

# SOUTHERN PUBLIC POWER DISTRICT

## BOARD OF DIRECTORS MEETING

*September 8<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 September 8<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, 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: Kevin Choquette.

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 August 11<sup>th</sup>, 2021 regular Board meeting.

A motion was duly moved by Director Klute, 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 August 11<sup>th</sup>, 2021 regular Board meeting.

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

### BILLS AND CLAIMS

Management and staff answered questions regarding bills and claims.

A motion was duly moved by Director Grove, seconded by Director Katzberg, 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 13, No 0, Absent 1 (Director Choquette)

## **COMMENTS FROM THE PUBLIC**

None.

## **DIRECTOR AND MANAGEMENT REPORTS**

### **DIRECTOR REPORTS:**

- Director Katzberg attended the NPPD Public Forum on Decarbonization in Kearney on August 18<sup>th</sup> and the Labor Committee meeting on September 8<sup>th</sup>.
- Director Kuehn attended the Safety Council meeting on August 25<sup>th</sup>.
- Director Grove attended NPPD Public Forum on Decarbonization in Kearney on August 18<sup>th</sup> and the Labor Committee meeting on September 8<sup>th</sup>.
- Director Klute attended the NPPD Annual Wholesale Customers meeting in York on August 20<sup>th</sup>.
- Director Meyer attended the Labor Committee meeting on September 8<sup>th</sup>.
- Director Fishler attended the NPPD Public Forum on Decarbonization in Kearney on August 18<sup>th</sup>.
- Director Benson attended the Labor Committee meeting on September 8<sup>th</sup>.
- Director Anderbery attended the NPPD Public Forum on Decarbonization in Kearney on August 18<sup>th</sup>.
- Chairman Jacobitz attended the NPPD Annual Wholesale Customers meeting in York on August 20<sup>th</sup> and the Labor Committee meeting on September 8<sup>th</sup>.

### **MANAGEMENT REPORTS:**

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

- CEO Niedfeldt attended the following meetings and activities during the past month:
  - Southern Public Power Meetings – Met with personnel in each Area office during August with updates on District activities. Attended the Safety Council meeting on August 25<sup>th</sup> in Grand Island. Attended the quarterly meeting with Union representatives on August 31<sup>st</sup> in Grand Island.
  - NPPD – Attended the Public Forum on Decarbonization in Seward on August 12<sup>th</sup> and in Kearney on August 18<sup>th</sup>. Attended the Annual Wholesale Customers meeting in York on August 19<sup>th</sup> and 20<sup>th</sup>. Attended the Western Region's Managers meeting on August 26<sup>th</sup> in McCook. Attended the Eastern Region's Managers meeting in Lincoln on September 3<sup>rd</sup>.
- 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.

- Coronavirus – All counties in the District continue to show increases in the number of positive tests for the COVID-19 virus. New procedures for handling positive tests and/or contact with others that have been tested positive have been shared with all employees. Procedures are different for those that have been vaccinated and for those that have not been vaccinated. Management is constantly in contact with the Central Health District for updated COVID-19 procedures.
- Operations and Construction – August was hot and dry early but finished up with timely rains spread across most of the District’s service area. Irrigation loads were impacted negatively. Current projections are that irrigation energy sales will be 20% less than 2020. Repairs from the July 9<sup>th</sup> storm have been made and an application to FEMA for relief funds has been submitted. Personnel continue to complete budgeted distribution and subtransmission projects with some rescheduling due to material delivery issues.
- Special Projects – The management team has continued progress on the District’s renewable energy projects and responded to various economic development projects.
- Personnel – Doug Ward, Electromechanical Specialist, has announced his retirement effective September 30<sup>th</sup>. Mr. Ward will complete a 42-year career with the District. Plans are being made to recruit his replacement.

#### Financial Reports:

- Summary of Revenues. CFO Brad Kool provided a comparison of revenues between July 2020 and 2021. Year-to-date revenues for the month of July 2021 amounted to \$54.25 million compared to \$56.83 million in 2020.
- Power Costs. CFO Kool provided a summary of the power bill for July 2021 indicating a peak demand of 301,502 kW as compared to 218,272 kW recorded in July 2020. The District purchased 141.0 million kWh’s in July 2021 as compared to 99.8 million kWh’s in July 2020.
- Balance Sheets and Income Statements. CFO Kool provided a comparison of income statements from July 2021 and July 2020. Year-to-date net margins as of July 31, 2021 were \$9,885,215 as compared to \$12,197,694 as of July 31, 2020. CFO Kool also reviewed balance sheets from July 2021 and July 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 July 2021 was (\$162,650). Year-to-date 2021 the production cost adjustment reflected on customers’ bills has totaled (\$1,143,876).
- The District’s disconnect day was on Thursday, August 26<sup>th</sup>. District personnel worked 63 accounts with 57 accounts being disconnected remotely using the AMI disconnect collar.

#### Engineering/Operations Report:

- Engineering/Operations Manager Brown reported on a power factor analysis at a Southern employee’s well by testing the system with capacitors installed and with capacitors removed from the service.
- Engineering staff has completed plans for the 3-way subtransmission switch that will be used as the interconnection point between the District and the Franklin County wind project.

- Dirt work has been completed for the new substation site at Green Plains Central City.
- Operations staff are continually updating the status of the District's open purchase orders and expected delivery times to receive material. Lead times continue to be an issue on receiving material resulting in the delay of budgeted construction projects.

**Marketing Report:**

- In the absence of Energy Services Manager Sam Reinke, CEO Niedfeldt reported that Mr. Reinke attended the Customer Solution Network group meeting in which they made plans for the Energy Booth at this year's Husker Harvest Days.
- Reinke attended an Efficient Electrification Sub-Committee meeting regarding electric vehicle incentives, changes to the lawn and garden incentives and new incentives for commercial/industrial fleet vehicles.
- CEO Niedfeldt reported on the application process and the availability of Electric Vehicle Grants that is offered to NPPD's wholesale customers. The consensus of the Board was for management to place an application for an Electric Vehicle Grant in 2022/2023.
- The District issued five (5) water heaters and provided \$7,717 to customers for incentives under the EnergyWise Program during the month of August.

**Communications Report:**

- Public Relations Manager LeAnne Doose reported that National Drive Electric Week is September 23<sup>rd</sup> through October 3<sup>rd</sup>. The District will have NPPD's Mustang Mach-E in our possession on September 29<sup>th</sup> and it will be driven through the Harvest of Harmony Parade and the Doniphan Fall Festival.
- Information was published in the September-October Customer News Magazine about EV's, including an overview of charging terminology and an explanation of the EnergyWise incentives available to customers.
- Upcoming promotional efforts will focus on safety during the harvest season and public power week. Contents will be shared across social platforms and coordinated with advertising on local radio stations.

**Safety Report:**

- Safety Manager Todd Bailey reported on various personnel and vehicle claims during the month of August.
- Mr. Bailey stated that there were safety meetings and Bucket Truck Rescue training conducted at each area office this past month.

**CUSTOMER REPORTS:**

**DIRECTORS:**

- Director Fishler received concerns from customers regarding the power factor adjustment policy for irrigators and the savings customers will be receiving from the newly installed capacitors. Management indicated the District will provide more information to the public at the end of irrigation season.

**MANAGEMENT:**

- CEO Niedfeldt commented on the progress of the housing project in Phillips, Nebraska where 9 houses have been constructed on the 54-lot project.

**COMMITTEE REPORTS:**

**FINANCE COMMITTEE:**

- In the absence of Committee Chairman Choquette, Board Secretary Anderbery 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 met prior to the Board meeting reviewing the Union contract, NRECA’s health insurance rates and Non-Union salaries which will be an agenda item at the October Board meeting.

**MOTIONS & RESOLUTIONS:**

**NRECA Insurance Plans for 2022**

CFO Brad Kool reported that the District has received the renewal billing rates from NRECA for the District’s health insurance plan for 2022. The renewal for 2022 is based on claims incurred during April 1, 2019, through March 31, 2021. Claims include an adjustment to reflect the unusual COVID-19 impacts during 2020 and 2021 due to lower utilization and deferral of medical care. The renewal results in an increase of 3.6% for the NRECA insurance plans. Management recommends the Board of Directors approve the renewal of the insurance program with NRECA for 2022.

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the renewal of insurance coverage through NRECA and the health insurance options for 2022 as presented by management.

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

**Appointment of Voting Delegate for the CFC 2021 Business Meeting**

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 appointing President/CEO Niedfeldt as the 2021 voting delegate for the CFC business meeting at the 2021 NRECA Regional Meeting in Las Vegas, NV.

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

**Appointment of Voting Delegate for the Federated Insurance Business Meeting**

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves appointing President/CEO Niedfeldt as the 2021 voting delegate for the Federated Insurance business meeting at the 2021 NRECA Regional Meeting in Las Vegas, NV.

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

Resolution of Appreciation for Doug Ward

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

**RESOLUTION**

**WHEREAS**, Doug Ward, Electromechanical Specialist at Southern Public Power District, has exemplified outstanding expertise, dedication and commitment during his career serving the customers of the District; and

**WHEREAS**, Doug began his career at Southern Public Power District beginning on May 1, 1979 as an Apprentice Lineworker and Commercial Meter Reader for the District's Grand Island Office. He achieved the role of Journeyman Lineworker on November 11, 1984 and assumed the role of Electromechanical Specialist on March 8, 1995; and

**WHEREAS**, Doug demonstrated outstanding technical expertise in his duties with the installation and maintenance of a variety of systems including load control, capacitor control, substation metering and SCADA; and

**WHEREAS**, Doug demonstrated his leadership abilities, serving as the Grand Island Area Steward and the Chief Steward for Local Union IBEW 1597 for a combined 20 years, negotiating contracts that served the employees and the customers of the District with thoughtfulness and respect; and

**WHEREAS**, Doug has retired from service to the District and its customers on September 30, 2021, after faithfully serving the customers of Southern Power District for over 42 years.

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

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

**MISCELLANEOUS BUSINESS:**


The next Board meeting is scheduled for Wednesday, October 13<sup>th</sup> at 10:00 a.m.

NRECA Region 7 Meeting is scheduled for September 28<sup>th</sup>-29<sup>th</sup>, 2021, in Las Vegas, NV.

Budget Committee Meeting is schedule for Wednesday, October 27<sup>th</sup> at 9:00 a.m. in Grand Island.

There being no other business, the meeting was adjourned at 12:00 p.m.

  
Wayne Anderbery, Secretary

  
Arlon Jacobitz, Chairman