wednesday, November 9th.

There will be a Board Budget Committee meeting on October 26th starting at 9:00 a.m.

There being no other business, the meeting was adjourned at 1:21 p.m.


Wayne Anderbery, Secretary


Arlon Jacobitz, Chairman